



Aeropuertos Argentina 2000

Aeropuertos Argentina 2000 S.A.

US\$400,000,000

6.875% Senior Secured Notes due 2027

Issue Price: 99.888%

We are offering U.S.\$400,000,000 aggregate principal amount of our 6.875% notes due 2027 (the “Notes”). The Notes will bear interest at 6.875% per annum, which will be paid quarterly on each Payment Date (as defined herein), commencing on May 1, 2017. Principal of the Notes will be repaid in 32 quarterly installments as set forth herein commencing on May 1, 2019. The Notes will mature on February 1, 2027.

The Notes will be our senior secured negotiable obligations and will rank *pari passu* with all of our existing and future senior obligations; *provided, however*, that during the Existing Notes Pre-Redemption Period (as defined herein), the Notes will rank junior to the Existing Notes (as defined herein) to the extent of the value of the Existing Notes Redemption Principal Amount (as defined herein). The Notes will be secured by the transfer and assignment in trust, in accordance with Sections 1666 to 1707 of the Argentine Civil and Commercial Code, as amended, of our right, title and interest to certain of our revenues related to the Concession Agreement, certain amounts collectible from the Argentine National Government, and in respect of all amounts on deposit in certain trust accounts, as further described herein. The Transferred Rights (as defined herein) that will secure our obligations under the Notes have previously been assigned and transferred to the Existing Notes Trustee (as defined herein) under the Existing Trust (as defined herein) securing the Company’s obligations under the Existing Notes; thus, payments in respect of the Transferred Rights will flow into the Trust (as defined herein) only after the Existing Notes Indenture Trustee (as defined herein) has received sufficient funds to redeem the Existing Notes.

We may redeem the Notes at our option, in whole or in part, at any time and from time to time, prior to the date that is 60 months prior to the maturity date of the Notes, at a redemption price equal to the greater of 100% of the outstanding principal amount of the Notes to be redeemed and a redemption price based on a “make-whole” premium, plus in each case accrued and unpaid interest to the date of redemption. In addition, we may redeem the Notes at our option, in whole or in part, at any time and from time to time, beginning on the date that is 12 months prior to the maturity date of the Notes, at a redemption price equal to 100% of the outstanding principal amount of the Notes to be redeemed, plus accrued and unpaid interest to the date of redemption. Upon the occurrence of specified events relating to Argentine tax law, we may redeem the Notes, in whole, but not in part, at 100% of their principal amount, plus accrued and unpaid interest to the date of redemption. We may also redeem all, but not less than all, of the Notes, solely for the purpose of refinancing the Notes, if, prior to the second anniversary of the Issuance Date, the Concession is extended through at least February 13, 2038, at 100% of their principal amount, plus accrued and unpaid interest to the date of redemption, at the Concession Extension Redemption Price (as defined herein); provided that notice thereof must be given within 120 days after obtaining such extension of the Concession. We may also redeem the Notes at our option, in whole or in part, at any time and from time to time, before the fifth anniversary of the Issuance Date, with the proceeds from equity offerings. See “Description of Notes—Redemption of the Notes—Optional Redemption,” “—Optional Redemption Following Concession Extension,” “—Optional Redemption for Changes in Taxes” and “—Optional Redemption for Equity Offerings.”

Application has been made to list the Notes on the Luxembourg Stock Exchange and admitted for trading in the Euro MTF Market. The Notes are listed and admitted for trading in the Mercado de Valores de Buenos Aires S.A. (“MERVAL”) and in the Mercado Abierto Electrónico S.A. (“MAE”).

The Notes will constitute non-convertible notes (*obligaciones negociables simples no convertibles en acciones*) under the Argentine Negotiable Obligations Law No. 23,576, as amended (the “Negotiable Obligations Law”), and will be issued and placed in accordance with such law, Law No. 26,831 on Capital Markets (the “Argentine Capital Markets Law”), Decree No. 1023/2013 implementing the Capital Markets Law, as amended and supplemented, rules issued by the Argentine securities commission (*Comisión Nacional de Valores*, or “CNV”) pursuant to General Resolution No. 622/2013, as amended and supplemented (the “CNV Rules”), and any other applicable law and/or regulation of the Republic of Argentina (“Argentina”), and will have the benefits provided thereby and will be subject to the procedural requirements therein set forth.

Investment in the Notes bears significant risks. See “Risk Factors” beginning on page 29 for a discussion of certain information that you should consider before investing in the Notes.

The public offering of the Notes was authorized by the CNV pursuant to Resolution No. 18,427 dated December 29, 2016. The authorization of the CNV means only that the information requirements of the CNV have been satisfied. The offer of the Notes to the public in Argentina will be made by means of a prospectus in the Spanish language in accordance with CNV regulations containing substantially the same information as this Offering Memorandum, other than with respect to the description of U.S. securities and tax laws that are relevant to the Notes, but in a different format (the “Argentine Offering Memorandum”). The CNV has not rendered any opinion in respect of the accuracy of the information contained in the Argentine Offering Memorandum or this Offering Memorandum.

The Notes have not been, and will not be registered, under the U.S. Securities Act of 1933, as amended (the “Securities Act”), any state’s securities laws or the securities laws of any other jurisdiction (other than Argentina) and may not be offered or sold in the United States or to U.S. persons (as defined in Regulation S of the Securities Act, or “Regulation S”), except in transactions exempt from, or not subject to, the registration requirements of the Securities Act. Accordingly, the Notes are being offered and sold in the United States in reliance upon Rule 144A under the Securities Act (“Rule 144A”) only to “qualified institutional buyers” (“QIBs”), as defined in Rule 144A, or outside of the United States in reliance upon Regulation S to persons other than U.S. persons. Prospective purchasers that are qualified institutional buyers are hereby notified that the seller of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of eligible offerees and certain restrictions on transfer of the Notes, see “Transfer Restrictions.”

Delivery of Notes to purchasers in book-entry form through the Depository Trust Company (“DTC”) was made on February 6, 2017.

Joint Bookrunners

Oppenheimer & Co. Inc.

Morgan Stanley

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You should rely only on the information contained in this offering memorandum (this "Offering Memorandum"). Neither we, Oppenheimer & Co. Inc. nor Morgan Stanley & Co. LLC (together with Oppenheimer & Co. Inc., the "Initial Purchasers") have authorized anyone to provide you with information that is different from or additional to that contained in this Offering Memorandum, and we and the Initial Purchasers take no responsibility for any other information that others may give you. If anyone provides you with different or additional information, you should not rely on it. You should assume that the information in this Offering Memorandum is accurate only as of the date on the front cover of this Offering Memorandum, regardless of time of delivery of this Offering Memorandum or any sale of the Notes. Our financial condition and cash flows may change after the date on the front cover of this Offering Memorandum. Our business, financial condition, results of operations and prospects may change after the date on the front cover of this Offering Memorandum.

NOTICE TO INVESTORS

This Offering Memorandum does not constitute an offer to sell, or a solicitation to buy, any Note by any person in any jurisdiction in which it is unlawful for such person to make an offer, solicitation, or sale. Neither the delivery of this Offering Memorandum nor any sale made hereunder shall imply under any circumstances that there has been no change in our affairs or that the information set forth in this Offering Memorandum is correct at any date subsequent to the date of this Offering Memorandum.

The offering is being made in reliance upon an exemption from registration under the Securities Act as an offer and sale of securities that does not involve a public offering in the United States. The Notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and applicable U.S. state securities laws pursuant to registration or exemption therefrom. You should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time.

This Offering Memorandum constitutes a prospectus pursuant to the Luxembourg Law dated 10.7.2005, as amended.

This Offering Memorandum may only be used for the purposes for which it has been published. The Initial Purchasers make no representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this Offering Memorandum (financial, legal or otherwise) or assume no responsibility for the accuracy or completeness of any such information. Nothing contained in this Offering Memorandum is, or shall be relied upon as, a promise or representation by the Initial Purchasers as to the past or future. We have furnished the information contained in this Offering Memorandum.

When making an investment decision, you must rely on your own examination of our business, the financial information contained in this Offering Memorandum and the terms and conditions of this offering, including the merits and risks involved. The Notes have not been recommended, approved or disapproved by any U.S. federal or state securities commission or regulatory authority. No such authorities nor the CNV have confirmed the accuracy or determined the adequacy of this Offering Memorandum. Any representation to the contrary may be a criminal offense.

This Offering Memorandum contains summaries believed to be accurate with respect to certain documents, but reference is made to the actual documents for complete information. All such summaries are subject in their entirety to this reference. You may obtain copies of this Offering Memorandum and of our Consolidated Financial Statements (as defined herein) upon written request at Honduras 5663, C1414BNE, City of Buenos Aires, Argentina, Attention: Administration and Finances Management, telephone number (+54-11) 4852-6900, facsimile number (+54-11) 4852-6932, or at Suipacha 268, 12th floor, C1008AAF, City of Buenos Aires, Argentina, telephone number (+54-11) 4321-7500, facsimile number (+54-11) 4321-7555. In addition, a substantially similar version of this Offering Memorandum and our Consolidated Financial Statements are available in Spanish on the CNV's webpage (<http://www.cnv.gov.ar>). Such substantially similar version of this Offering Memorandum in Spanish has not been provided to and has not been reviewed by, the Luxembourg Stock Exchange.

After having made all reasonable inquiries, we confirm that we accept responsibility for the information we have provided in this Offering Memorandum and assume responsibility for the correct reproduction of the information contained herein. We, having taken all reasonable care to ensure that such is the case, confirm that the information contained in this Offering Memorandum is, to the best of our knowledge, in accordance with the facts and contains no omission likely to make this Offering Memorandum misleading.

You must (i) comply with all applicable laws and regulations in effect in any jurisdiction in connection with the possession or distribution of this Offering Memorandum and the purchase, offer or sale of the Notes, and (ii) obtain any required consent, approval or permission for your purchase, offer or sale of the Notes under the laws and regulations applicable to you in effect in any jurisdiction to which you are subject or in which you make such purchases, offers or sales, and neither we nor the Initial Purchasers have any responsibility therefor.

You acknowledge that:

- you have been afforded an opportunity to request from us and to review all additional information that you consider to be necessary to verify the accuracy of or to supplement the information contained in this Offering Memorandum;
- you have not relied on the Initial Purchasers or any agent or representative of or any person affiliated with the Initial Purchasers in connection with your investigation of the accuracy of such information or your investment decision; and
- no person has been authorized to give any information or to make any statements about us or the Notes that are inconsistent with this Offering Memorandum. If any other information is given or statements are made, it should not be considered as having been authorized by us or the Initial Purchasers.

Pursuant to the provisions of the Argentine Capital Markets Law, issuers of securities, together with the members of their board of directors and supervisory committee, with respect to matters within their competence, the offerors of such securities, with respect to the information concerning securities, and the persons who signed the Argentine offering memorandum related to a public offering of securities in Argentina, are liable for all information included in the offering memorandum filed with the CNV. The entities who participate as initial purchasers for the purchase or sale of securities by means of a public offering in Argentina shall carefully review the information contained in the offering memorandum, and experts or third parties who render an opinion on certain information contained therein shall only be liable for the information on which they rendered such an opinion.

The issuance of the Notes and their terms and conditions were authorized at a meeting of our shareholders held on November 30, 2016, and by resolution of our board of directors approved on December 2, 2016.

In connection with the issuance of the Notes, the Initial Purchasers (or persons acting on their behalf) may over allot Notes or effect transactions in order to support the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Initial Purchasers (or persons acting on their behalf) will undertake such stabilization activities. Such stabilization activities, if commenced, may be discontinued at any time and, if commenced, must be brought to an end after a limited period of time. Any stabilization activities will be undertaken in accordance with the Argentine Capital Markets Law, the CNV Rules and other applicable laws and regulations. See “Plan of Distribution—Stabilization Transactions.”

See “Risk Factors,” for a description of certain risk factors relating to an investment in the Notes, including information about our business. We, the Initial Purchasers, or any of our or their representatives are not conveying to you any information regarding the legality of your investment under applicable legal investment or similar laws. You should not construe anything in this Offering Memorandum as legal, business or tax advice. You should consult with your own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Notes.

NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA

This Offering Memorandum has been prepared on the basis that any offer of notes in any Member State of the European Economic Area (each, a “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 Member State of Notes which are the subject of the offering contemplated in this Offering 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 each case, 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. The expression “Prospectus Directive” means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Member State.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM

This Offering Memorandum is for distribution only to and directed only at persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Financial Promotion Order”), (ii) are persons falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations etc.”) of the Financial Promotion Order, or (iii) are outside the United Kingdom (all such persons together being referred to as “relevant persons”). This Offering Memorandum is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Offering Memorandum relates is available only to relevant persons and will be engaged in only with relevant persons.

For additional information for investors in certain countries, see “Plan of Distribution” and “Transfer Restrictions.”

ADDITIONAL INFORMATION

For so long as any Notes are “restricted securities” within the meaning of Rule 144A(a)(3) under the Securities Act, we will, during any period in which we are 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 Indenture Trustee (as defined herein) 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 Indenture Trustee, the information required to be provided by Rule 144A(d)(4) under the Securities Act.

We are required to periodically furnish certain information in Spanish with the CNV, Merval and MAE, including quarterly and annual reports and notices of material events (*hechos relevantes*). All such reports and notices are available at the website of the CNV (<http://www.cnv.gob.ar>), the website of Merval (<http://www.bolsar.com>) and the website of MAE (<http://www.mae.com.ar>). The documents filed with the CNV, Merval and MAE are not a part of this Offering Memorandum and are not incorporated by reference herein.

ENFORCEMENT OF CIVIL LIABILITIES

We are organized under the laws of Argentina, and all of our directors, officers and most of our controlling persons named in this Offering Memorandum reside outside the United States. In addition, all of our assets (other than certain offshore accounts) and a substantial portion of the assets of these persons are located in Argentina. As a result, it may not be possible for investors to effect service of process outside Argentina upon any of our directors or officers, or to enforce against us or such parties in United States courts judgments predicated solely upon the civil liability provisions of the federal securities laws of the United States or other non-Argentine laws. In addition, M. & M. Bomchil Abogados, our Argentine counsel, has advised us that there is doubt as to whether the courts of Argentina would enforce in all respects, to the same extent and in as timely a manner as a U.S. or other non-Argentine court, an original action predicated solely upon the civil liability provisions of the federal securities laws or other non-Argentine laws; and that the enforceability in Argentine courts of judgments of U.S. or other non-Argentine courts predicated upon the civil liability provisions of the U.S. federal securities laws or other non-Argentine laws will be subject to compliance with certain requirements under Argentine law, including the condition that any such judgment does not violate Argentine public policy (*orden público argentino*). Additional information regarding the collectability of judgments is set forth in “Risk Factors—Risks Related to Argentina—You may not be able to enforce a foreign judgment in Argentina.”

The courts of Argentina may recognize and enforce foreign judgments provided that the requirements of Argentine law are met, such as: (a) the judgment, which must be final in the jurisdiction where rendered, was issued by a competent court in accordance with Argentine principles regarding international jurisdiction and resulting from a personal action, or an *in rem* action with respect to personal property if such property was transferred to Argentine territory during or after the prosecution of the foreign action; (b) the defendant against whom enforcement of the judgment is sought was personally served with the summons and, in accordance with due process of law, was given an opportunity to defend itself against such foreign action; (c) the judgment must be valid in the jurisdiction where rendered and its authenticity must be established in accordance with the requirements of Argentine law; (d) the judgment does not violate the principles of Argentine public policy; and (e) the judgment is not contrary to a prior or simultaneous judgment of an Argentine court.

FORWARD-LOOKING STATEMENTS

This Offering 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 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:

- delays or unexpected casualties related to construction under our investment plan and master plans;
- our ability to generate or obtain the requisite capital to fully develop and operate our airports;
- general economic, political, demographic and business conditions in Argentina and particularly in the geographic markets we serve;
- decrease in passenger traffic;
- changes in the maximum rates (as defined herein);
- inflation, depreciation and devaluation of the Argentine peso;
- the early termination or revocation of the Concession Agreement (as defined herein);
- the buyout of the Concession Agreement by the Argentine National Government at any time after February 13, 2018;
- changes in our investment commitments or our ability to meet our obligations thereunder;
- existing and future governmental regulations;
- natural disaster-related losses which may not be fully insurable;
- terrorism in Argentina or in international markets we serve;
- potential non-performance of contractual obligations by our customers;
- epidemics, pandemics and other public health crises;
- our ability to collect on our accounts receivable;
- changes in interest rates or foreign exchange rates; and
- various other factors, including those described under “Risk Factors” herein.

All forward-looking statements contained in this Offering 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. We disclaim any obligation or undertaking to update or revise any forward-looking statement contained in this Offering 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

General

In this Offering Memorandum, unless otherwise indicated or the context otherwise requires, all references to “our Company,” “the Company,” “we,” “our,” “ours,” “us” or similar terms refer to Aeropuertos Argentina 2000 S.A. together with its consolidated subsidiaries.

The term “Argentine National Government” refers to the government of Argentina.

In addition, certain terms used in this Offering Memorandum related to the Notes, the collateral and the structure of the transaction shall have the meanings ascribed to them in “Description of Notes.”

Financial Statements

This Offering Memorandum includes our consolidated financial statements (the “Audited Consolidated Financial Statements”) which present our consolidated statements of financial position as of December 31, 2015, 2014 and 2013 and our consolidated statements of comprehensive income and cash flows for the years ended December 31, 2015, 2014 and 2013; and our unaudited interim condensed consolidated financial statements which present our consolidated statement of financial position as of September 30, 2016 and our consolidated statements of comprehensive income and cash flows for the nine-month periods ended September 30, 2016 and 2015 (the “Unaudited Interim Financial Statements,” and together with the Audited Consolidated Financial Statements, the “Consolidated Financial Statements”).

The Audited Consolidated Financial Statements have been audited by Price Waterhouse & Co. S.R.L. (“PwC”), Buenos Aires, Argentina, a member firm of the PricewaterhouseCoopers global network, independent accountants, whose report dated November 2, 2016 is also included in this Offering Memorandum.

The Audited Consolidated Financial Statements were prepared in accordance with the International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), and represent the comprehensive, explicit and unreserved adoption of these international standards.

The Unaudited Interim Financial Statements have been prepared in accordance with IAS 34 “Interim Financial Reporting” and they should be read in conjunction with the Audited Consolidated Financial Statements. The accounting principles used in the preparation of the Unaudited Interim Financial Statements are consistent with those used in the preparation of the Audited Consolidated Financial Statements.

Our Unaudited Interim Financial Statements do not include all the information and disclosures required in the Audited Consolidated Financial Statements and should be read in conjunction with them. Our historical results for the nine-month period ended September 30, 2016 are not necessarily indicative of results to be expected for the year ended December 31, 2016, or any future period. With respect to the Unaudited Interim Financial Statements, PwC has performed the procedures for review of interim financial information described in the International Standard for Review Engagements No. 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” (ISRE 2410) and issued a review report dated November 2, 2016, which is also included elsewhere in this Offering Memorandum. The scope of their review is substantially less extensive than an audit, which aims to express an opinion on a set of financial statements. Accordingly, PwC has not expressed an audit opinion on the Unaudited Interim Financial Statements.

In accordance with IFRS, transactions in currencies other than Argentine pesos have been converted into Argentine pesos in the financial statements at the exchange rate prevailing on the date of the transaction or valuation when items are measured. Foreign exchange gains and losses resulting from the settlement of transaction or measurement of assets and liabilities in foreign currency are recognized in our consolidated statements of comprehensive income under financial results. The Argentine peso depreciated against the U.S. dollar by 32.6%, 31.1% and 52.5% in 2013, 2014 and 2015, respectively and 74.3% in the nine-month period ended September 30, 2016, based on the official exchange rates reported by the Argentine Central Bank (*Banco Central de la República*

Argentina) (the “Central Bank”). See Note 3.20 to the Audited Consolidated Financial Statements. See also “Risk Factors—Risks Related to Argentina—Significant fluctuation in the value of the peso may adversely affect the Argentine economy as well as our financial condition and results of operations” and “Effects of Exchange Rate Fluctuation.”

In accordance with IFRS, our Consolidated Financial Statements have not been adjusted to reflect inflation. Inflation could affect the comparability among different periods presented in this Offering Memorandum. See Note 3.20 to our Audited Consolidated Financial Statements. See also “Risk Factors—Risk Related to Argentina—Continuing high inflation may impact the Argentine economy and adversely affect our results of operations.” The rate of inflation during 2013, 2014 and the ten-month period ended October 31, 2015, as measured by the variations in the Argentine consumer price index (the “CPI”) according to Argentine national institute of statistics (*Instituto Nacional de Estadísticas y Censos*, or the “INDEC”) was 10.9%, 23.9% and 11.9%, respectively. In November 2015, the INDEC suspended the publication of the CPI. The Macri administration has released an alternative CPI index based on data from the Autonomous City of Buenos Aires (the “City of Buenos Aires”) and the Province of San Luis and is currently working on a new inflation index. According to the most recent publicly available information based on data from the Province of San Luis, the CPI grew by 31.6% in 2015 and the inflation rate was 6.5%, 4.2%, 2.7%, 3.0% and 3.4% in December 2015 and January, February, March and April 2016, respectively. According to the most recent publicly available information based on data from the City of Buenos Aires, the CPI grew by 26.9% in 2015 and the inflation rate was 3.9%, 4.1%, 4.0%, 3.3% and 6.5% in December 2015 and January, February, March and April 2016, respectively. After implementing certain methodological reforms and adjusting certain macroeconomic statistics on the basis of these reforms, in June 2016 the INDEC resumed its CPI publications. According to the INDEC, Argentina’s rate of inflation for May, June, July, August, September, October and November 2016 was 4.2%, 3.1%, 2.0%, 0.2%, 1.1%, 2.4% and 1.6%, respectively. The accuracy of the measurements of inflation by INDEC has been called into question, and the actual inflation for 2015 and previous years could be substantially higher than that indicated by INDEC. In addition, despite recent reforms, there remains uncertainty as to whether official data and measurement procedures sufficiently reflect inflation in the country, and what effect these reforms will have on the Argentine economy.

Our fiscal year ends December 31. References in this Offering Memorandum to a fiscal year, such as “fiscal year 2015,” relate to our fiscal year ended on December 31 of that calendar year.

Non-IFRS Data

In this Offering Memorandum we present Adjusted EBITDA; which is not a measure of financial performance under IFRS. We use Adjusted EBITDA as a supplemental measure of our performance. Adjusted EBITDA is subject to certain limitations. We define Adjusted EBITDA as net income or loss plus depreciation and amortization, total net financial income or expense and income taxes. Other companies in our industry may calculate Adjusted EBITDA differently than we do, limiting its usefulness as a comparative measure. Because of these limitations, Adjusted EBITDA should not be considered in isolation or as a measure of discretionary cash available to us for investment or to meet our obligations. Investors should rely primarily on our results of operations contained in the Audited Consolidated Financial Statements and the Unaudited Interim Financial Statements, as applicable.

Currency

The terms “U.S. dollar,” “Dollar,” “Dollars,” “U.S. dollars,” “dollar” and “dollars,” “USD” and the symbol “US\$” refer to the legal currency of the United States. The terms “Argentine peso,” “Argentine pesos,” “Peso,” “Pesos,” “peso” and “pesos” and the symbols “Ps.” and “AR\$” refer to the legal currency of Argentina.

We maintain our books and records in Argentine pesos and the Consolidated Financial Statements included in this Offering Memorandum are presented in Argentine pesos. Solely for the convenience of the reader, we have converted certain amounts in this Offering Memorandum from Argentine pesos into U.S. dollars. Unless otherwise indicated, we have converted Argentine peso amounts into U.S. dollars (i) as of December 31, 2015 and September 30, 2016 at the seller’s exchange rate quoted by *Banco de la Nación Argentina* (“Banco Nación”) for wire transfers (*divisas*) of Ps. 13.04 and Ps. 15.31 to US\$1.00, respectively, and (ii) for the year ended December 31, 2015 and for the nine-month period ended September 30, 2016 at the daily average seller’s exchange rate quoted Banco Nación for wire transfers (*divisas*) of Ps. 9.27 and Ps. 14.55 to US\$1.00, respectively. 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 those or any other exchange rates. See “Exchange Rate Information and Exchange Controls” for information regarding exchange rates of the Argentine peso since January 1, 2011.

Rounding

Certain numerical figures (including percentage amounts) included in this Offering Memorandum have been rounded for ease of presentation. Percentage amounts and totals included in this Offering Memorandum have, in some cases, been calculated on the basis of such figures prior to rounding. Accordingly, certain numerical figures may vary from those obtained by performing the same calculations using the figures in the Consolidated Financial Statements and numerical figures shown as totals in some tables may not be an exact arithmetic aggregate of the other figures in such tables.

INDUSTRY AND OTHER DATA

This Offering Memorandum contains certain statistical and other information regarding Argentine airports. This information has been derived or extracted, as noted herein, from official publications of the National Airports Regulatory Organization (*Organismo Regulador del Sistema Nacional de Aeropuertos*) (the “ORSNA”). This Offering Memorandum also includes certain demographic and tourism data that have been extracted or derived from publications of the Airports Council International, the international association of the world’s airports. All population data for Argentina included in this Offering Memorandum is based on estimated population data as of 2010 published by INDEC. All information included in this Offering Memorandum that is identified as having been derived or extracted from these institutions is included herein on the authority of such sources as public official documents.

While we believe this information to be reliable, it has not been independently verified and neither we nor the Initial Purchasers make any representation as to the accuracy and completeness of such information.

When we refer to “total passengers” herein, we are referring to the sum of all arriving and departing passengers on commercial and general aviation flights, including transit and transfer passengers. “Transit passengers” are those who are not required to change aircraft while on a multiple-stop itinerary and do not disembark the aircraft to enter the terminal building, arriving and departing in the same aircraft with the same flight number assigned by IATA. Thus, transit passengers do not contribute to aeronautical services and non-aeronautical services revenue. “Transfer passengers” are those who are required to change aircrafts while on a multiple-stop itinerary and disembark the aircraft to enter the terminal building. In accordance with ORSNA Resolution No. 73/2015, transfer passengers are not obliged to pay passenger use fees if the following conditions are met: (i) the passengers arrive in an aircraft with a flight number assigned by IATA and depart in a different aircraft with a different flight number assigned by IATA, (ii) the arrival and the departure of the passengers shall be within a 24-hour period, and (iii) the arrival and departure flights shall be issued in the same ticket. If any of these conditions are not met, transfer passengers must pay the corresponding passenger use fees. However, we use total passengers as a measure of passenger volume because transit and transfer passengers are an insignificant portion of our total passengers. As of September 30, 2016 and December 31, 2015, transit and transfer passengers accounted for approximately 4.35% and 0.95% of total passengers, respectively.

When we refer to “international passengers” for statistical purposes, we are referring to any passenger that embarks or disembarks from a flight arriving from or departing to an international destination including regional passengers. However, when we refer to “international passengers” with respect to the revenue they generate, we are referring only to passengers that depart from our airports on a flight to an international destination including regional passengers. When we refer to “regional passengers” for statistical purposes, we are referring to any passenger that embarks or disembarks from a flight arriving from or departing to an international destination with a distance of less than 300 km (187.5 miles) from the departure airport and international flights between the City of Buenos Aires and Uruguay. However, when we refer to “regional passengers” with respect to the revenue they generate, we are referring only to passengers that depart our airports on a flight to an international destination with a distance of less than 300 km (187.5 miles) from the departure airport and international flights between the City of Buenos Aires and Uruguay. When we refer to “domestic passengers” for statistical purposes herein, we are referring to any passenger that embarks and disembarks from a flight arriving from and departing to a national destination (and thus such passengers are included in the number of passengers served by each of the applicable domestic airports, and thus included twice in our system wide number of passengers served). However, when we refer to “domestic passengers” with respect to the revenue they generate, we are referring only to passengers that depart our airports on a flight to a national destination.

As used in this Offering Memorandum, “air traffic movements” refers to all aircraft arrivals and departures to and from all of our airports. For the nine-month period ended September 30, 2016, air traffic movements totaled 275,431, which included 28,214 arrivals to and departures from San Fernando Airport, of which 10,911 did not generate revenue because they are exempt from paying fees to us due to the small size of the aircraft using that airport. For the year ended December 31, 2015, air traffic movements totaled 376,490, which included 40,327 arrivals to and departures from San Fernando Airport, of which 15,848 did not generate revenue because they are exempt from paying fees to us due to the small size of the aircraft using that airport. As used in this Offering Memorandum, “our airports” refers to the airports in respect of which we are the concessionaire.

As used in this Offering Memorandum, “maximum rate” refers to the maximum amount we may currently charge for services rendered to airport passengers and aircraft operators subject to price regulation pursuant to the terms of the Concession Agreement (as defined herein). For a description on how our maximum rates are set, see “Regulatory Framework—The Concession Agreement—Regulation of Rates.”

As used in this Offering Memorandum, “December 2005 values” means a value in Argentine constant pesos set forth in the Memorandum of Agreement (as defined herein) in respect of our investment plan obligations at December 31, 2005.

As used in this Offering Memorandum, “Sub-concessions” refers to permits or authorizations granted to third parties to render non-aeronautical services in our airports, and “Sub-concessionaires” refers to third parties who have obtained an authorization by us to render non-aeronautical services in our airports, whether a space has been assigned to them or not. Sub-concessionaries do not render services to be provided by us under the Concession Agreement (as defined herein) and are not counterparties to the Argentine National Government under the Concession Agreement. Under the terms of the Concession Agreement, we are required to submit our agreements with Sub-concessionaires to the ORSNA, which may object to the terms, or request us to terminate, any agreement. See “Business—Our Sources of Revenue—Non-aeronautical Services.”

SUMMARY

This summary highlights information contained elsewhere in this Offering Memorandum but does not contain all the information that may be important to you. Before making an investment decision, you should read this entire Offering Memorandum. You should also carefully consider the information set forth under the headings “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the Consolidated Financial Statements and accompanying notes thereto appearing elsewhere in this Offering Memorandum.

THE COMPANY

Overview

We have been the largest airport concessionaire in Argentina for over 17 years, holding rights under our Concession (as defined herein) to use, operate and manage 33 of the 54 airports in the Argentine national airport system (the “National Airport System”), including the two largest airports in Argentina, Aeropuerto Ministro Pistarini (“Ezeiza”), located in Ezeiza, Province of Buenos Aires, and Aeroparque “Jorge Newbery” (“Aeroparque”), located in the Autonomous City of Buenos Aires. In addition, we operate Aeropuerto Internacional Termas de Rio Hondo (“Rio Hondo Airport”) located in the Province of Santiago del Estero.

For the year ended December 31, 2015, we had total consolidated revenue of AR\$5,982.4 million (US\$645.3 million), net income of AR\$458.1 million (US\$49.4 million) and our airports handled approximately 29.6 million total passengers (of which approximately 11.4 million were international, 17.9 million were domestic and 0.3 million were in transit) and 376,490 total air traffic movements. For the nine-month period ended September 30, 2016, we had total consolidated revenue of AR\$7,430.7 million (US\$510.6 million), net income of AR\$1,481.7 million (US\$101.8 million) and our airports handled approximately 23.1 million total passengers (of which approximately 9.0 million were international, 13.1 million were domestic and 1.0 million were in transit) and 275,431 total air traffic movements.

Our Concession

We were incorporated in 1998 by the consortium that won the national and international bid conducted by the Argentine National Government for the concession rights related to the use, management and operation of our airports, which we refer to as “our Concession.” Our Concession was granted pursuant to the concession agreement we entered into with the Argentine National Government on February 9, 1998, as subsequently amended and supplemented by the memorandum of agreement we entered into with the Argentine National Government on April 3, 2007 (the “Memorandum of Agreement”). We refer to the concession agreement as amended and supplemented by the Memorandum of Agreement as the “Concession Agreement.” Our Concession is for an initial period of 30 years through February 13, 2028. Upon completion of an initial public offering of our common stock, completed with the participation of the Argentine Aeronautical Authority and the authorization of the Argentine National Government, we may extend the term of our Concession for an additional period of up to 10 years. We have made a formal request to the National Airports Regulatory Organization (*Organismo Regulador del Sistema Nacional de Aeropuertos*) (the “ORSNA”) to extend the term of our Concession for the additional 10-year period ending February 13, 2038. We can provide no assurance that the Argentine National Government will grant our request or on what conditions. If the Concession is extended through at least February 13, 2038, we may redeem all, but not less than all, of the Notes, as described under “Description of Notes—Redemption of Notes—Optional Redemption Following Concession Extension.” In addition, under the terms of the Concession Agreement, the Argentine National Government has the right to buyout our Concession as of February 13, 2018, and if such right is exercised, it is required to pay us the value of the aeronautical investments we have made that have not been amortized as of the time of the buyout, multiplied by 1.10 and the value of all other investments that have not yet been amortized. In addition, it must assume in full any debts incurred by us to acquire goods or services for providing airport services, except for debts incurred in connection with the investment plan (such as the issuance of the Notes). See “Regulatory Framework—The Concession Agreement—Buyout of Concession Agreement.” Pursuant to the Concession Agreement a collateral assignment of revenue that is made into a trust may remain in effect even upon an early termination of the Concession Agreement, as long as the application of funds thereunder is audited by the Argentine National Government and/or by a consulting firm, hired for such purpose and satisfactory

to the Argentine National Government. The collateral assignment of revenue must be previously authorized by a resolution of the ORSNA. On January 17, 2017, the ORSNA issued Resolution No. 1/2017, pursuant to which it authorized the collateral assignment of revenue under the Notes, up to an amount equal to US\$400,000,000. While such a collateral assignment remains in place, we will have no right to indemnification for the investments secured by the relevant collateral assignment; see “Risk Factors—Risks Related to the Notes—We shall have no right to indemnification under the investments for which the proceeds of the offering of the Notes will be used while the Trust and the Existing Notes remain in place, which will reduce the amount of the Transferred Concession Indemnification Rights available to the Holders upon an acceleration of the Notes” and “Regulatory Framework—The Concession Agreement—Collateral Assignment of Revenue.”

Our Concession with the Argentine National Government includes an estimate of the Company’s revenue, operating expenses (including payments to the Argentine National Government pursuant to the Concession Agreement) and investment obligations for the term of the Concession. Such estimates are referred to as the “Financial Projection of Income and Expenses” and are expressed in December 2005 constant Argentine pesos, or “December 2005 values,” reflecting our free cash flows for each year for the period January 1, 2006 through February 13, 2028.

The Memorandum of Agreement provides that the ORSNA must annually review the Financial Projection of Income and Expenses in order to verify and preserve the economic equilibrium of the variables on which it was originally based. During each annual review, amounts previously included in the Financial Projection of Income and Expenses as projections are replaced with our actual results of operations and investments for each relevant period. Our actual results of operations and investments for any year are adjusted to eliminate the effects of inflation for such year in accordance with a formula set forth in the Memorandum of Agreement, in order for the Financial Projection of Income and Expenses to be restated in December 2005 values. The ORSNA then determines a new set of projections through the term of the Concession which, together with our past results of operations, may result in an economic equilibrium. The three principal factors that determine economic equilibrium are the payments we make to the Argentine National Government, the fees we charge airlines and passengers for aeronautical services (such as aircraft landing charges and passenger use fees) and the investments that we are required to make under the Concession. The ORSNA then determines the adjustments to be made to these three factors that would be needed, if any, to achieve economic equilibrium through the term of the Concession. The only factor that has been adjusted in the past has been the fees that we are permitted to charge for aeronautical services and the additional investment commitments. See “Regulatory Framework—The Concession Agreement—Financial Projections.”

We are required under our Concession to make capital expenditures in accordance with an investment plan that sets forth our investment commitments during the term of the Concession. Our total required investment commitments from January 2006 through 2028 are AR\$2,158.4 million (calculated in December 2005 values). Through December 31, 2015, we have invested AR\$1,593.6 million (calculated in December 2005 values) under our investment plan. All of our investments have been approved by the ORSNA, except for our investments for the years ended December 31, 2015, 2014 and 2013, which are currently under review by the ORSNA. In addition, we filed a claim with the ORSNA in connection with the investment amounts recognized by the ORSNA for the periods of 2011 and 2012, which as of the date of this Offering Memorandum, has not been resolved. See “Risk Factors—Risks Related to the Regulation of Our Business—if the ORSNA does not approve the capital expenditures we made under the investment plan, we will be required to make additional capital expenditures” and “Management’s Discussion and Analysis of Financial Conditions and Results of Operations—Investment Commitments.”

Our investments to date have been financed by cash generated by our operations and the net proceeds from our issuance of indebtedness. We expect to finance the remainder of our investment commitments under the Concession principally with cash generated by our operations and the proceeds from this offering.

Our Airports

Our airports serve major metropolitan areas in 22 of the 23 Argentine provinces (including Buenos Aires, Córdoba and Mendoza) and the City of Buenos Aires, tourist destinations (including Bariloche, Mar del Plata and Iguazú), regional centers (including Córdoba, Santa Rosa, San Luis, San Juan, La Rioja, Santiago del Estero and Catamarca) and border province cities (such as Mendoza, Iguazú, Salta and Bariloche). Of the 33 airports we operate, 15 (Ezeiza, Aeroparque, Ing. Aer. A. Luis V. Taravella (“Córdoba Airport”), Aeropuerto El Plumerillo

(“Mendoza Airport”), Aeropuerto de San Carlos de Bariloche (“Bariloche Airport”), Aeropuerto General Benjamín Matienzo (“Tucumán Airport”), Aeropuerto Martín Miguel de Güemes (“Salta Airport”), Aeropuerto José de San Martín (“Resistencia”), Aeropuerto Piloto Civil Norberto Fernández (“Rio Gallegos Airport”), Aeropuerto de Rio Grande (“Rio Grande Airport”), Aeropuerto Cataratas del Iguazú (“Iguazú Airport”), Gobernador Horacio Guzmán Airport (“Jujuy Airport”), Aeropuerto Brigadier General Bartolomé de la Colina (“Mar del Plata”), Aeropuerto de San Fernando (“San Fernando Airport”) and Aeropuerto General José de San Martín (“Posadas”)) are equipped to receive international flights.

The following table provides summary data for our five (5) main airports individually and for the remaining 28 airports which we currently operate, combined, for the years ended December 31, 2015, 2014 and 2013 and the nine-month period ended September 30, 2016 and 2015.

Airports	Nine-month period ended September 30,						Year ended December 31,								
	2016			2015			2015			2014			2013		
	Total Passengers (in millions)	Total Air Traffic Movements (in thousands)	Total Revenue (AR\$ in millions) (unaudited)	Total Passengers (in millions)	Total Air Traffic Movements (in thousands)	Total Revenue (AR\$ in millions) (unaudited)	Total Passengers (in millions)	Total Air Traffic Movements (in thousands)	Total Revenue (AR\$ in millions)	Total Passengers (in millions)	Total Air Traffic Movements (in thousands)	Total Revenue (AR\$ in millions)	Total Passengers (in millions)	Total Air Traffic Movements (in thousands)	Total Revenue (AR\$ in millions)
Ezeiza (Buenos Aires).....	7.4	51.8	5,526.4	6.6	48.6	3,180.1	9.1	66.8	4,467.8	8.6	66.3	3,502.9	8.5	65.8	2,177.8
Aeroparque (Buenos Aires).....	8.5	88.3	1,013.1	8.0	89.9	653.4	10.8	120.5	869.2	10.3	116.2	735.4	9.6	114.3	484.5
Córdoba	1.6	16.8	323.9	1.4	15.7	138.4	1.9	21.8	197.4	1.7	20.3	134.4	1.6	19.6	88.3
Mendoza	1.0	11.5	124.3	1.0	11.5	64.7	1.4	15.7	95.4	1.3	16.2	68.3	1.3	16.9	48.4
Bariloche	0.9	8.2	64.0	0.8	7.6	30.9	1.0	10.1	39.4	0.9	9.4	22.8	0.8	9.0	18.3
Others	3.7	98.8	379.0	3.7	104.8	219.5	5.2	141.6	313.3	4.4	143.5	217.7	4.0	155.8	168.1
Total.....	23.1	275.4	7,430.7	21.5	278.1	4,287.0	29.4	376.5	5,982.4	27.2	371.9	4,681.5	25.8	381.4	2,985.3

Ezeiza is Argentina’s largest airport in terms of revenue and serves as the country’s primary gateway for international air travel. Aeroparque is Argentina’s second largest airport and serves as the country’s and Buenos Aires’ primary hub for domestic air travel. Aeroparque also serves as the primary airport for flights between Argentina and Montevideo and Punta del Este in Uruguay, serves major Argentine resort destinations such as Bariloche, Iguazú, Mar del Plata and Mendoza, and also offers international routes to and from Brazil, Chile, Paraguay and Peru.

Our other airports that are equipped to serve international routes primarily serve domestic traffic as well as regional international traffic between Argentina and destinations in Chile, Bolivia, Paraguay, Uruguay and Brazil.

Our Revenue

We charge fees to passengers and aircraft operators for using our premises and for certain aeronautical services. These primarily consist of a fee for each departing passenger, aircraft landing fees and aircraft parking fees. We also derive income from non-aeronautical services, including warehouse usage, duty free and other retail shops, as well as other sources.

For the nine-month period ended September 30, 2016, 51.1% of our total consolidated revenue was derived from aeronautical services and the remaining 48.9% was derived from non-aeronautical services. The following table provides summary data for our aeronautical and non-aeronautical services revenues for the years ended December 31, 2015, 2014 and 2013 and for the nine-month period ended September 30, 2016 and 2015.

Aeronautical Services Revenue

	Nine-month period ended September 30, (unaudited)					Year ended December 31,				
	2016			2015		2015			2014	
	(in millions of US\$)	(in millions of AR\$)	%	(in millions of AR\$)	%	(in millions of US\$)	(in millions of AR\$)	%	(in millions of AR\$)	%
Passenger use fees	223.3	3,250.4	85.6	1,783.4	85.0	260.8	2,417.7	84.7	1,981.5	84.0
Aircraft landing charges	26.7	389.0	10.2	218.8	10.4	32.7	303.1	10.6	268.8	11.4
Aircraft parking charges	10.8	157.4	4.1	94.9	4.5	14.2	132.1	4.6	108.0	4.6
Passenger walkway charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4
Total Aeronautical Services Revenue	260.9	3,796.7	100.0	2,097.1	100.0	307.8	2,852.9	100.0	2,358.4	100.0

Non-Aeronautical Services Revenue

	Nine-month period ended September 30, (unaudited)					Year ended December 31,						
	2016			2015		2015			2014		2013	
	(in millions of US\$)	(in millions of AR\$)	%	(in millions of AR\$)	%	(in millions of US\$)	(in millions of AR\$)	%	(in millions of AR\$)	%	(in millions of AR\$)	%
Warehouse Usage	125.2	1,821.9	50.1	950.4	43.4	149.7	1,387.4	44.3	1,021.9	44.0	585.5	39.8
Duty Free Shops	28.8	419.0	11.5	328.1	15.0	49.4	458.0	14.6	331.7	14.3	220.0	15.0
Others	95.7	1,393.1	38.3	911.4	41.6	138.5	1,284.0	41.0	969.6	41.7	665.7	45.2
Total Non-Aeronautical Services Revenue	249.7	3,634.0	100.0	2,189.9	100.0	337.6	3,129.5	100.0	2,323.1	100.0	1,471.3	100.0

Our Aeronautical Customers

The following table sets forth our main aeronautical customers for the nine-month periods ended September 30, 2016 and 2015 and the years ended December 31, 2015, 2014 and 2013.

Main Aeronautical Customers	Nine-month period ended September 30,* (unaudited)			Year ended December 31,*		
	2016		2015	2015	2014	2013
			(percentages)			
Aerolíneas Argentinas.....	26.8	28.4	28.2	27.3	26.4	
LATAM Airlines Group	25.8	24.1	24.2	26.8	28.1	
Gol Transportes Aéreos.....	7.4	7.3	7.2	6.5	6.3	
American Airlines	6.2	5.9	5.9	6.2	6.3	
Iberia.....	3.4	3.6	3.4	3.4	3.6	
Lufthansa	2.0	3.3	3.0	2.1	2.0	
Avianca.....	2.9	2.7	2.7	2.5	0.8	
Copa Airlines	2.7	2.6	2.6	2.7	2.5	
Air France	1.6	1.8	1.8	1.8	1.7	
Alitalia	1.6	1.7	1.6	1.5	1.5	
Others.....	19.5	18.8	19.2	19.3	20.8	
Total	100.0	100.0	100.0	100.0	100.0	100.0

* Based on the percentage of total aeronautical services revenue invoiced by us (net of valued added tax).

Our Strengths

We believe the following are our principal strengths:

- **Dominant airport operator and concessionaire in Argentina in a market with significant barriers to entry.** We are the largest airport concessionaire in Argentina managing approximately 90% of Argentina's air traffic as of December 31, 2015. Our airports serve most major metropolitan areas in the country and cover 22 of the 23 provinces and the City of Buenos Aires. Under our Concession, we have the right to use, operate and manage our airports for a period of 30 years, which may be extended by an additional 10-year period. No other party currently has the right to conduct any commercial activity within our concession area without our express approval. Of the 21 airports in the National Airport System that we do not operate, only nine receive year-round commercial flights. We do not believe that these 21 airports have the necessary capabilities to compete in a meaningful way with our airports.
- **Stability during the recent period of difficult economic and political conditions in Argentina.** During the last decade, the Argentine National Government increased its direct intervention in the economy, including through expropriations, nationalizations, price controls and exchange controls. Although many companies in Argentina experienced significant difficulties since 2000, we made strong efforts to maintain a positive and cooperative relationship with each of the successive government administrations during this period as well as our regulators, which allowed us to continue our business in the normal course. We believe that our 17-year history of successfully operating our airports in Argentina, meeting our investment objectives and maintaining a close and productive relationship with the government and our regulators give us a strong platform to continue successfully operating the businesses under our Concession.
- **Increasing popularity of Argentina as a tourist destination and robust travel market.** Argentina's popularity as a tourist destination has increased by 50% between 2005 through 2015, outperforming overall Latin American tourism annual growth. In addition, according to the Argentine Ministry of Tourism, dollar revenue received by Argentina in respect of tourist related activities increased by 60% between 2005 and 2015. Argentina is the third largest economy in Latin America, with a population of over 43 million in 2015 and one of the highest levels of real gross domestic product ("GDP") per capita in the region, at US\$14,675 in 2015. As the leading airport operator in Argentina that manages airports that serve a majority of the largest cities in Argentina, we expect to directly benefit from this continued growth in tourism and expected economic growth.
- **Experienced management team and controlling shareholder group with extensive airport operating experience.** We have an experienced management team with a strong and proven track record of managing regulated businesses in emerging markets. Our management team has access to the best practices and lessons learned from affiliates of our controlling shareholder which have been involved in the management of airports in other countries.

Our Strategy

We believe that the Argentine air travel industry offers attractive prospects for long-term growth due to, among other factors, the growth in business activity and tourism in Latin America in general, and in Argentina in particular. As a result of these factors, we expect the numbers of our total passengers and air traffic movements to increase in the future. Our principal strategies are to develop the necessary infrastructure to accommodate the expected growth in total passengers and air traffic movements and to maximize commercial offerings available to passengers and to our airline customers.

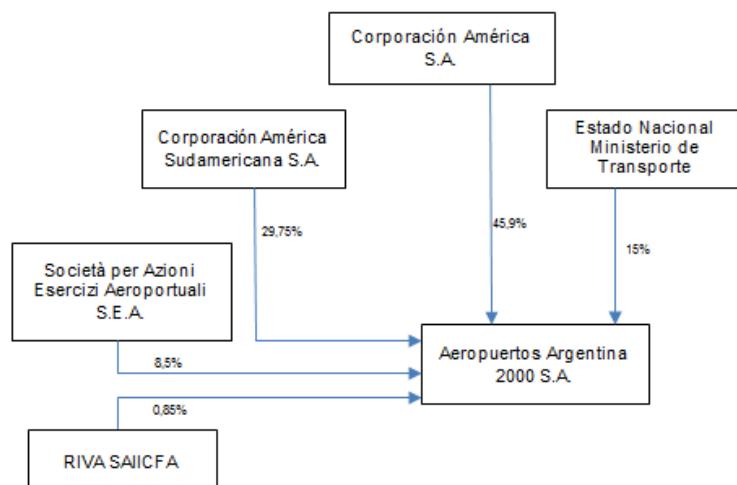
- **Develop infrastructure to accommodate expected growth in passenger traffic.** Our investment plan contemplates investments of approximately AR\$2,158.4 million (calculated in December 2005 values) from 2006 through 2028. These investments have included and are expected to

continue to include the renovation of existing terminals, runways, taxiways, hangars and other utility infrastructure at our airports. We completed a major renovation and expansion of two terminals in Ezeiza in July 2011 and December 2013. As of December 31, 2015, we have invested AR\$1,593.6 million (expressed in December 2005 values) of such required amounts. In addition to our required investments under the Concession, we intend to make additional necessary capital expenditures to accommodate increases in total passengers and air traffic movements.

- ***Optimizing non-aeronautical services revenue opportunities.*** Since we began operating our airports, we have undertaken various measures at our airports to increase our non-aeronautical services revenue. The measures we have previously taken and intend to undertake in the future include:
 - Expanding and redesigning the layout of certain terminals in our airports to allow for the inclusion of more commercial businesses and larger individual commercial spaces, as well as to redirect the flow of passengers through our airports so as to increase their exposure to the commercial businesses operating in our airports.
 - Granting sub-concessions for spaces at our airports to more established, internationally recognized businesses and trademarks in order to improve the quality, diversity and appeal of commercial goods and services available to our passengers. In order to promote commercial development at all of our airports, we encourage commercial tenants to obtain sub-concessions to use spaces in several of our airports.
- ***Operate our airports in a safe, clean and efficient manner.*** We are obligated under our Concession to operate our airports within service standards monitored by the ORSNA. We intend to continue maintaining and improving the safety, cleanliness and efficiency of our airports in order to meet or exceed these standards and enhance the attractiveness of our airports and our passengers' overall travel experience. We believe that these factors improve the attractiveness of air travel relative to other available modes of transport, encourage increased spending at our airports, and increase the appeal of Argentina as a travel destination.

Our Ownership Structure

The following chart sets forth our ownership structure as of the date of this Offering Memorandum. Percentages indicate the ownership interest held.



Corporación América S.A. is our controlling shareholder. For a description of our ownership structure and controlling shareholder, see “Principal Shareholders and Group Structure.”

The Argentine National Government currently holds 100% of our non-voting preferred shares which are convertible into common shares, with one vote per share after 2020 under certain circumstances. We have the option to redeem the preferred shares at any time. See “Principal Shareholders and Group Structure.”

On June 30, 2011, Società per Azioni Esercizi Aeroportuali S.p.A. transferred its 8.5% interest in our common stock to Cedicor S.A., the controlling shareholder of Corporación América S.A. This sale must be approved by the ORSNA pursuant to section 7.2 of the Concession Agreement. As of the date of this Offering Memorandum, this sale has not been approved by the ORSNA.

On July 13, 2011, Riva SAIICFyA transferred its 0.85% interest in our common stock to Cedicor S.A., the controlling shareholder of Corporación América S.A. This sale must be approved by the ORSNA pursuant to section 7.2 of the Concession Agreement. As of the date of this Offering Memorandum, this sale has not been approved by the ORSNA.

Our Corporate Information

Our articles of incorporation and bylaws were registered with the Public Registry (*Registro Público* or “RP”) on February 18, 1998. Pursuant to our articles of incorporation, we are permitted to maintain our corporate existence until February 18, 2053.

Our executive offices are located at Honduras 5663, C1414BNE, City of Buenos Aires, Argentina, and our corporate domicile is at Suipacha 268, 12th Floor, C1008AAF, Autonomous City of Buenos Aires, Argentina. Our telephone number is (54-11) 4852-6900 and our fax number is (54-11) 4852-6932. Our agent for service of process in the United States is National Corporate Research, Ltd., 10 E. 40th Street, 10th Floor, New York, New York 10016.

Our website is www.aa2000.com.ar. Information on our website is not incorporated into this Offering Memorandum and should not be relied upon in making an investment decision.

THE OFFERING

The following summary highlights certain information about the Notes and is not intended to be complete. This summary does not contain all the information that is important to you. For a more detailed description of the terms and conditions of the Notes, see “Description of Notes.” All capitalized terms used but not defined herein shall have the meaning assigned to them in such section.

Securities Offered	US\$400,000,000 aggregate principal amount of Senior Secured Notes due 2027. Additional Notes may be issued under certain conditions described in “Description of Notes—Issuance of Additional Notes.”
	Pursuant to the meeting of our shareholders held on November 30, 2016, and the resolution of our board of directors approved on December 2, 2016, the Company is authorized to issue Notes for a total aggregate principal amount up to US\$400,000,000.
	The Notes will qualify as <i>obligaciones negociables simples no convertibles en acciones</i> (non-convertible negotiable obligations) under the Negotiable Obligations Law and the Argentine Capital Markets Law and will be offered, issued and placed pursuant to and in compliance with such laws.
Aggregate Principal Amount	US\$400,000,000.
Denominations and Minimum Subscription Amount	The Notes (and beneficial interests therein) will be issued in registered form only without interest coupons, which Notes (and beneficial interests therein) will be issued in original principal denominations of US\$150,000 and integral multiples of US\$1,000 in excess thereof, and will have a minimum subscription amount of US\$150,000. Any transfer of a Note (or beneficial interests therein) will be required to be in such authorized denominations.
Issuer.....	The Notes will be issued by Aeropuertos Argentina 2000 S.A., a <i>sociedad anónima</i> incorporated under the laws of Argentina.
Issuance Date and Settlement Date	February 6, 2017.
Issue Price.....	99.888%, plus accrued interest, if any, from February 6, 2017.
Maturity.....	The Payment Date on February 1, 2027.
Initial Purchasers.....	Oppenheimer & Co. Inc. and Morgan Stanley & Co. LLC will be the initial purchasers of the Notes.
Argentine Placement Agent	Macro Securities S.A. will be the Argentine placement agent of the Notes.
Payment Date	The 1 st day of each February, May, August and November, beginning on May 1, 2017; <i>provided</i> that if any such date 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 (each a “Payment Date”).
Interest.....	Interest on the Notes will accrue for each Interest Period from and including the Issuance Date at the rate of 6.875% <i>per annum</i> .

Interest Period	The “Interest Period” will be (a) initially, the period from and including the Issuance 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.
Interest Payments Dates.....	Interest on the Notes will be payable quarterly in arrears on each Payment Date, commencing on the first Payment Date after the Issuance Date.
Record Date.....	The Interest with respect to each Note will be payable on each Payment Date to the applicable Noteholder of record in the Register at 5:00 p.m. (New York City time) on the New York Business Day that is immediately prior to such Payment Date.
Payments on the Notes	Payments of Interest, principal and Redemption/tender Premium (if applicable) on the Notes will be paid to each Noteholder on a <i>pro rata</i> basis; <i>it being understood that</i> , with respect to any tenders described in “Description of Notes—Redemption of the Notes,” the Company’s purchase of any Notes (or beneficial interests therein) participating in such tender will be made on a <i>pro rata</i> basis only among such participating Notes (or beneficial interests therein). All payments by (or on behalf of) the Company under the Transaction Documents (other than payments to the Argentine Collateral Trustee) will be required to be delivered to the Indenture Trustee in the United States in dollars by no later than 12:00 noon (New York City time) on the New York Business Day before the date on which such amounts are due to be distributed to the Noteholders; <i>provided that</i> : (a) funds available for application in the Collection Accounts at such time will be considered to have been timely delivered to the Indenture Trustee and (b) such payments relating to the Company’s purchase of any Notes (or beneficial interests therein) pursuant to any tender described in “Description of Notes—Redemption of the Notes” will be delivered to the participating Noteholders in the manner described in such tender offer. Any such payment received by the Indenture Trustee after such time will be considered to have been paid on the following New York Business Day and, with respect to any payment of principal on the Notes, additional Interest will be immediately payable by the Company with respect thereto.
Principal Payments.....	On each Payment Date, the Noteholders of record as of the preceding Record Date will be entitled to receive a principal payment equal to the quarterly amortization amount corresponding to such Payment Date set forth in the table below. The first principal payment will be made on the first Payment Date after the second anniversary of the Issuance Date. The final such payment is scheduled (and required) to be paid on the Maturity Date.

<u>Payment Dates</u>	<u>Quarterly Amortization Amount</u>
From May 1, 2019 through February 1, 2027	US\$12,500,000 (3.125% of the initial Principal Balance)

Prior to Default, principal payments will be paid as described under “Description of Notes—Collateral—Payments from the Dollar Collection Account Prior to Default” and following Default, principal payments will be paid as described under “Description of Notes—

	Collateral—Payments from the Collection Accounts Following Default.”
Optional Redemption	Either voluntarily, as a result of certain changes in taxes or from the proceeds of equity offerings, the Company may elect to redeem the Notes (or a portion thereof). The Company may also elect to redeem, all, but not less than all, of the Notes, solely for the purpose of refinancing the Notes, if, prior to the second anniversary of the Issuance Date, the Concession is extended through at least February 13, 2038; provided that notice thereof is given within 120 days after obtaining such extension of the Concession. The conditions for such redemptions, and (in the case of voluntary redemptions or redemptions following the extension of the Concession or from the proceeds of equity offerings) the premium that would be payable in connection therewith, are described in “Description of Notes—Redemption of the Notes—Optional Redemption,” “—Optional Redemption Following Concession Extension,” “—Optional Redemption for Changes in Taxes” and “—Optional Redemption for Equity Offerings” herein.
Mandatory Tender Offers	As a result of a Change of Control Offer or (in certain circumstances) from the proceeds of certain Asset Disposals and the receipt of insurance proceeds, the Company will be required to offer to purchase the Notes (or a portion thereof). The conditions for such offers, and (in the case of a Change of Control) the premium that would be payable in connection therewith, are described in “Description of Notes—Redemption of the Notes—Change of Control Offer,” “—Asset Disposal Offer” and “—Insurance Proceeds and Insurance Payment Offer” herein.
Collateral	To secure its obligations under the Transaction Documents, pursuant to the Argentine Collateral Trust Agreement (under Argentine law), the Company will transfer and assign to the Argentine Collateral Trustee, acting on behalf of the Trust, for the benefit of the Beneficiaries, all of: (a) the Transferred Use Fees and the Transferred Concession Indemnification Rights and (b) its rights in, to and under (but none of its obligations under or relating to) the Concession Agreement, other contractual agreements and Applicable Laws to the extent necessary to receive and pursue payments thereunder (the property described in clauses (a) and (b) above, collectively, the “Transferred Rights”). As a result of the transfers described under “Description of Notes—Collateral,” the Trust will own all of the Collections. On January 17, 2017, the ORSNA issued Resolution No. 1/2017, pursuant to which it authorized the collateral assignment of revenue under the Notes, up to an amount equal to US\$400,000,000.
	The Argentine Collateral Trustee, acting on behalf of the Trust, will pursuant to the Indenture, grant to the Indenture Trustee under New York law a first priority security interest in its rights, title and interest (if any) in, to and under all property held on behalf of the Trust, including any rights, title and interest that it may have in, to and under the Transaction Accounts (including funds credited thereto and investments made with funds therein). As a consequence, Use Fees in U.S. Dollars deposited in the Dollar Collection Account will be applied exclusively by the Indenture Trustee pursuant to the Indenture. Use Fees on deposit in the Dollar Collection Account will

be released by the Indenture Trustee to the Company on a weekly basis, unless (i) the Indenture Trustee has actual knowledge that a Default has occurred and is continuing, in which case all amounts on deposit in the Dollar Collection Account will be retained in the Dollar Collection Account and, subject to the Company's rights to receive funds to cover the Basic Concession Operating Costs, applied to pay Interest and principal on the Notes and other amounts payable to the Beneficiaries under the Transaction Documents in the manner provided in "Description of Notes—Payments from the Collection Accounts Following Default" or (ii) the Company, at its option, instructs the Indenture Trustee in writing to retain payments in the Dollar Collection Account for the period of time and in the amounts designated by the Company.

In addition, the Argentine Collateral Trustee will maintain the Peso Accounts and the Local Dollar Collection Account (including the funds therein), to secure the Company's obligations under the Transaction Documents. Upon the Indenture Trustee's actual knowledge that a Default has occurred and is continuing, the allocation of payments of Use Fees in pesos will cease to be payable by the Payors directly to the Company in the manner set forth in clauses (b)(ii)(B) and (b)(iii)(B) of "Description of Notes—Allocation of Use Fees and Concession Indemnification Rights."

Additional information regarding the collateral is set forth in "Description of Notes—Collateral."

Issuance of Additional Notes.....

The Company may from time to time, without the consent of the Investors (but subject to the approval of the CNV, to the extent required under applicable law), issue additional Notes that (other than the issuance date, dates on which principal is payable, interest rate, redemption prices thereof, the issue price thereof, and (at least for a period) different trading restrictions and CUSIP and/or other securities numbers) are identical to the then-existing Notes (including with respect to voting, the receipt of payments and the sharing of collateral), subject to the terms and conditions set forth in "Description of Notes—Issuance of Additional Notes."

Currency.....

The Notes will be denominated in U.S. dollars.

Currency Indemnity and Foreign Exchange Restrictions

Except with respect to the payment of certain fees and expenses to the Argentine Collateral Trustee, Dollars are the sole currency of account and payment for all sums payable under or in connection with the Transaction Documents, including with respect to indemnities. Any amount received or recovered in a currency other than the applicable currency (whether as a result of, or in the enforcement of, a judgment, decree or order of a court of any jurisdiction, in the winding-up or dissolution of the Company or otherwise) by any Beneficiary in respect of any sum expressed to be due to it under the Transaction Documents will only constitute a discharge by the Company of the applicable obligation to the extent of the amount of the applicable currency that such Beneficiary evidences that it is able to purchase with the amount so received or recovered in such other currency on the date of receipt or recovery (or, if it is not practicable for such Beneficiary to make such purchase on such date, on the first date on which it is practicable for such Beneficiary to do so). See

	<p>“Description of Notes—Payment on the Notes—Currency Indemnity and Foreign Exchange Restrictions.”</p>
Form and Currency of Subscription and Settlement	The Notes will be subscribed and settled by the investors on the date of subscription in U.S. dollars, and will be credited to the investors' accounts on the Issuance Date.
Cancellation.....	Any Notes (or beneficial interests therein) that are acquired by the Company will be canceled as set forth in “Description of Notes—Redemption of the Notes—Cancellation.”
Use of Proceeds	We estimate the net proceeds of the offering of the Notes will be approximately US\$393.5 million, after giving effect to Initial Purchasers' underwriting discounts and commissions and our estimated transaction expenses. In compliance with Article 36 of the Negotiable Obligations Law, we expect to use the net proceeds of this offering to refinance the principal amount outstanding under our 10.75% senior secured notes (<i>obligaciones negociables</i>) issued on December 22, 2010 (our “Existing Notes”), plus accrued and unpaid interest to the date of redemption and the applicable prepayment premiums and to finance capital expenditures of our “Group A” airports. See “Use of Proceeds.”
Covenants	The Company will be subject to various affirmative and negative covenants, including covenants restricting its ability to incur additional indebtedness, make certain restricted payments, create liens, dispose of its assets, make investments, enter into transactions with affiliates and engage in mergers or similar transactions. See “Description of Notes—Affirmative Covenants” and “—Negative Covenants.”
Ratings of the Notes.....	The Notes have received international ratings of “B2” from Moody's Investors Service, Inc. and “B-” from Standard & Poor's Ratings Services.
Indenture Trustee	Citibank, N.A., a New York banking corporation, not in its individual capacity but solely as trustee, will act as the trustee (the “Indenture Trustee”) for the Registered Holders (and secured party for the benefit of all Beneficiaries) with respect to the Collateral and certain other matters.
Argentine Collateral Trustee	<i>Sucursal de Citibank, N.A., establecida en la República de Argentina</i> (i.e., the Argentine branch of Citibank, N.A.), not in its individual capacity but solely as trustee, will act as the trustee (the “Argentine Collateral Trustee”) holding the assets of the Trust for the benefit of the Beneficiaries and undertaking certain other matters.
Transfer Restrictions.....	The Notes will not be registered under the Securities Act or the securities laws of any jurisdiction (other than Argentina) and will be offered and sold in the United States in reliance upon Rule 144A only to QIBs, or outside of the United States in reliance upon Regulation S to persons other than U.S. persons. The Notes (and beneficial interests therein) will be subject to certain restrictions on transfer as specified in the Transaction Documents. See “Transfer Restrictions.”

Form and Delivery.....	The Global Notes for the Notes will be deposited on or about the Issuance Date with the Indenture Trustee as custodian for, and registered in the name of, Cede &Co. as nominee of DTC. The Notes (and beneficial interest therein) will be issued in registered form only without interest coupons. The Notes will not be issued in bearer form.
Meetings of Noteholders.....	Meetings of Noteholders will be convened and held in accordance with the provisions of the Negotiable Obligations Law and the Argentine Corporations Law 19,550, as amended (the “Argentine Corporations Law”). A meeting of the Noteholders may be called by the Company, the Indenture Trustee, or upon the request of the holders of at least 5% in Principal Balance of the outstanding Notes. If a meeting is held pursuant to the written requests of the holders, such written request will include the specific matters to be addressed at the meeting and such meeting will be convened within 40 days from the date such written request is received by the Indenture Trustee or the Company, as the case may be. Any such meetings will be held in the City of Buenos Aires; provided however, that as long as it is permitted under Argentine law, the Company or the Indenture Trustee may elect to hold any such meeting in New York City and the Indenture Trustee may elect to hold any such meeting simultaneously in New York City by means of telecommunications which permit the meeting’s participants to hear and speak to each other. In any case, meetings will be held at such time and at such place in any such city as the Company or the Indenture Trustee (as applicable) determine. Any resolution approved at a meeting convened outside of Argentina will be binding upon all Noteholders (whether present or not at such meeting) only upon ratification by a meeting of Noteholders held in the City of Buenos Aires in accordance with the Negotiable Obligations Law. See “Description of Notes—Notices; Meetings of Noteholders.”
Defaults.....	The occurrence of certain events will constitute a Default. See “Description of Notes—Defaults.”
Amendments	The Company and (as applicable) the Indenture Trustee and/or the Argentine Collateral Trustee may, from time to time and at any time, in some cases without the consent of the Noteholders or any other Beneficiary, enter into a written amendment of the Indenture and/or any other Transaction Document for one or more of the purposes set forth in “Description of Notes—Amendments of the Transaction Documents.”
Summary Executive Proceedings	The Notes will qualify as <i>obligaciones negociables simples no convertibles en acciones</i> (non-convertible negotiable obligations) under the Negotiable Obligations Law and the Argentine Capital Markets Law and will be offered, issued and placed pursuant to and in compliance with such laws. According to Article 29 of the Negotiable Obligations Law, Notes constituting <i>obligaciones negociables</i> grant their holders access to summary executive proceedings. Subject to certain limitations set forth in the Indenture, any Argentine depositary of a Global Note (or acting as a holder of a beneficial interest in a Global Note) will, in accordance with the Argentine Capital Markets Law, be able to deliver to a beneficial owner holding through such depositary a <i>comprobante del saldo de cuenta</i> (account balance certificate) in respect of such Investor’s beneficial interests in such

Global Note. These certificates enable such Investors to institute suit before any competent court in Argentina, including summary executive proceedings, to obtain any overdue amount payable to them under the Notes. To the extent that any investor holds its interest in the Notes through an Argentine depositary, then it may be able to obtain such a certificate from such depositary.

Withholding Taxes.....	Subject to certain limited exceptions, all payments in respect of the Notes and all other payments to a Beneficial Owner under the Transaction Documents will be made free and clear of, and without deduction or withholding for or on account of, any current or future Taxes unless such Taxes are required by any Applicable Law to be deducted or withheld. If any such Taxes are required by applicable law to be deducted or withheld, then the Company, subject to certain exceptions, will pay to the Indenture Trustee (for the benefit of the applicable Beneficial Owner of such payment) such Additional Amounts as may be necessary so that such Beneficial Owner will receive the full amount otherwise payable in respect of such payments had no such Taxes (including any Taxes payable in respect of Additional Amounts) been required to be so deducted or withheld. See “Description of Notes—Payment on the Notes—Additional Amounts.”
Listing	Application has been made to list the Notes on the Luxembourg Stock Exchange and admitted for trading in the Euro MTF Market. The Notes are listed and admitted for trading in Merval and in MAE.
Governing Law	The Notes and the Indenture will be governed by and construed in accordance with the laws of the State of New York, <i>provided</i> that all matters relating to (a) the due authorization, execution, issuance and delivery by the Issuer of the Notes, (b) the CNV’s authorization of the public offering of the Notes in Argentina, (c) the legal requirements required for the Notes to qualify as non-convertible negotiable obligations (<i>obligaciones negociables simples no convertibles en acciones</i>), and (d) certain matters relating to the validity of meetings of Noteholders in Argentina, will be governed by the Negotiable Obligations Law, the Argentine Corporations Law, the CNV Rules and other applicable Argentine Laws and regulations.
	The other Transaction Documents, including the Argentine Collateral Trust Agreement, will be governed by Argentine law. The Account Agreements will be governed by, and construed in accordance with, the internal law of the country/state where the applicable Collection Account(s) is/are located.
Jurisdiction.....	Each of the parties to the Indenture (and with respect to the Argentine Collateral Trustee, including on behalf of the Trust) will irrevocably and unconditionally submit (and each Beneficiary (by its acquisition of a Note or a beneficial interest therein or otherwise accepting the benefits of the Indenture and the other applicable Transaction Documents) will be deemed to irrevocably and unconditionally submit) to the non-exclusive jurisdiction of: (a) the United States District Court for the Southern District of New York or of any New York State court (in either case, sitting in Manhattan, New York City) and (b) the courts sitting in the City of Buenos Aires, including the ordinary courts for commercial matters and the Permanent Arbitral

Tribunal of the Buenos Aires Stock Exchange (*Tribunal de Arbitraje General de la Bolsa de Comercio de Buenos Aires*) under the provisions of Article 46 of the Argentine Capital Markets Law, and any competent court located in the place of the Company's corporate domicile for purposes of any action or proceeding arising out of or related to the Indenture or the Notes, in each case with all applicable courts of appeal therefrom. See "Description of Notes—Governing Law; Consent to Jurisdiction."

Security Identifiers	<u>Restricted Global Note</u>	<u>Regulation S Global Note</u>
CUSIP...	00786P AC8	P0092M AE3
ISIN.....	US00786PAC86	USP0092MAE32
Common Code...	156089133	156089150
Risk Factors	You should carefully consider all of the information in this Offering Memorandum. See "Risk Factors" in this Offering Memorandum for a description of the principal risks involved in making an investment in the Notes.	

SUMMARY CONSOLIDATED FINANCIAL AND OTHER DATA

The summary consolidated financial data below is qualified in its entirety by reference to, and should be read in conjunction with “Presentation of Financial and Other Information,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our Consolidated Financial Statements and the accompanying notes thereto contained elsewhere in this Offering Memorandum.

The following table sets forth our summary consolidated financial data and other information as of and for the periods indicated. We derived the summary consolidated financial data related to our consolidated statements of comprehensive income and cash flows for the nine-month periods ended September 30, 2016 and 2015 and the summary of the financial data related to our consolidated statement of financial position as of September 30, 2016 from our Unaudited Interim Financial Statements included elsewhere in this Offering Memorandum. We derived the summary consolidated financial data related to our consolidated statements of comprehensive income and cash flows for the years ended December 31, 2015, 2014 and 2013 and the summary of the financial data related to our consolidated statements of financial position as of December 31, 2015, 2014 and 2013 from our Audited Consolidated Financial Statements included elsewhere in this Offering Memorandum.

	Nine-month period ended September 30, (Unaudited)			Year ended December 31,		
	2016		2015	2015		2014
	(in millions of US\$)	(in millions of AR\$)	(in millions of AR\$)	(in millions of US\$)	(in millions of AR\$)	(in millions of AR\$)
Consolidated Statements of Comprehensive Income						
Aeronautical services revenue	260.9	3,796.7	2,097.1	307.8	2,852.9	2,358.4
Non-aeronautical services revenue	249.7	3,634.0	2,189.9	337.6	3,129.5	2,323.1
Total revenue	510.6	7,430.7	4,287.0	645.3	5,982.4	4,681.5
IFRIC 12 -paragraph 14 Credits	120.2	1,749.4	1,040.9	150.9	1,399.1	1,126.7
Cost of services	(247.0)	(3,594.1)	(2,363.7)	(346.3)	(3,210.3)	(2,502.7)
IFRIC 12 -paragraph 14 Debits	(120.1)	(1,747.7)	(1,039.5)	(150.7)	(1,397.2)	(1,125.4)
Gross profit	263.7	3,838.4	1,924.7	299.2	2,774.0	2,180.1
Distribution and selling expenses	(33.3)	(484.5)	(278.3)	(43.9)	(406.8)	(287.8)
Administrative expenses	(29.4)	(427.2)	(246.6)	(43.4)	(401.9)	(261.1)
Other income and expenses, net	(0.8)	(11.8)	(1.7)	(0.6)	(5.8)	3.0
Operating profit	200.3	2,914.8	1,398.1	211.4	1,959.5	1,634.2
Finance income	11.5	168.1	48.5	22.7	210.0	78.6
Finance cost	(56.1)	(816.5)	(444.7)	(158.5)	(1,469.1)	(869.3)
Income from investments accounted for by the equity method	0.0	0.0	(0.2)	0.0	0.0	(0.5)
Income before income tax	155.7	2,266.4	1,001.8	75.6	700.5	843.0
Income tax	(53.9)	(784.7)	(348.2)	(26.1)	(242.4)	(295.8)
Net income	101.8	1,481.7	653.5	49.4	458.1	547.2
Basic earnings per share	0.4	5.7	2.5	0.2	1.7	2.1
Net Income attributable to AA2000	101.7	1,479.9	652.1	49.2	456.2	546.7
Net income attributable to non-controlling interest	0.1	1.7	1.5	0.2	1.9	0.4
						(1.7)

	As of September 30, (unaudited)		As of December 31,		
	2016		2015		2014
	(in millions of US\$)	(in millions of AR\$)	(in millions of US\$)	(in millions of AR\$)	(in millions of AR\$)
Consolidated Statements of Financial Position					
Cash and cash equivalents	79.2	1,213.0	46.4	605.2	469.6
Total assets	644.1	9,861.2	582.0	7,589.3	6,178.6
Total current liabilities	192.0	2,939.1	145.8	1,900.8	1,521.2
Borrowings	207.8	3,181.2	247.1	3,222.0	2,440.4
Total liabilities	356.5	5,458.0	358.0	4,667.8	3,715.1
Non-controlling interest	0.4	6.9	0.4	5.1	3.3
Total shareholders' equity	287.6	4,403.2	224.0	2,921.5	2,463.5
					1,914.7

	Nine-month period ended September 30, (unaudited)		Year ended December 31,		
	2016		2015		2014
	(in millions of US\$)	(in millions of AR\$)	(in millions of AR\$)	(in millions of US\$)	(in millions of AR\$)
Other Operating Data (unaudited)					
Total passengers (thousands of passengers).....	-	23,111	21,490	-	29,578.0
Total air traffic movements (number of movements... ..)	-	275,431	278,117	-	376,490.0
Other Data					
Adjusted EBITDA (unaudited):					
Net income	101.8	1,481.7	653.5	49.4	458.1
<i>Plus</i>					
Finance income/cost, net ⁽¹⁾	44.6	648.4	396.2	135.8	1,259.0
Income tax	53.9	784.7	348.2	26.1	242.4
Intangible assets' amortization and property plant and equipment's depreciation	15.9	230.8	149.9	21.6	200.3
Adjusted EBITDA (unaudited)⁽²⁾	216.1	3,145.7	1,547.8	233.0	2,159.8
Cash flow from operating activities.....	92.7	1,349.1	389.2	47.2	437.4
					476.9
					260.2

Selected Financial Ratios

Liquidity ⁽³⁾	-	0.7	0.6	-	0.7	0.7	0.5
Solvency ⁽⁴⁾	-	0.8	0.8	-	0.6	0.7	0.7
Return on Equity ⁽⁵⁾	-	0.4	0.2	-	0.2	0.2	0.1
Fixed Assets Ratio ⁽⁶⁾	-	0.8	0.9	-	0.8	0.8	0.9

(1) Finance income/cost, net includes interest income and interest expense and exchange rate gains or losses.

(2) We present Adjusted EBITDA as a supplemental measure of our performance. We define Adjusted EBITDA as net income or loss plus depreciation and amortization, total net financial income or expense and income taxes. We believe Adjusted EBITDA provides investors with meaningful information with respect to our operating performance, facilitates comparisons of our historical operating results and is more aligned with IFRS requirements. Adjusted EBITDA has limitations as an analytical tool and should not be considered in isolation as an alternative to total comprehensive income or as an indicator of our operating performance or as a substitute for analysis of our results of operations as reported under IFRS. Some of these limitations include:

- It does not reflect our cash expenditures, or future requirements, for capital expenditures or contractual commitments;
- It does not reflect changes in, or cash requirements for, our working capital needs;
- It does not reflect our interest expense, or the cash requirements necessary to service interest or principal payments, on our debt;
- It does not reflect cash income taxes or employees' profit sharing we may be required to pay;
- It reflects the effect of non-recurring expenses;
- It is not adjusted for all non-cash income or expense items that are reflected in restatements of changes in financial position; and
- Other companies in our industry may calculate Adjusted EBITDA differently than we do, limiting its usefulness as a comparative measure.

Because of these limitations, Adjusted EBITDA should not be considered in isolation or as a measure of discretionary cash available to us for investment or to meet our obligations. Adjusted EBITDA is not a measure of financial performance under IFRS. You should rely primarily on our results of operations contained in our Audited Consolidated Financial Statements and our Unaudited Interim Financial Statement, as applicable, and consider Adjusted EBITDA as a supplemental measure of our performance. See “Presentation of Financial and Other Information—Non-IFRS Data.”

- (3) Calculated as current assets divided by current liabilities (excluding deferred income).
- (4) Calculated as total equity divided by total liabilities (excluding deferred income).
- (5) Calculated as net income divided by average total shareholders’ equity. “Average total shareholders’ equity” equals the quotient of (x) total shareholders’ equity at the beginning of the period, *plus* (y) total shareholders’ equity at the end of the period, *divided* by two.
- (6) Calculated as non-current assets divided by total assets.

RISK FACTORS

Investing in the Notes involves significant risk. Prospective purchasers of the Notes should consider carefully all of the information in this Offering Memorandum, including, in particular, the risk factors discussed below. In addition, other risks and uncertainties not currently known to us or that we currently deem immaterial may also materially and adversely affect our business, financial condition and results of operations. If any of the following risks actually occurs, our business, results of operations, financial condition and prospects could be materially and adversely affected. This could, in turn, adversely affect our ability to make payments on the Notes offered hereby.

Risks Related to Our Operations

Our revenue is highly dependent on levels of air traffic, which depend in part on factors beyond our control, including economic and political conditions and environmental factors in Argentina and elsewhere.

Our revenue is closely linked to passenger and cargo traffic volumes and the number of air traffic movements at our airports. These factors directly determine our aeronautical services revenue and indirectly determine our non-aeronautical services revenue. Passenger and cargo traffic volumes and air traffic movements depend in part on many factors beyond our control. Such factors include economic conditions and the political situation in Argentina, the United States, Europe and elsewhere, the attractiveness of our airports relative to that of other competing airports, epidemics, pandemics and other public health crises, terrorism, fluctuations in petroleum prices (which can have a negative impact on 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 such as fog at the airports, or environmental factors such as smoke or ashes at the airports arising from natural factors such as eruptions of nearby volcanoes (such as the eruption of the Puyehue volcano in Chile during June 2011), have affected, and in the future may affect, air traffic movements, indirectly affecting our revenues. The collateral for the Notes consists primarily of Transferred Use Fees and Transferred Concession Indemnification Rights. Receipt of Transferred Use Fees is dependent upon the volume of international air passenger traffic into and out of Argentina and the collectability of such Transferred Use Fees. To the extent the risks described above result in a more significant decrease in international air passenger traffic to/from Argentina (as opposed to a decrease on domestic air travel within Argentina), these risks are more likely to have an adverse effect on our ability to make payments on the Notes. See “—Risks Related to Argentina—Currency exchange rate fluctuations may adversely affect passenger traffic at the Airports and the cash flows available to repay our debts.”

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

International prices of fuel have experienced significant volatility in recent years. The price of fuel may be subject to further fluctuations resulting from a reduction or increase in output of petroleum, voluntary or otherwise, by oil producing countries, other market forces, a general increase in international hostilities, or any future terrorist attacks. Although international fuel prices have decreased in recent months, in the past, increased costs were among the factors leading to cancellations of routes, decreases in frequencies of flights and in some cases even contributed to filings for bankruptcy by some airlines. Although fuel is a widely-traded global commodity, in the event of a significant increase in fuel prices in Argentina or in one or more countries that provide significant numbers of international air passengers to Argentina, the effects of a localized price increase may be more significant than a general, worldwide increase in fuel prices. Significant fluctuations may result either in higher airline ticket prices or in a decrease in demand for air travel generally, thereby having an adverse effect on our revenues, results of operations and ability to service our debt, including payment on the Notes.

Events such as international conflicts and outbreaks of disease could have a negative impact on international air travel.

Our principal source of aeronautical services revenue is passenger use fees. For the nine-month period ended September 30, 2016, passenger use fees directly represented approximately 43.7% of our total revenue. In 2015, 2014 and 2013, passenger use fees directly represented approximately 40.4%, 42.3% and 42.3%, respectively, of our total revenue. Passenger use fees are payable for each passenger (other than certain exempt passengers) departing from the airport terminals we operate. International events such as the terrorist attacks on the United States

on September 11, 2001, the more recent terrorist attacks in Paris and Brussels, and other attacks attributed to the Islamic State of Iraq and Syria or any other organization, 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. Public health crises such as the outbreak of Severe Acute Respiratory Syndrome (“SARS”) between 2002 and 2003, the outbreak of the A/H1N1 virus of 2009 and the Ebola pandemic in 2014 – 2015 have disrupted the frequency and pattern of air travel worldwide in recent years. Most recently, travel to the Caribbean and Latin American countries has been affected as a result of the Zika virus.

Because our revenue is largely dependent on the level of passenger traffic in our airports, any general increase of hostilities relating to reprisals against terrorist organizations, outbreaks of health epidemics, such as the H1N1 virus and the Zika virus, or other events of international concern (and any negative economic impact from such events) could result in decreased passenger traffic and increased costs to the air travel industry and, as a result, could have a material adverse effect on our business revenues and results of operations.

In the event of a terrorist attack directly on one of our airports, 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, our insurance policies do not cover all losses and liabilities resulting from terrorism. All of the above factors may have a substantially adverse effect on our financial situation and commercial operation.

Any event that affects the safety standard perception of any of the major airlines could result in a loss of significant passenger traffic volume.

Any accident, incident or other event that affects the safety standard perception of any of the major airlines may affect its image and generate a public perception that it is less safe or reliable than other airlines. These events would harm consumer demand and the number of passengers serviced by such airline, which would in turn adversely affect the amount of passenger charges collected by it, thereby adversely affecting our liquidity and ability to service our debt, including the Notes.

The United States Federal Aviation Administration or another regulatory agency could downgrade Argentina’s aviation safety rating, which could have a negative impact on passenger traffic.

Under the United States Federal Aviation Administration (“FAA”) regulations, Argentina’s aviation safety rating could be downgraded. Argentine airlines could be prevented from expanding or changing their current operations between the United States and Argentina, except under certain limited circumstances, code-sharing arrangements between Argentina and United States’ airlines could be suspended, and operations by Argentine airlines flying to the United States could be subjected to greater FAA oversight. These additional regulatory requirements result in reduced passenger traffic originating in or departing to the United States by Argentine airlines operating at our airports or, in some cases, in an increase in that cost of service, which results in decrease in demand for travel. The FAA may downgrade Argentina’s air safety rating in the future. We cannot predict what impact the downgrade of the Argentine aviation safety rating would have on passenger traffic or on the public perception of Argentina’s aviation safety. The European Aviation Safety Agency and other regulatory agencies may take similar actions, either independently or in response to any such action by the FAA. Such actions might reduce our revenues and ability to make payments on the Notes.

Our revenue and profitability may not increase if we fail in our business strategy.

Our ability to increase our revenue and profitability will depend in part on our business strategy, which consists of increasing our airport users’ consumption, developing infrastructure to accommodate expected growth in passenger traffic and continuing to improve the commercial offerings at our airports. Our ability to increase our non-aeronautical services revenue is significantly dependent upon increasing passenger traffic at our airports and passenger willingness to spend at our airports, among other factors. We cannot make any assurances that we will successfully implement our strategy to increase our non-aeronautical services revenue. The passenger traffic volume in our airports depends on factors beyond our control, such as the attractiveness of the commercial, industrial and tourist centers that the airports serve. Accordingly, there can be no assurance that the passenger traffic volume in our airports, and the resulting non-aeronautical services revenue, will increase.

Competition from other destinations could adversely affect our business.

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

The majority of our workforce is unionized and we may be subject to organized labor action, including work stoppages and litigation.

As of September 30, 2016, approximately 54% of our employees were unionized with *Union de Personal Civil de la Nación* (UPCN) or *Asociación de Personal Aeronáutico* (APA) under the Collective Bargaining Agreement (CBA Nbr. 1,254/2011 “E”) between us and the unions. This Collective Bargaining Agreement does not have an expiration date. Notwithstanding the fact that our relationship with these unions remains stable as of the date of this Offering Memorandum, any tensions with the unions in the future may result in strikes or litigation, which could have a substantial adverse effect on our business and results of operations. See “—Risks Related to Argentina—Government measures, as well as pressure from labor unions, could require salary increases or additional employee benefits, all of which could increase companies’ operating costs.”

The loss of one or more of our main aeronautical customers or the interruption of their operations could result in a loss of a significant amount of our revenue.

Aerolíneas Argentinas S.A., LATAM Airlines Group and VRG Linhas Aereas S.A. and their respective affiliates accounted for 15.7%, 13.8% and 4.0%, respectively, of the total amounts invoiced by us for the nine-month period ended September 30, 2016, and 15.9%, 12.1% and 3.6%, respectively, of the total amounts invoiced by us in 2015. None of our contracts with our airline customers obligate them to provide services to our airports. If any of our key customers were to reduce their use of our airports or cease to operate at them for any reason, including merger, bankruptcy or regulatory counsel, we cannot guarantee that the remaining airlines would increase their flight frequency to replace the flights our key customers were no longer operating. Our business could be adversely affected if we are unable to replace the business of our main aeronautical customers, as well as by any strikes or lockouts by their employees.

Similarly, Transferred Use Fees are collected by us directly from certain international airlines. We have credit exposure to these international airlines. These payments are generally unsecured, and we have not purchased credit default swaps or other protection with respect to these payments. In the event one or more of these international airlines fails to pay Use Fees due and payable to us, we may be unable to make payments on the Notes.

The operations of our airports may be affected by actions or inactions of third parties, which are beyond our control.

The operation of our airports is largely dependent on the services provided by the Argentine National Government and other third parties for the rendering of services to passengers and airlines, such as meteorology, air traffic control, security, electricity, and immigration and customs services. In addition, we are dependent on third party providers of certain complementary services such as baggage handling, fuel services, catering and aircraft maintenance and repair. While we are responsible for adopting security measures at our airports, we do not control the management or operation of security, which is controlled by the Argentine National Government and the Airport Security Police (*Policía de Seguridad Aeroportuaria*). We are not responsible 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 us.

The Argentine National Government is responsible for air traffic control. The improper operation of radar systems or other services related to air traffic control could have a material adverse effect on us. In addition, airlines and passengers may incorrectly believe that we are responsible for these air traffic control, security and other third party service delays, which may in turn have a material adverse effect on our business, financial condition and results of operations.

Our operations are at greater risk of disruption due to the dependence of several of our airports on a single commercial runway.

As is the case with many other domestic and international airports around the world, all of our airports, other than Ezeiza, Córdoba Airport, Salta Airport, Reconquista Airport and Río Cuarto Airport (each of which has two operating runways), have only one runway. While we seek to repair our runways during off-peak hours, we cannot make any assurances that the operation of our airports will not be disrupted due to necessary maintenance. Our runways may require unscheduled repair due to natural disasters, aircraft accidents and other factors beyond our control. The closure of any runway for a significant period of time could have a material adverse effect on us.

Ongoing and proposed construction, renovation or repair works at the Airports could have a negative impact on passenger traffic.

We are currently in the process of constructing, renovating or repairing a number of our airports. We cannot provide any assurance that such plans will be successfully completed, or that passenger traffic volume will not be adversely affected. These construction, renovations and repairs could disrupt passenger traffic at the airports and therefore our ability to collect passenger charges. We cannot make any assurances that the operations of our other airports will not decrease or be adversely affected by future constructions, renovations or repairs.

We may not be able to comply with our investment plan.

Under the terms of the Concession Agreement, we are required to establish and comply with an investment plan for our airports. The investment plan was designed to satisfy the requirements of the National Airport System and to comply with international operating standards, while taking into account expected increases of passengers and cargo over time. Under the Concession Agreement, our total required investment commitments from January 1, 2006 to February 13, 2028 amount to AR\$2,158.4 million (calculated in December 2005 values). As of December 31, 2015, we had invested approximately AR\$1,593.6 million (calculated in December 2005 values) of such required amounts.

We cannot guarantee that we will fulfill our investment commitments without delay or within the estimated budget for such projects nor that we will be able to obtain the financing necessary to complete such projects. See “—Risks Related to the Regulation of Our Business—If the ORSNA does not approve the capital expenditures we made under the investment plan, we will be required to make additional capital expenditures.” This could limit our ability to expand capacity at our airports, increase our operating or capital expenses and adversely affect our business. Such delays or budgetary overruns also could limit our ability to comply with our development programs and/or lead to a breach of the Concession Agreement.

Furthermore, in the event that we breach any of our obligations under the Concession Agreement, the ORSNA has the right to impose monetary fines as it deems appropriate. Delays in timely implementing our investment plan could result in the ORSNA’s imposition of a penalty equal to 10% of the value of delayed works. Such amounts could be collected from us directly by the ORSNA against the performance guarantee required under the Concession Agreement (the “Performance Guarantee”). See “Regulatory Framework—the Concession Agreement—Penalties.”

We are exposed to certain risks in connection with the use of certain spaces by sub-concessionaires at our airports.

We are exposed to risks related to the spaces sub-concessioned to third parties, such as non-payment by sub-concessionaires of certain fees and other lease arrangements or a weakening demand for the use of the spaces

allocated to sub-concessionaires. Any of these risks could adversely affect our business, results of operations and financial condition.

Our insurance policies may not provide sufficient coverage against all liabilities.

We are required to maintain insurance under the Concession Agreement and we seek to insure all risks for which insurance coverage is available on commercially reasonable terms. We can offer no assurance that our insurance policies will cover all of our liabilities in the event of an accident, natural disaster, 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 the coverage policy by the insurance companies involved could reduce our ability to obtain and maintain adequate or cost-effective coverage. We do not currently carry business interruption insurance or property insurance against terrorism and related risks. Consequently, any substantial interruption of our business or terrorist attacks could have a material adverse effect on the results of our operations. See “Business—Property and Insurance.”

We are exposed to risks inherent to the operation of airports.

We are obligated to protect the public and to reduce the risk of accidents at our airports. As with any company dealing with individuals, we must implement measures for the protection of the public, such as hiring private security services, maintaining our airports’ infrastructure and fire safety in public spaces, and providing emergency medical services. These obligations could increase our liability to third parties for personal injury or property damage, to the extent not adequately covered by insurance, thereby adversely affecting our financial condition and results of operations.

We are subject to various environmental laws, regulations and authorizations that affect our operations and may expose us to significant costs, liabilities, obligations or restrictions.

We, our Sub-concessionaires and our airline customers are subject to various environmental laws, regulations and authorizations governing, among other things, the generation, use, transportation, management and disposal of hazardous materials, the emission and discharge of hazardous materials into the ground, air or water, and human health and safety. Failure to comply with these environmental requirements, including the terms of the Concession Agreement, could result in our being subject to litigation, fines or other sanctions. We could also incur significant capital or other compliance costs relating to such requirements. We could also be held responsible for contamination, human exposure to hazardous materials or other environmental damage at our airports or otherwise related to our operations. Environmental claims have been asserted against us, and additional such claims may be asserted against us in the future. See “Business—Legal Proceedings—Environmental Proceedings.” We are unable to determine our potential liability under these pending or possible future claims. We only have environmental insurance coverage for environmental damages at Ezeiza.

These environmental requirements, and the enforcement and interpretation thereof, change frequently and have tended to become more stringent over time. Future environmental laws, regulations and authorizations may require us to incur additional costs in order to bring our airports into, and maintain, compliance. Particularly with respect to our airports situated close to or in urban areas, our ability to expand our airports and meet increased demand could be limited by such future requirements.

Our costs, liabilities, obligations and restrictions relating to environmental matters could have a material adverse effect on our business, results of operations and financial condition.

We are subject to risks related to tax disputes as a result of claims asserted against us by certain municipalities, provinces and the Federal Tax Authorities.

Municipalities, provinces and the Federal Tax Authorities (the “AFIP”) have asserted administrative law proceedings against us in connection with payment of local and federal taxes. We are currently appealing the administrative decisions of such proceedings. An unfavorable decision rendered in these lawsuits could require us to

pay substantial amounts to the tax authorities. For certain proceedings, we have established partial provisions for the amounts in dispute, based on the likelihood of success. See “Business—Legal Proceedings—Tax Proceedings.”

We are dependent on our management for their knowledge and expertise and the loss of competent management may adversely affect our business, financial condition and results of operations.

Our current and future performance depends significantly on the continuous contribution of our managers and other key employees. Employee hiring and assignment takes into account the competence, skills, aptitude and knowledge of the corresponding person as well as their capacity, work-ethic, honesty and commitment to achieve the objectives proposed for that position. We cannot guarantee that we will have the same group of executives in the future, or that in the event that new executives are hired to replace the former executives, they will have the same knowledge and experience. The loss of competent management may adversely affect our business, financial condition and results of operations.

Our Audit Committee has not issued any reports regarding our financial statements.

Under the Argentine Capital Markets Law we are not required to have an Audit Committee because our capital stock is not listed on any exchange in Argentina. Notwithstanding the foregoing, at the shareholders’ meeting held on July 18, 2016, our shareholders approved the creation of an Audit Committee composed of three members of our board of directors. The Audit Committee held its first meeting on August 8, 2016 and approved its action plan for the 2016 fiscal year. However, the Audit Committee has not issued any reports in connection with our existing financial statements. Therefore, the internal and external audit procedures applied to prepare the Audited Consolidated Financial Statements and the Unaudited Consolidated Financial Statements included in this Offering Memorandum have not been reviewed by the Audit Committee.

We rely on certain payment systems and any failures of such systems could negatively affect our business.

We own and/or licenses technology and systems for payment collections and cash management. If any of these systems fails to operate as anticipated, are vulnerable to or subject to security breaches, or these systems are not replaced with new systems comparable to those introduced by competitors, such circumstances could have a negative impact on our business and our ability to collect payments. Any degradation, failure of adequate development relative to, or security breach of, competitive systems may adversely affect our business and our ability to make payments on the Notes.

Our substantial indebtedness may negatively affect our financial condition and prevent us from repaying the Notes.

Our level of indebtedness may entail important consequences for the investor, among them (i) it may limit our capacity to take loans related to necessary work and investments of capital assets; (ii) it may limit our flexibility to plan or react before changes in our business and opportunities for future business; and (iii) it may place us in a position more vulnerable to unfavorable economic changes in our business or in the Argentine or international economy. Our business and financial situation could suffer a substantial negative impact if we do not repay our debt or obtain additional financing if necessary.

We may incur additional indebtedness.

Under the terms of the Indenture (as defined herein), we may incur additional debt that ranks on a *pari passu* basis with the Notes, subject to the restrictions set forth in the terms of the Notes. See “Description of Notes—Collateral.” If we incur any additional debt that ranks on a *pari passu* basis with the Notes, to the extent not covered by the collateral for the Notes, the holders of that debt will be entitled to share ratably with the holders of the Notes in any proceeds distributed in connection with an insolvency, liquidation, reorganization, dissolution or other winding-up of our Company subject to satisfaction of certain debt limitations. This may reduce payments to you. In addition, other debt of our Company may be secured by our other assets.

It is possible that we may not be able to generate sufficient cash flow to repay all our debt.

Our capacity to make payments of our debt, including the Notes, will depend on our capacity to generate money from our future operations. This is, to a certain extent, subject to economic, financial, competitive, climatic, legislative, regulatory and other factors that are not under our control. Our business may not generate sufficient cash flow from its operations and funding or may not, in other ways, be able to dispose of them in an amount sufficient to cover other liquidity needs. We may need to refinance or restructure a part or the total amount of our debt, including the Notes, before or after they are due. It is possible that we may not be able to refinance even a part of our debt or, if able to do so, may not be able to do it under reasonable terms from a business viewpoint. If we are unable to repay our debt, it is possible that we may have to resort to such measures as seeking additional capital or reducing or postponing investment in capital stock. However, it may not be possible to take those measures if necessary, and, if taken, they may not be on terms that are commercially reasonable. There can be no assurance that we will receive any payments with respect to the Transferred Concession Indemnification Rights, or that any such amounts will be sufficient to pay all interest and principal due on the Notes.

You will not be able to enforce any claims against property in Argentina assigned to us by the Argentine National Government.

Pursuant to the Concession Agreement, the Argentine National Government transferred to us the use (but not the ownership) of certain real property and the personal property included in the inventory of the “Group A” airports. 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 to, and the personal property must be assigned free of charge to, the Argentine National Government. An Argentine 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 Related to the Regulation of Our Business

We provide a public service regulated by the Argentine National Government and the terms of the Concession Agreement and our flexibility in managing our aeronautical activities is limited by the Concession Agreement and the regulatory environment in which we operate.

Our aeronautical service fees charged to airlines and passengers are regulated like those of most airports in other countries. In 2015, 2014 and 2013, approximately 47.7%, 50.4% and 50.7% of our total revenue, respectively, was from aeronautical services, which are subject to regulation by the Argentine National Government and the terms of the Concession Agreement. The maximum rates for the aeronautical service fees that we may charge under the terms of the Concession Agreement may limit our flexibility in operating our aeronautical activities and, as a result, could materially adversely affect us.

In addition, as a result of the severe political, economic and social crisis that Argentina experienced during 2001 and 2002, legislation was passed that provided for, among other things, the power of the Argentine National Government to renegotiate the Concession Agreement. We renegotiated the Concession Agreement by entering into the Memorandum of Agreement with the Argentine National Government on April 3, 2007. There can be no assurances that the Argentine economy will not suffer additional shocks that would require us to renegotiate the Concession Agreement with the Argentine National Government. If we are required to renegotiate the Concession Agreement, we may be required to accept terms that are less favorable than the existing terms of the Concession Agreement. Although any such renegotiation of the Concession Agreement may give rise to a Transferred Concession Indemnification Right, there can be no assurance that we will receive any amounts from the Argentine National Government in connection with such right, or that any such amounts will be sufficient to pay all interest and principal due on the Notes.

The Argentine National Government may impose fines on us, terminate and/or buy out the Concession Agreement under certain circumstances.

The Concession Agreement provides that the Argentine National Government may impose fines and other sanctions on us in the event that we breach any of our obligations under the Concession Agreement. The Memorandum of Agreement amended the Concession Agreement and settled certain mutual claims that the Argentine National Government and we had against each other. We cannot make any assurances that, if we experience difficulties, we will not encounter problems in satisfying our obligations under the Concession Agreement and that the Argentine National Government will not impose any such sanctions on us. As of the date of this Offering Memorandum, the ORSNA imposed several fines on us in an aggregate amount of AR\$3.9 million, the majority of which relate to formal defaults of our duty to inform under the Concession Agreement. We cannot predict whether the ORSNA will impose additional sanctions on us. Moreover, we cannot make any assurances that, should any additional sanctions be imposed, these will not materially or adversely affect our financial condition and results of operations.

The Concession Agreement may be terminated by the Argentine National Government prior to the expiration of the term of the agreement for certain prescribed reasons, including if (i) we breach a substantial obligation under the Concession Agreement and such breach is not remedied within the time indicated by the ORSNA or (ii) as a consequence of a breach, aggregate fines imposed on us by the Argentine National Government exceed 20% of our annual gross revenue net of taxes and charges, as calculated by the ORSNA at the end of each fiscal year. Under the terms of the Concession Agreement, the Argentine National Government is required to compensate us for the present value at the time of termination of the aeronautical investments we have made that have not been amortized as of the time of termination, less the damages prescribed by the Concession Agreement in favor of the Argentine National Government. We cannot make any assurances that the Argentine National Government will not terminate the Concession Agreement if we are unable to satisfy our obligations thereunder.

Under Argentine law, the Argentine National Government has the right to buy out or otherwise terminate concessions, including our Concession, at any time if such buy out or termination is made in the public interest. Under the terms of the Concession Agreement, the Argentine National Government has agreed not to buy out our concession rights until February 13, 2018. If the Argentine National Government elects to buy out the Concession, it is required to pay us the value of the aeronautical investments we have made (except for those that are not part of our investment plan and those that have not been approved by the ORSNA) that have not been amortized as of the time of the buyout, multiplied by 1.10. For all other investments, a credit would be recognized in our favor. In addition, the Argentine National Government has agreed to assume in full any debts incurred by us to acquire goods or services for purposes of providing airport services, except for debts incurred in connection with the investment plan (such as the issuance of the Notes) for which we would be compensated as part of the payment made to us by the Argentine National Government (i.e. the Concession Indemnification Rights). We cannot make any assurances that we will receive compensation in an amount equal to the value of our investments in the event of such termination or buyout. See “Regulatory Framework—The Concession Agreement—Termination and End of Concession.”

We cannot predict how the ORSNA will make adjustments to the payments we make to the Argentine National Government, our changes for aeronautical services and our investment plan.

Under the Concession Agreement, the ORSNA is required to review on an annual basis the Financial Projection of Income and Expenses and may make adjustments to the payments we make to the Argentine National Government pursuant to the Concession Agreement and/or rates charged for aeronautical services and/or our investment obligations for the purpose of preserving the economic equilibrium of the Concession Agreement pursuant to the Memorandum of Agreement and the parameters set forth by the ORSNA in the Procedure to Review the Financial Projection of Income and Expenses (*Procedimiento de Revisión de la Proyección Financiera de Ingresos y Egresos* or “PFIE”). See “Regulatory Framework—The Concession Agreement—Financial Projections.” Thus, our future revenue, operating expenses and investment obligations in any given period will be subject to the adjustments made in connection with these annual reviews. However, we cannot make any assurances that any such adjustments will be made and/or predict the impact that any such adjustments may have on our financial condition or our results of operations at any date or for any period. You are cautioned not to place undue reliance on the projections and adjustments by the ORSNA and elsewhere in this Offering Memorandum.

The adjustment procedures regarding the Financial Projection of Income and Expenses are determined by the ORSNA. While we engage the ORSNA in an annual dialogue in respect of adjustments to the Financial Projection of Income and Expenses and such governmental authorities have established procedures for making adjustments, we cannot predict whether such procedures will change in the future. Additionally, because the adjustments and projections may be based on assumptions, such adjustments and projections may not be accurate and therefore result in a material difference. We also cannot make any assurances that any such procedures will allow adjustments to be carried out in a timely manner or that these procedures will preserve the economic equilibrium of the Concession Agreement, given that the ORSNA's adjustments are made only after the time we have made our required investments during a given year, thereby resulting in a lag in time between when we make our investments and the adjustments are allowed. In addition, the ORSNA's adjustments will not take into account a devaluation of the peso if the devaluation occurs following the period to which the adjustments are made.

If the ORSNA does not approve the capital expenditures we made under the investment plan, we will be required to make additional capital expenditures.

The ORSNA reviews our capital expenditures in order to determine whether they may be included in the registry maintained by the ORSNA and to monitor our compliance with the investment plan. The ORSNA only approves investments that are supported with a certificate reflecting the completion of the relevant works and will not approve investments made in connection with the commencement of works. Accordingly, we may record investments in any given period that have not yet been (and may never be) approved by the ORSNA. See "Risk Factors—Risks Related to the Regulation of Our Operations—We may not be able to comply with our investment plan" and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Investment Commitments." If the ORSNA does not approve our capital expenditures under the investment plan, we will be required to make additional capital expenditures. This may require us to obtain additional financing, which we may not be able to obtain on terms favorable to us, or at all. Our capital expenditures for the years ended December 31, 2015, 2014 and 2013 are currently under review by the ORSNA. In addition, we filed a claim with the ORSNA in connection with the investment amounts recognized by the ORSNA for the periods of 2011 and 2012, which as of the date of this Offering Memorandum, has not been resolved.

Argentine federal and provincial governments could grant new concessions and authorize the construction of new airports that compete with our airports.

The Argentine National Government and the provincial governments could grant other companies additional concessions to operate existing government-managed airports, or authorize the construction of new airports, which could compete directly with our airports. Any such situations may cause a substantially adverse effect on our financial situation or in the results of our operations.

Risks Related to Argentina

Investing in a developing country entails certain inherent risks.

Argentina is a developing economy and investing in developing economies generally involves risks. These risks include political, social and economic events that may affect Argentina's economic results. In the past, instability in Latin American and developing countries, such as Argentina, has been caused by many different factors, including the following:

- adverse external economic factors;
- inconsistent fiscal and monetary policies;
- dependence on external financing;
- changes in governmental economic or tax policies;
- high levels of inflation;

- abrupt changes in currency values;
- high interest rates;
- wage increases and price controls;
- exchange rates and capital controls;
- political and social tensions;
- fluctuations in central bank reserves; and
- trade barriers.

Any of these factors may adversely affect the liquidity, trading markets and value of Argentina's debt securities and Argentina's ability to service its debt obligations.

We depend on macroeconomic conditions in Argentina.

Our business and financial results depend to a significant degree on macroeconomic, political, regulatory and social conditions in Argentina, generally, and in Buenos Aires, especially. We are a corporation organized under the laws of Argentina. Substantially all of our operations are located in Argentina and as of the year ended December 31, 2015, 89.2% of our revenues derived from two airports in the Buenos Aires region (Ezeiza and Aeroparque). The Argentine economy has experienced significant volatility in recent decades, characterized by periods of low or negative growth, high levels of inflation and currency devaluation.

During 2001 and 2002, Argentina experienced a period of severe political, economic and social crisis, which caused a significant economic contraction and led to radical changes in government policies. Among other things, the crisis resulted in Argentina defaulting on its sovereign foreign debt obligations, a significant devaluation of the peso and ensuing inflation, and the introduction of emergency measures that affected many sectors of the economy. These emergency measures and other economic policies have included, among others, foreign exchange and capital controls, export duties and restrictions, price controls, and government intervention in the private sector and nationalizations. As a result of the crisis and the government's response, many private sector debtors with foreign currency exposure defaulted on their outstanding debt.

Although Argentina has largely recovered from the 2001 – 2002 crisis, the pace of growth of Argentina's economy diminished, suggesting uncertainty as to whether the growth experienced between 2003 and 2011 was sustainable. Economic growth was initially fueled by, among other things, a significant devaluation of the peso and high commodity prices. During 2008 and 2009, however, the Argentine economy suffered a slowdown attributed to local and external factors, including the effects of the global economic crisis and an extended drought affecting agricultural activities. In spite of the economic growth following the 2001 – 2002 crisis, the economy has suffered a sustained erosion of capital investment. Economic conditions in Argentina from 2012 to 2015 included a tightening of foreign exchange controls (beginning in the second half of 2011), increased inflation, a rising fiscal deficit and limitations on Argentina's ability to service its sovereign debt in accordance with its terms due to its ongoing litigation with holdout creditors. In addition, there is an increasing need for capital investment in many sectors. A decline in international demand for Argentine products, a lack of stability and competitiveness of the peso against other currencies, a decline in confidence among consumers and foreign and domestic investors, a higher rate of inflation and future political uncertainties, among other factors, may affect the development of the Argentine economy. Any of these factors may be especially significant if they have a concentrated impact on the Buenos Aires metropolitan region. More recently the economy has shown signs of a slowdown, primarily due to the decline in global commodity prices and adverse conditions in Brazil, one of Argentina's principal trading partners.

Volatility in the Argentine economy and measures taken by the Argentine National Government have had and are expected to continue having a significant impact on us. We cannot make any assurances that a decline in economic growth, increased economic instability or an expansion of economic policies and measures taken by the

Argentine National Government to control inflation or address other macroeconomic developments that affect private sector entities such as us, all developments over which we have no control, would not have an adverse effect on our business, financial condition or results of operations.

The impact of the recent congressional and presidential elections on the future economic and political environment of Argentina is uncertain.

Presidential and congressional elections in Argentina took place on October 25, 2015, and a runoff election (ballotage) between the two leading presidential candidates was held on November 22, 2015, which resulted in Mauricio Macri being elected President of Argentina. The new administration took office on December 10, 2015.

Since taking office, the new administration announced and implemented several significant economic and policy reforms, including:

- *Foreign exchange reforms.* The new administration implemented reforms to the foreign exchange market in order to provide greater flexibility and easier access to the foreign exchange market. On August 8, 2016, the Central Bank issued Communiqué “A” 6037, which substantially modified the applicable foreign exchange regulations and eliminated the access restrictions to the MULC. In addition, on December 30, 2016, the Central Bank issued Communiqué “A” 6137, pursuant to which the mandatory repatriation and exchange of funds received from the exportation of services into Pesos through the MULC was eliminated. See “Exchange Rates and Exchange Controls.”
- *Foreign trade reforms.* The new administration eliminated or reduced export duties on several agricultural products and eliminated export duties on most industrial and mining exports.
- *Electrical system state of emergency and reforms.* The new administration declared a state of emergency with respect to the national electrical system, which will be effective on December 31, 2017. The state of emergency allows the Argentine National Government to take actions designed to guarantee the supply of electricity. In addition, the new administration eliminated certain energy subsidies and substantially increased electricity tariffs in the Electrical Wholesale Market (*Mercado Eléctrico Mayorista*). Following the tariff increases, the Argentine courts granted preliminary injunctions requested by consumers, politicians and non-governmental organizations defending consumer’s rights. However, on September 6, 2016, the Supreme Court denied the injunctions that suspended the increases to the electricity tariffs to end users, arguing formal objections and procedural defects; therefore, as of the date of this Offering Memorandum, increases to the electricity tariffs to end users have not been suspended. Pursuant to these injunctions, the Ministry of Energy and Mining scheduled public hearings on October 28, 2016 in order to publicly discuss the electricity tariffs for residential users; however, as of the date of this Offering Memorandum, no decision has been taken.
- *Reforms to the prices of gas.* The new administration increased substantially the price of natural gas in the regulated market, particularly for residential and commercial users, and instructed ENARGAS to adjust gas transportation and distribution tariffs, which also increased substantially as part of the transition process to adjust tariffs. However, in July 2016, the Federal Court of Appeals of La Plata held that these increases were void and without effect. The judgment was confirmed by the Supreme Court on August 16, 2016, asserting that such increases could not be established without prior public hearings. Public hearings were then held between September 16 and September 18, 2016. On October 7, 2016, the Ministry of Energy and Mining approved (i) that the new gas tariffs to residential and commercial be charged for the period of October 1, 2016 through March 31, 2017; and (ii) a mechanism to increase tariffs every six months in order to decrease the amount of subsidies to gas producers. In addition, the Ministry of Energy and Mining outlined the aggregate volumes of gas (by basin and distributor) that gas distributors may, subject to additional demand, request gas producers to supply Argentina’s priority demand, which may now be supplied by the producers pursuant to agreements entered into with the distributors.

- *INDEC reforms.* On January 8, 2016, based on the determination that the INDEC has failed to produce reliable statistical information, particularly with respect to the CPI, GDP, poverty and foreign trade data, the new administration declared the national statistical system and the INDEC in a state of administrative emergency through December 31, 2016. As a result, the INDEC ceased publishing certain key statistical data until a rearrangement of its technical and administrative structure is finalized. In June 2016, the INDEC resumed its publication of the CPI. As of the date of this Offering Memorandum, the INDEC has begun publishing certain revised data, including GDP, foreign trade and balance of payment statistics, although it remains in a state of administrative emergency. See “—The credibility of several Argentine economic indices has been called into question, which may lead to a lack of confidence in the Argentine economy and may in turn limit our ability to access the credit and capital markets.”
- *Financial Policy.* The new administration has settled the majority of outstanding claims with holdout creditors and has issued sovereign bonds in the international capital markets. See “—Argentina’s ability to obtain financing from international markets remains limited, which may impair its ability to implement reforms and public policies and foster economic growth and could impact the ability of Argentine companies to obtain financing.”
- *Deficit reduction.* The new administration has announced its intention to reduce its primary budget deficit from approximately 5.8% of GDP in 2015, to 4.8% of GDP in 2016 and 3.3% of GDP in 2017, in part by eliminating public services’ subsidies in effect and decreasing public spending. However, the primary fiscal deficit for October 2016 increased 183% as compared to the same period in 2015, while the aggregate fiscal deficit as of January 2016 represented a 69% increase as compared to the same period in 2015, reaching 4.6% of GDP. The Macri administration aims to achieve a balanced primary budget by 2019.

As of the date of this Offering Memorandum, the impact that these measures and any future measures taken by the new administration will have on the Argentine economy cannot be predicted. The effect of the planned liberalization of the economy is expected to be positive for our business but it is not possible to predict such effect with certainty and actions taken by the Argentine National Government could also be disruptive to the economy and fail to benefit or harm our business. In addition, there is uncertainty as to which other measures announced during the presidential campaign by the new Argentine President will be taken and when. In particular, we cannot predict how the new administration will address other political and economic issues that were crucial during the presidential election campaign, such as the financing of public expenditures, public service subsidies and tax reforms, or the impact that any measures taken by the new administration related to these issues will have on the Argentine economy as a whole.

Some of the measures proposed by the new government may also generate political and social opposition, which may in turn prevent the new government from adopting its proposed measures. As a result of the recent elections, the political parties that oppose the new administration retained a majority of the seats in both chambers of the Argentine Congress, which means that the new administration will have to seek political support from the opposition to implement its economic proposals. This creates further uncertainty as to the new administration’s ability to pass its proposed agenda.

Political uncertainty in Argentina relating to the new administration’s proposed measures with respect to the Argentine economy could lead to volatility in the market prices of securities of Argentine companies, including in particular, companies in which the Argentine National Government holds an equity interest, such as ours.

We can offer no assurances as to the policies that may be implemented by the new Argentine administration, or that political developments in Argentina will not adversely affect our financial condition and results of operations.

Significant fluctuation in the value of the peso may adversely affect the Argentine economy as well as our financial condition and results of operations.

The Argentine peso has suffered significant devaluations against the U.S. dollar and has continued to devalue against the U.S. dollar in recent months. Despite the positive effects of the devaluation of the peso on the competitiveness of certain sectors of the Argentine economy, it can also have far-reaching negative impacts on the Argentine economy and on businesses' and individuals' financial condition. For example, the devaluation of the peso in 2002 had a negative impact on the ability of Argentine businesses to repay their outstanding foreign currency-denominated debt, initially led to very high inflation, significantly reduced real wages and thus had a negative impact on businesses whose success is dependent on domestic market demand, and adversely affected the government's ability to repay its existing foreign debt obligations.

With the tightening of exchange controls beginning in late 2011, in particular with the introduction of measures that limited access to foreign currency by private companies and individuals (such as requiring an authorization of tax authorities to access the foreign currency exchange market), the implied exchange rate, as reflected in the quotations for Argentine securities that trade in foreign markets, compared to the corresponding quotations in the local market, increased significantly over the official exchange rate. Most foreign exchange restrictions have been lifted since December 2015 and, as a result, the substantial spread between the official exchange rate and the implicit exchange rate derived from securities transactions has substantially decreased. See "Exchange Rates and Exchange Controls."

After several years of relatively moderate variations in the nominal exchange, the Argentine peso depreciated 14.4% against the U.S. dollar in 2012, 32.6% in 2013, and 31.2% in 2014, including a loss of 23.9% in January 2014, based on the official exchange rates reported by the Argentine Central Bank. In 2015, the peso depreciated 52% against the U.S. dollar, including a depreciation of approximately 35% mainly experienced after December 15, 2015 following the announcement of the lifting of certain foreign exchange restrictions. Since the devaluation in December 2015, the Argentine Central Bank has allowed the peso to float and has limited its intervention only to ensure the orderly functioning of the foreign exchange market. As of January 30, 2017, the exchange rate was Ps.15.70 to US\$1.00. If the peso continues to devalue, all of the negative effects on the Argentine economy related to such devaluation could resurface. Moreover, it would likely result in a material adverse effect on our financial condition and results of operations due to our exposure to financial commitments in U.S. dollars.

On the other hand, a substantial increase in the value of the peso against the U.S. dollar also presents risks for the Argentine economy. A significant real appreciation of the peso would adversely affect exports, which could have a negative effect on GDP growth and employment, as well as reduce the Argentine public sector's revenues by reducing tax collection in real terms, given its current substantial reliance on taxes on exports.

A substantial amount of our total revenue is denominated in U.S. dollars or linked to U.S. dollars and a substantial amount of our costs are in pesos. Consequently, variations in the exchange rate between dollars and pesos lower than an increase in the related costs due to inflation could have a negative effect on our financial condition and results of operations.

Currency exchange rate fluctuations may adversely affect passenger traffic at our airports and the cash flows available to repay our debts.

International and regional passenger use fees are denominated in U.S. dollars and are payable in both U.S. dollars and Argentine pesos. Currency exchange rate volatility directly affects conversions of U.S. dollars into Argentine pesos, which may reduce our cash flows in Argentine pesos. Any appreciation in the value of the Argentine peso against the U.S. dollar may reduce our cash flows. Conversely, any devaluation in the value of the Argentine peso against the U.S. dollar may increase our cash flows.

Although international and regional passenger use fees typically represent a small percentage of the total cost of international air travel, we cannot make any assurances that any significant increase in international and regional passenger use fees as a result of fluctuations in currency exchange rates will not lead to decreased passenger traffic volume as a result of increases in travel costs. In addition, international and regional passenger use

fees will be sensitive to fluctuations in the currency exchange rate between the various world currencies in which prospective international air passengers earn their income, and the Argentine peso or U.S. dollar rate in which they are charged international and regional passenger use fees. A large decrease in the value of a particular foreign currency relative to the value of the Argentine peso or the U.S. dollar, as applicable, would be expected to have an adverse effect on the number of international air passengers originating from nations that use such devalued currency.

Continuing high inflation may impact the Argentine economy and adversely affect our results of operations.

Inflation has, in the past, materially undermined the Argentine economy and the government's ability to foster conditions that would permit stable economic growth. In recent years, Argentina has confronted inflationary pressures, evidenced by a significant increase in fuel, energy and food prices, among other factors. According to data published by the INDEC, the rate of inflation reached 10.9% in 2010, 9.5% in 2011, 10.8% in 2012, 10.9% in 2013, 23.9% in 2014 and 11.9% during the ten-month period ended October 31, 2015. In response, the prior Argentine administration implemented programs to control inflation and monitor prices of basic goods and services, including freezing the prices of key products and services, and entering into price support arrangements between the Argentine National Government and companies of several industries and markets in the private sector.

In November 2015, the INDEC suspended the publication of the CPI. According to the most recent publicly available information based on data from the Province of San Luis, the CPI grew by 31.6% in 2015 and the inflation rate was 6.5%, 4.2%, 2.7%, 3.0% and 3.4% in December 2015 and January, February, March and April 2016, respectively. According to the most recent publicly available information based on data from the City of Buenos Aires, the CPI grew by 26.9% in 2015 and the inflation rate was 3.9%, 4.1%, 4.0%, 3.3% and 6.5% in December 2015 and January, February, March and April 2016, respectively. After implementing certain methodological reforms and adjusting certain macroeconomic statistics based of these reforms, in June 2016 the INDEC resumed its publication of the CPI. According to the INDEC, Argentina's rate of inflation for May, June, July, August, September, October and November 2016 was 4.2%, 3.1%, 2%, 0.2%, 1.1%, 2.4% and 1.6%, respectively.

High inflation would undermine Argentina's foreign competitiveness by diluting the effects of the devaluation of the peso, negatively impact the level of economic activity and employment, and undermine confidence in Argentina's banking system, which could further limit the availability of domestic and international financing to businesses. Furthermore, a portion of the Argentine debt is adjusted by the Stabilization Coefficient (*Coeficiente de Estabilización de Referencia*), a currency index, that is strongly related to inflation. Therefore, any significant increase in inflation would cause an increase in Argentine external debt and, consequently, in Argentina's financial obligations, which could aggravate the pressure on the Argentine economy. High levels of uncertainty and a general lack of stability in terms of inflation could also lead to shortened contractual terms.

Inflation rates could escalate, and there is uncertainty regarding the effects that the measures taken, or that may be taken, by the Argentine National Government to control inflation could have. If inflation remains high or continues to increase, Argentina's economy may be negatively impacted and our results of operations could be materially affected.

The credibility of several Argentine economic indexes has been called into question, which may lead to a lack of confidence in the Argentine economy and may in turn limit our ability to access the credit and capital markets.

Since 2007, the INDEC has experienced a process of institutional and methodological reforms that have created controversy with respect to the reliability of the information that it publishes, including inflation, GDP and unemployment data. As a result, the credibility of its reports with respect to the CPI, as well as other indexes published by the INDEC, has been affected by allegations that the inflation rate in Argentina and the other rates calculated by INDEC could be substantially different from those indicated in INDEC's official reports.

Reports published by the International Monetary Fund ("IMF") state that the IMF staff uses alternative measures of inflation to monitor macroeconomic conditions, including data produced by private sources, which have shown considerably higher inflation rates than those published by the INDEC since 2007. The IMF has also faulted

Argentina for not taking sufficient remedial measures to address the quality of its official data, including inflation and GDP data, as required under the Articles of Agreement of the IMF.

In February 2014, the INDEC released a new inflation index, known as National Urban Consumer Price Index (*Índice de Precios al Consumidor Nacional Urbano*) that measures the prices of goods across the country and replaces the previous index that only measured inflation in the urban sprawl of the City of Buenos Aires. Pursuant to these calculations, the new consumer price index rose 23.9% in 2014 and 11.9% during the ten-month period ended October 31, 2015. Even though the new methodology brought inflation statistics closer to those estimated by private sources, material differences between recent official inflation data and private estimates remained during 2015.

However, during December 2015 and January 2016, the new government declared the national statistical system and the INDEC to be in a state of administrative emergency through December 31, 2016. Accordingly, the new head of the INDEC announced the temporary suspension of the publication of official data of prices, poverty, unemployment and GDP until the completion of a full review of INDEC's policies. Shortly thereafter, the new administration released an alternative CPI index based on data from the City of Buenos Aires and the Province of San Luis. The INDEC resumed its publication of the CPI in June 2016, after implementing certain methodological reforms and adjusting certain macroeconomic statistics on the basis of those reforms. The INDEC also revised GDP data from 2006 through 2015. Among other adjustments, in calculating GDP for 2004, the INDEC made changes to the composition of GDP that resulted in a negative adjustment of approximately 12% for that year. To calculate real GDP for subsequent years based on the revised 2004 GDP, the INDEC used deflators that are consistent with its revised methodology to calculate inflation. By previously understating inflation, the INDEC had overstated economic growth in real terms. The adjustments made by the INDEC lead to a determination of real GDP growth of 48.6% for the period of 2004 to 2015, as opposed to 63% growth in real terms for the same period resulting from the information used prior to June 2016. Despite these reforms, uncertainty remains as to whether official data and measurement procedures sufficiently reflect inflation in Argentina, and what effect these reforms will have on the Argentine economy.

As of the date of this Offering Memorandum, the impact that these measures and any future measures taken by the new administration with respect to the INDEC will have on the Argentine economy and investors' perception of the country cannot be predicted.

Argentina's ability to obtain financing from international markets may be limited, which may in turn impair its ability to implement reforms and public policies and foster economic growth and could impact the ability of Argentine companies to obtain financing.

Argentina's 2001 sovereign default and its failure to fully restructure its sovereign debt and negotiate with the holdout creditors has limited and may continue to limit Argentina's ability to access international financing. In 2005, Argentina completed the restructuring of a substantial portion of its indebtedness and settled all of its debt with the IMF. Additionally, in June 2010, Argentina completed the restructuring of a significant portion of the defaulted bonds that were not swapped in the 2005 restructuring. As a result of debt exchanges in 2005 and 2010, Argentina restructured approximately 91% of its defaulted debt that was eligible for restructuring. However, holdout bondholders that declined to participate in the restructurings, filed lawsuits against Argentina in several countries, including the United States. Since late 2012, rulings from courts in the United States favorable to holdout bondholders aggravated investors' concerns regarding investment in the country.

In November 2012, the United States District Court for the Southern District of New York ratified the injunction order issued on February 23, 2012, which held that Argentina violated the *pari passu* clause with respect to the bondholders that had not participated in the sovereign debt swaps in 2005 and 2010. Pursuant to the U.S. District Court's ruling, Argentina was required to pay 100% of the amounts due to the plaintiffs, plus payment of the amounts due on the next maturity date of the bonds to the bondholders who participated in the debt swaps. In June 2014, the U.S. Supreme Court denied Argentina's appeal for *certiorari* of the U.S. Second Circuit Court of Appeals' ruling affirming the U.S. District Court's judgment. Later that month, the U.S. District Court ruled that funds should not be delivered to the holders of restructured debt in the absence of a prior agreement with the holdout bondholders. In June 2015, the U.S. District Court granted partial summary judgment to a group of "me-too" plaintiffs in 36 separate lawsuits, finding that, consistent with the previous ruling of such court, Argentina violated the *pari passu* clause in the bonds issued to the "me-too" bondholders.

In February 2016, the new Argentine administration entered into settlement agreements with certain holdout bondholders to settle these claims, which were subject to the approval of the Argentine Congress and the lifting of the *pari passu* injunctions. In March 2016, after the U.S. District Court agreed to vacate the *pari passu* injunctions subject to certain conditions, the Argentine Congress ratified these settlement agreements through Law 27,249 and repealed the so called Lock Law N° 26,017 and the Sovereign Payment Law N° 26,984, which prohibited Argentina from offering holdout bondholders more favorable terms than those offered in the 2005 and 2010 debt swaps. In recent months, the Argentine National Government has reached settlement agreements with holders of a significant portion of the defaulted bonds and has repaid the majority of the holdout creditors with the proceeds of a US\$16.5 billion international offering of 3-year, 5-year, 10-year and 30-year bonds on April 22, 2016. Although the size of the claims involved has decreased significantly, litigation initiated by bondholders that have not accepted Argentina's settlement offer continues in several jurisdictions.

Additionally, foreign shareholders of several Argentine companies have filed claims with the International Centre for Settlement of Investment Disputes (the "ICSID") alleging that the emergency measures adopted by the Argentine National Government since the crisis in 2001 and 2002 differ from the just and equal treatment standards set forth in several bilateral investment treaties to which Argentina is a party. ICSID has ruled against Argentina with respect to many of these claims.

Litigation involving holdout creditors, claims with ICSID and other claims against the Argentine National Government, resulted and may result in material judgments against the government, lead to attachments of or injunctions relating to Argentina's assets, or could cause Argentina to default under its other obligations, and such events may prevent Argentina from obtaining favorable terms or interest rates when accessing international capital markets or from accessing international financing at all. The termination of the injunctions issued by the United States courts preventing bondholders from receiving their interest payments on the bonds issued pursuant to the 2005 and 2010 exchange offers, and the related subsequent events, have paved the way for the Argentine National Government to regain access to the international capital markets. Nonetheless, Argentina's ability to obtain international or multilateral private financing or direct foreign investment may be limited, which may in turn impair its ability to implement reforms and public policies to foster economic growth. In addition, Argentina's ongoing litigation with the remaining holdout creditors as well as ICSID and other claims against the Argentine National Government, or any future defaults of its financial obligations, may prevent Argentine companies, such as us, from accessing the international capital markets or cause the terms of any such transactions less favorable than those provided to companies in other countries in the region, potentially impacting our financial condition.

Government intervention in the Argentine economy could adversely affect the economy and our financial condition and results of operations.

During recent years, the Argentine National Government increased its direct intervention in the economy, including through the implementation of expropriations or nationalizations and price controls.

In 2008, the Argentine National Government provided for the nationalization of the Argentine private pension funds (*Administradoras de Fondos de Jubilaciones y Pensiones*). In April 2012, the Argentine National Government provided for the nationalization of YPF. In February 2014, the Argentine National Government and Repsol, from whom YPF was expropriated, announced that they had reached agreement on the terms of the compensation payable to Repsol for the expropriation of the YPF shares, which agreement settled the claim filed by Repsol with ICSID. Such compensation amounted to US\$5 billion, payable in the form of Argentine sovereign bonds with various maturities. There are other recent examples of government intervention. In December 2012 and August 2013, the Argentine Congress established new regulations relating to domestic capital markets. The new regulations generally provide for increased intervention in the capital markets by the government, authorizing, for example, the CNV to appoint observers with the ability to veto the decisions of the board of directors of publicly-traded companies in certain circumstances and to suspend the board of directors for a period of up to 180 days.

In the future, the level of intervention in the economy by the Argentine National Government may continue or increase. We cannot make any assurances that these or other measures that may be adopted by the Argentine National Government in the future, including in response to social unrest, such as expropriation, nationalization, intervention by the CNV, forced renegotiation or modification of existing contracts, new taxation policies, establishment of prices, changes in laws, regulations and policies affecting foreign trade, investment, etc., will not

have a material adverse effect on the Argentine economy and, consequently, will not adversely affect our business, financial condition and results of operations.

The nationalization of Argentina's private pension funds caused an adverse effect in the Argentine capital markets and increased the Argentine National Government's interest in certain stock exchange listed companies, such that the Argentine National Government became a significant shareholder of such companies.

The Argentine National Government has exerted a stronger influence on the operation of stock exchange listed companies. Prior to 2009, a significant portion of the local demand for securities of Argentine companies came from Argentine private pension funds. In response to the global economic crisis, in 2008, the Argentine Congress unified the Argentine pension and retirement system into a system publicly administered by the National Social Security Agency (*Administración Nacional de la Seguridad Social*, or the "ANSES"), eliminating the pension and retirement system previously administered by private managers. In accordance with the new law, private pension managers transferred all of the assets administered by them under the pension and retirement system to the ANSES. As a result of the nationalization of Argentina's private pension funds, the Argentine National Government, through the ANSES, became a significant shareholder in many of the country's public companies. In 2011, the Argentine National Government lifted certain restrictions pursuant to which ANSES was prevented from exercising more than 5% of its voting rights in any stock exchange listed company (regardless of the equity interest held by ANSES in such companies). ANSES has since exercised its voting rights in excess of such 5% limit in order to appoint directors in different stock exchange listed companies in which it holds an interest exceeding 5%. ANSES's interests with respect to its investments in publicly-traded companies may differ from those of other investors in such companies and, as a result ANSES's actions may have an adverse effect on the interests of such investors.

We cannot make any assurances that these or other similar actions taken by the Argentine National Government will not have an adverse effect on the Argentine economy and, consequently, on our financial condition and results of operations.

Exchange controls and restrictions on capital inflows and outflows could limit the availability of international credit, adversely affecting the Argentine economy, and, as a result, our financial condition and results of operations.

In 2001 and 2002, Argentina experienced a mass withdrawal of deposits from the financial system as a result of a lack of confidence in the Argentine National Government's ability to repay its debt and sustain the parity between the peso and the U.S. dollar. This caused a liquidity crisis in the Argentine financial system, which led the Argentine National Government to impose exchange controls and transfer restrictions, substantially limiting the ability of companies to retain foreign currency or make payments abroad. After 2002, these restrictions, including those requiring the Argentine Central Bank's prior authorization for the transfer of funds abroad to pay principal and interest on debt obligations, were substantially eased. However, in June 2005, in addition to the foreign exchange restrictions applicable to outflows, the Argentine National Government adopted various rules and regulations that established new restrictive controls on capital inflows into the country, including a requirement that, for certain funds remitted into Argentina, an amount equal to 30% of the funds had to be deposited into an account with a local financial institution as a U.S. dollar deposit for a one-year period without any accrual of interest, benefit or other use as collateral for any transaction. Moreover, from the fourth quarter of 2011 through December 17, 2015, the Argentine National Government increased controls on the sale of foreign currency and the acquisition of foreign assets by local National Government, limiting the possibility of transferring funds abroad. New regulations were also issued pursuant to which certain foreign exchange transactions were subject to prior approval by Argentine tax authorities. As a result, the Argentine authorities significantly curtailed access to the foreign exchange market by individuals and private-sector entities. In particular, during the last few years, the Central Bank exercised a *de facto* prior approval power for certain foreign exchange transactions otherwise authorized to be carried out under the applicable regulations by means of regulating the amount of foreign currency available to financial institutions to conduct such transactions.

The number of exchange controls introduced in the past, and in particular after 2011 during the prior administration, gave rise to an unofficial U.S. dollar trading market, and the peso/U.S. dollar exchange rate in such market substantially differed from the official peso/U.S. dollar exchange rate. Additionally, the level of international reserves deposited with the Central Bank significantly decreased from US\$47.4 billion as of November 1, 2011 to

US\$25.6 billion as of December 31, 2015. As of September 30, 2016, the level of international reserves deposited with the Central Bank increased to US\$29.2 billion. The decline in international reserves reduced the Argentine National Government's ability to intervene in the foreign exchange market and to provide access to such markets to private sector entities. The new administration recently announced a program intended to increase the level of international reserves deposited with the Central Bank.

In December 2015, the new administration lifted several exchange control restrictions, and in August 2016, the Central Bank issued new regulations which repealed most of the restrictions for the purchase of foreign currency and the inflow and outflow of funds from Argentina. Additionally, in order to increase the level of international reserves, the Central Bank has executed certain bond repurchase agreements with several Argentine and foreign entities.

Notwithstanding the measures adopted by the new administration, which lifted virtually all exchange and capital controls (except for the obligation of Argentine exporters of goods and services to repatriate to the MULC foreign currency proceeds from exportation transactions, such as receivables relating to the exportation of goods, which shall also be settled through the MULC), in the future the Argentine National Government could impose further exchange controls or restrictions on the movement of capital and/or take other measures in response to capital flight or a significant depreciation of the peso, which could limit our ability to access the international capital markets and our ability to make payments abroad may be affected and therefore your ability to receive payment on the Notes may be impaired. Such measures could lead to political and social tensions and undermine the Argentine National Government's public finances, which could adversely affect Argentina's economy and prospects for economic growth. For more information, see "Exchange Rates and Exchange Controls."

Government measures, as well as pressure from labor unions, could require salary increases or additional employee benefits, all of which could increase companies' operating costs.

Labor relations in Argentina are governed by specific legislation, such as Labor Law No. 20,744 and Collective Bargaining Law No. 14,250, which, among other things, dictate how salary and other labor negotiations are to be conducted. Most industrial or commercial activities are regulated by specific collective bargaining agreements that group together companies according to industry sectors and trade unions. While the process of negotiation is standardized, companies and trade unions negotiate salary increases and labor benefits with the relevant trade union of a certain commercial or industrial activity. Once the companies and the trade unions reach an agreement on salary increases and labor benefits, such agreement is submitted to the labor authority for approval. Upon approval of the agreement by the labor authority, the parties are bound by such agreement and must observe the established salary increases for all employees that are represented by the respective union and to whom the collective bargaining agreement applies. In addition, each company is entitled, regardless of union-negotiated mandatory salary increases, to give its employees additional merit increases or the benefits of a variable compensation scheme.

Argentine employers, both in the public and private sectors, have experienced significant pressure from their employees and labor organizations to increase wages and to provide additional employee benefits. Due to the high levels of inflation, employees and labor organizations are demanding significant wage increases. In the past, the Argentine National Government passed laws, regulations and decrees requiring companies in the private sector to maintain minimum wage levels and to provide specified benefits to employees. In August 2012, the Argentine National Government established a 25% increase to the minimum monthly salary, increasing it to AR\$2,875, effective as of February 2013. The Argentine National Government increased the minimum salary to AR\$3,300 in August 2013, to AR\$3,600 in January 2014, to AR\$4,400 in September 2014 and to AR\$5,588 in August 2015. It further decreed an increase of the minimum salary applicable in January 2016 to AR\$6,060. Recently, the INDEC published new data regarding the evolution of salaries in the private and public sectors, which reflects approximately a 20.1% and 17.4% salary increase in the private and public sectors, respectively, for the period from November 2015 through June 2016.

In the future, the government could take new measures requiring salary increases or additional employee benefits, and the labor force and labor unions may pressure employers to implement those measures. As of the date of this Offering Memorandum, the government and labor representatives were engaged in negotiations to set

national guidelines for salary increases during 2016. Any such increase in wages or employee benefits could result in added costs and reduced results operations for Argentine companies, including us.

A continued decline in the global prices of Argentina's main commodity exports could have an adverse effect on Argentina's economic growth.

High commodity prices have contributed significantly to the increase in Argentine exports since 2002 as well as in governmental revenues from export taxes. However, relying on the export of certain commodities, such as soy, has made the Argentine economy more vulnerable to fluctuations in the prices of commodities. Since the beginning of 2015, international commodity prices of Argentina's primary commodity exports have declined, which has had an adverse effect on Argentina's economic growth. If international commodity prices continue to decline, the Argentine economy could be adversely affected. In addition, adverse weather conditions can affect the production of commodities by the agricultural sector, which account for a significant portion of Argentina's export revenues.

These circumstances would have a negative impact on the levels of government revenues, available foreign exchange and the government's ability to service its sovereign debt, and could either generate recessionary or inflationary pressures, depending on the government's reaction. Either of these results would adversely impact Argentina's economic growth and, therefore, our financial condition and results of operations.

Increased public expenditures could result in long lasting adverse consequences for the Argentine economy.

In recent years, the Argentine National Government has substantially increased public expenditures. In 2015, public sector expenditures increased by 50.11% year over year and the government reported a primary fiscal deficit of 5.9% of GDP, according to the Argentine Ministry of Economy (currently the Ministry of Treasury). During recent years, the Argentine National Government has relied on the Central Bank and the ANSES to source part of its funding requirements. Further increases in the deficit could negatively affect the Argentine National Government's ability to access the long-term financial markets and could, in turn, result in a more limited access to such markets by Argentine companies.

The Argentine economy could be adversely affected by economic developments in other global markets and by more general "contagion" effects.

Argentina's economy is vulnerable to external shocks that could be caused by adverse developments affecting its principal trading partners. A significant decline in the economic growth of any of Argentina's major trading partners (including Brazil, the European Union, China and the United States) could have a material adverse impact on Argentina's balance of trade and adversely affect Argentina's economic growth. In 2015, exports declined 14% with Chile, 26% with MERCOSUR (Brazil) and 16% with NAFTA (the United States and Canada), each as compared to 2014. Declining demand for Argentine exports could have a material adverse effect on Argentina's economic growth. For example, the recent significant devaluation of the Brazilian and Chinese currencies and the current slowdown of their respective economies may negatively affect the Argentine economy.

In particular, Brazil's economy, which is Argentina's largest export market and its principal source of imports, is currently experiencing heightened negative pressure due to the uncertainties stemming from ongoing political crisis, including the impeachment of Brazil's former president, Dilma Rousseff. The Brazilian economy declined by 3.8% during 2015, mainly due to a 8.3% decrease in industrial production. In addition, the Brazilian currency lost approximately 47% of its value relative to the U.S. Dollar in 2015. A further deterioration of economic conditions in Brazil may reduce demand for Argentine exports and create advantages for Brazilian imports. While the impact of Brazil's downturn on Argentina or our operations cannot be predicted, there can be no assurance that the Brazilian political and economic crisis will not have further negative effects on the Argentine economy and our operations.

In addition, financial and securities markets in Argentina have been influenced by economic and market conditions in other markets worldwide. Such was the case in 2008, when the global economic crisis led to a sudden economic decline in Argentina in 2009, accompanied by inflationary pressures, depreciation of the peso and a

decline in consumer and investor confidence. Although economic conditions vary from country to country, investors' perception of the events occurring in one country may substantially affect capital flows into other countries. International investors' reactions to events occurring in one market sometimes demonstrate a "contagion" effect in which an entire region or class of investment is disfavored by international investors. Argentina could be adversely affected by negative economic or financial developments in other countries, which in turn may have an adverse effect on our financial condition and results of operations. Declines in capital inflows and securities prices negatively affect the real economy of a country by causing higher interest rates or currency volatility. Moreover, Argentina may also be affected by other countries that have influence over world economic cycles.

The international economy is showing contradictory signals of global growth, leading to significant financial uncertainty. Particularly, there is growing concern about the deceleration of growth in China, as well as the significant decline in global commodity prices, specifically oil and gas. In addition, emerging market economies have been affected by the recent change in the United States's monetary policy, resulting in the unwinding of investments and increased volatility in the value of their currencies. If interest rates rise significantly in developed economies, including the United States, emerging market economies, including Argentina, could find it increasingly challenging and expensive to borrow capital and refinance existing debt, which would negatively affect their economic growth. There is also global uncertainty with respect to the degree of economic recovery in the United States, with no substantial positive signs from other developed countries. Moreover, the recent challenges faced by the European Union to stabilize certain of its member economies, such as Greece, have had and may continue having international implications affecting the stability of global financial markets, which has hindered economies worldwide.

On June 23, 2016, the United Kingdom held a non-binding referendum in which a majority of voters voted in favor of the United Kingdom's exit from the European Union. At this time, it is uncertain what steps will be taken to facilitate the United Kingdom's exit from the European Union or the length of time that this may take. Furthermore, the United Kingdom's decision to exit the European Union has caused, and is anticipated to continue causing, significant uncertainties and instability in the financial markets, which may affect us and the trading price of the Notes. These uncertainties could have a material adverse effect on our business, financial condition, results of operations and prospects. In addition, it is unclear what impact the United Kingdom's exit from the European Union will ultimately have on us or the trading price of the Notes.

Restrictions on imports may adversely affect our ability to access capital goods that are necessary for our operations.

In 2012, the Argentine National Government adopted an import procedure pursuant to which local authorities must pre-approve any import of products and services to Argentina as a precondition to allow importers to access the foreign exchange market to pay such imported products and services. In 2012, the European Union, the United States and Japan filed claims with the World Trade Organization ("WTO") against certain import-related requirements maintained by Argentina. Recently, the WTO determined that those measures are not consistent with Argentina's obligations under the WTO and requested their elimination. On December 22, 2015, through Resolution No. 3,823, the AFIP removed the import authorization system in place since 2012, known as *Affidavit Advance Import* (*Declaraciones Juradas Anticipadas de Importación*) and replaced it with the new Comprehensive Import Monitoring System (*Sistema Integral de Monitoreo de Importaciones*). Among other changes, local authorities must now reply to any approval requests within a ten-day period from the date of filing.

We cannot make any assurances that the Argentine National Government will not modify current import regulations and we cannot foresee the impact that any such changes may have on our results of operations and financial condition.

You may not be able to enforce a foreign judgment in Argentina.

Under Argentine law, enforcement of foreign judgments would be recognized provided that they comply with the requirements of Argentine law, including the requirement that the judgment does not violate principles of Argentine public policy (*orden público*), as determined by Argentine courts. In addition, if legal restrictions prohibiting Argentine debtors from transferring foreign currency outside of Argentina to cancel indebtedness were to be imposed, we cannot foresee whether an Argentine court would allow the enforcement of foreign judgments

that would require us to make payments under the Notes in foreign currency outside of Argentina. See “Enforcement of Civil Liabilities.”

Risks Related to the Notes

There is no public market for the Notes, a market for the Notes may not develop and you may not be able to resell your Notes.

The Notes are a new issuance of securities for which there is no established public trading market. We do not intend to have the Notes listed on any U.S. exchange. The Notes are listed and admitted for trading in Merval and in MAE, and we have applied to have the Notes listed on the Luxembourg Stock Exchange and admitted for trading in the Euro MTF Market. Furthermore, there can be no assurance that an active trading market for the Notes will develop or, if one does develop, that it will be maintained. If an active trading market for the Notes does not develop or is not maintained, the market price and liquidity of the Notes may be adversely affected. Historically, the market for non-investment grade, emerging market debt has been subject to substantial volatility, which could affect adversely the price at which you may sell Notes you own. In addition, subsequent to their initial issuance, the Notes may trade at a discount from their initial offering price, depending on prevailing interest rates, the market for similar Notes, general economic conditions, our operating performance and other factors.

The Notes are subject to transfer restrictions that could limit your ability to resell the Notes.

The Notes are being offered in reliance on an exemption from the registration requirements of the Securities Act. As a result, the Notes may only be transferred or resold in transactions that are registered under the Securities Act or on the basis of an exemption from such registration and in compliance with any other applicable securities laws of other jurisdictions. These restrictions could impair your ability to resell the Notes. See “Transfer Restrictions.” You should consult your financial or legal advisors regarding the applicable transfer restrictions with respect to the Notes.

Exchange controls and restrictions on transfers abroad may impair your ability to receive payments on the Notes or repatriate your investment in the Notes.

In 2001 and 2002 Argentina imposed exchange controls and transfer restrictions, substantially limiting the ability of companies to retain foreign currency or make payments abroad. Subsequently, many of these restrictions were substantially eased, including those requiring the Argentine Central Bank’s prior authorization for the transfer of funds abroad for payment of principal and interest on debt obligations. However, new regulations were issued in the last quarter of 2011, which significantly curtailed access to the foreign exchange market by individuals and private sector entities. In December 2015, the Macri administration eliminated several exchange control restrictions, and during 2016, the Macri administration issued new regulations which repealed most of the restrictions for the purchase of foreign currency and the inflow and outflow of funds into and from Argentina. As a consequence, non-resident investors that acquire the Notes in the Argentine primary or secondary markets with U.S. dollars exchanged into pesos at the official foreign exchange market have access to the Argentine Foreign Exchange Market for transferring abroad the proceeds resulting from the sale of the Notes regardless of the amount involved and the period of time that such investment remains in Argentina.

In the future, Argentina may impose new and stricter exchange controls and transfer restrictions in response to, among others, capital flight or a significant depreciation of the peso. In such event, our ability to make payments abroad may be affected and therefore your ability to receive payments on the Notes may be impaired.

Delay in the exercise of rights by investors may result in a loss or reduction of the protections provided under the Transaction Documents.

Any approval, instruction, notice, amendment, waiver or any other actions to be taken by noteholders in accordance with the Negotiable Obligations Law or, in general, any amendment to the terms of the Transaction Documents for which investor consent is required, must be approved by the noteholders at a meeting of noteholders as set forth in the Negotiable Obligations Law. Only the meetings of noteholders called for and held in accordance

with the Negotiable Obligations Law shall be considered valid under Argentine law. Accordingly, any resolution taken by the noteholders shall be binding on all noteholders only if ratified by a meeting of noteholders held in the City of Buenos Aires as provided in the Negotiable Obligations Law. As a result of these requirements, the valid adoption of a noteholder resolution in accordance with Argentine law, including the declaration of Defaults and acceleration, could be subject to delays.

Effect of developments in other markets may affect the 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. See “—The Argentine economy could be adversely affected by economic developments in other markets and by more general “contagion” effects.” We cannot make any assurances that the market for the securities of Argentine issuers 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. For example, an increase in the interest rates in a developed country, such as the United States, or a negative event in an emerging market, may induce a significant capital outflows from Argentina and depress the trading price of the Notes.

Issuance of additional Notes would dilute the voting power and collateral of the investors.

Subject to specific conditions, the Company may issue additional Notes as set forth under “Description of Notes—Issuance of Additional Notes.” The sale of such additional Notes will not be subject to the prior review or consent of the investors in the existing Notes. The issuance of such additional Notes would result in there being a greater amount of Notes sharing the Collections on the Transferred Rights and a dilution of the voting power of the existing investors.

We cannot make any assurances 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 CNV’s website. We cannot make any assurances 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 a material and adverse effect on the market price and marketability of the Notes.

Restrictive covenants in the Indenture may restrict our ability to pursue our business strategies.

The Indenture will contain a number of restrictive covenants that impose significant operating and financial restrictions on us and may limit our ability to engage in acts that may be in our long-term best interests. The Indenture will include covenants restricting, among other things, our ability to:

- incur additional indebtedness and guarantee indebtedness;
- pay dividends or make other distributions or repurchase or redeem our capital stock;
- prepay, redeem or repurchase certain debt;
- make loans and investments;
- sell, transfer or otherwise dispose of assets;
- incur or permit to exist certain liens;
- enter into transactions with affiliates;

- consolidate, amalgamate, merge or sell all or substantially all of our assets;
- engage in any different business activity; and
- impose restrictions on the ability of our subsidiaries to pay dividends.

A breach of any covenant contained in the Indenture could result in a default under the Notes. If any such default occurs, the holders of the Notes may elect (after the expiration of any applicable notice or grace periods) to declare all outstanding borrowings, together with accrued and unpaid interest and other amounts payable thereunder, to be immediately due and payable. In addition, the failure to pay debt when due would cause a Default under the Indenture. If the Indenture Trustee has actual knowledge that a Default exists, then all amounts in the Collections Account will be applied to make payments on the Notes. However, we cannot make any assurances that such amounts will be sufficient to repay in full the Notes. If any of our debt, including the Notes offered hereby, were to be accelerated, our assets may not be sufficient to repay in full that debt or any other debt that may become due as a result of that acceleration.

In the event of the Company's bankruptcy, the claims derived from the Notes will be subordinated vis-à-vis certain statutory claims.

According to the provisions of the Argentine Insolvency and Bankruptcy Law 24,522 (the “Bankruptcy Law”), claims derived from the Notes will be subordinated to certain claims with statutory priority, such as labor and tax related claims, as well as reorganization expenses. Notwithstanding the above, the Notes will rank senior to other unsecured claims of the Company with respect to the collateral for the Notes.

In the event of the Company's bankruptcy, the claims derived from the Notes will be considered in the bankruptcy proceedings as claims valued in Argentine pesos.

Pursuant to the Bankruptcy Law, the obligations of a debtor expressed in foreign currency are considered in the bankruptcy proceedings as per their value in local Argentine currency, converted into that currency as of the date of the bankruptcy declaration or, at the option of the creditor, as of the date of maturity of the obligation. In the event of the Company's bankruptcy, the claims derived from the Notes thus will be considered in the bankruptcy proceedings as claims valued in Argentine pesos. The Company cannot guarantee that the funds converted into Argentine pesos as a result of the Bankruptcy Law's provisions will be enough to purchase the required amounts of foreign currency owed to the investors under the Notes.

In the event of a reorganization or an out-of-court reorganization agreement (acuerdo preventivo extrajudicial), holders of the Notes might vote differently from other creditors.

In the event the Company is subject to judicial reorganization proceedings, out-of-court reorganization agreements and/or similar proceedings, the current Argentine regulations applicable to the Notes (including, without limitation, the provisions of the Negotiable Obligations Law) and the terms and conditions of the Notes shall be subject to the provisions of the Argentine Bankruptcy Law, as applicable, and other regulations applicable to business restructuring proceedings and, consequently, certain provisions of the Transaction Documents may not be applied.

The Argentine Bankruptcy Law establishes a voting procedure for Noteholders different from that used by other unsecured creditors for purposes of calculating the majorities required by the Argentine Bankruptcy Law, which is equal to the absolute majority of creditors representing two-thirds of the unsecured debt. Pursuant to this system, holders of the Notes may have significantly less bargaining power than the Company's other financial creditors in the event of our bankruptcy.

Moreover, pursuant to case law in Argentina, noteholders who fail to attend a noteholders' meeting to vote or who abstain from voting shall not be considered for purposes of calculating such majorities. As a result of the majority regime described above and case law, in the event the Company is subject to reorganization or restructuring

proceedings, the bargaining power of noteholders may diminish vis-à-vis the Company's other financial and trade creditors.

Holders of Notes may find it difficult to enforce civil liabilities against us or our directors, officers and controlling persons.

We are organized under the laws of Argentina and our principal place of business (*domicilio social*) is in Buenos Aires, Argentina. All of our directors, officers and most of our controlling persons reside outside the United States. In addition, all or a substantial portion of our assets and their assets are located outside of the United States. As a result, it may be difficult for holders of Notes to effect service of process within the United States on such persons or to enforce judgments against us or them (for which previous compliance with Sections 517 to 519 of the Civil and Commercial Procedural National Code is required, including the condition that such judgments do not violate Argentine public policy, as determined by an Argentine court), including in any action based on civil liabilities under the U.S. federal securities laws. Based on the opinion of our Argentine counsel, there is doubt as to the enforceability against us or such persons in Argentina, whether in original actions or in actions to enforce judgments of U.S. courts, of liabilities based on the U.S. federal securities laws. See "Enforcement of Civil Liabilities."

We may redeem the Notes prior to maturity.

The Notes are redeemable at our option under certain circumstances specified in "Description of Notes—Redemption of Notes." We may choose to redeem the Notes at times when prevailing interest rates may be relatively low. Accordingly, an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the Notes. If the redemption price for any Notes includes a premium, there can be no assurance that such premium will be sufficient to cover any losses due to such reinvestment risk.

Special Prepayment and Yield Considerations.

The yield to maturity on the Notes will be sensitive to, among other things, the rate, timing and amount of principal payments (including any prepayment in connection with a default). If the Indenture Trustee has actual knowledge that a Default has occurred and is continuing, payments will be made on the Notes from the Collection Accounts, as described under "Description of Notes—Payments from the Collection Accounts Following Default." We make no representation as to the anticipated rate, timing or amount of payments (including scheduled or unscheduled payments of principal) or as to the anticipated yield to maturity of any Note. We cannot assure that the amounts on deposit in the Collection Accounts will be sufficient to repay the Notes.

There may be conflicts of interest between our shareholders and the holders of Notes.

There may be conflicts of interest between our shareholders, on the one hand, and the holders of Notes, on the other hand. There can be no assurance that any such current or future conflict, should it occur, will be resolved in a manner favorable to the holders of Notes.

Risks Related to the Collateral

There may be delays in payment of Use Fees or Concession Indemnification Rights.

To secure its obligations under the Notes, the Company will, pursuant to the Argentine Collateral Trust Agreement (under Argentine law), transfer and assign to the Argentine Collateral Trustee, for the benefit of the Beneficiaries, all of the Transferred Rights. The Argentine Collateral Trustee, acting on behalf of the Trust, will pursuant to the Indenture, grant to the Indenture Trustee under New York law a first priority security interest in its rights, title and interest (if any) in, to and under all property held on behalf of the Trust, including any rights, title and interest that it may have in, to and under the Transaction Accounts (including funds credited thereto and investments made with funds therein). As a consequence, Use Fees in U.S. Dollars deposited in the Dollar Collection Account will be managed and applied exclusively by the Indenture Trustee. Use Fees on deposit in the Dollar Collection Account will be released by the Indenture Trustee to the Company on a weekly basis, unless (i)

the Indenture Trustee has actual knowledge that a Default has occurred and is continuing, in which case all amounts on deposit in the Dollar Collection Account will be retained in the Dollar Collection Account and applied to pay Interest and principal on the Notes and other amounts payable to the Beneficiaries under the Transaction Documents in the manner provided in “Description of Notes—Payments from the Collection Accounts Following Default” or (ii) the Company, at its option, instructs the Indenture Trustee in writing to retain payments in the Dollar Collection Account for the period of time and in the amounts designated by the Company.

In addition, the Argentine Collateral Trustee will maintain the Peso Accounts and the Local Dollar Collection Account (including the funds therein), to secure the Company’s obligations under the Transaction Documents. Upon the Indenture Trustee’s actual knowledge that a Default has occurred and is continuing, the allocation of payments of Use Fees in pesos will cease to be payable by the Payors directly to the Company in the manner set forth in clauses (b)(ii)(B) and (b)(iii)(B) of “Description of Notes—Allocation of Use Fees and Concession Indemnification Rights.”

We cannot assure that there will be no delays in payment of Transferred Use Fees, and cannot assure that payments thereon will be enough to make payments under the Notes. Furthermore, the Company cannot assure that it will receive compensation equal to the value of its investment in the event of early termination of the Concession by the Argentine National Government or that such compensation will be enough to make payments under the Notes.

The Transferred Rights may not be sufficient to make payments under the Transaction Documents.

Cash flows from Collections are the source of funds we expect to use to make payments under the Notes. Payments under the Notes with Collections will largely depend on the Company’s ability to continue generating Use Fees. In the event the Company does not generate sufficient Use Fees, the Transferred Rights will not generate sufficient Collections to make payments under the Notes.

In addition, the Use Fees have seasonal increases and declines as well as being affected by political events such as terrorism, war or political or economic instability, epidemics, Argentina’s economic and political situation, fluctuations in the price of crude oil and competition from other tourist destinations. While the diversity of the origin of Use Fees reduces some of the variability, these factors can negatively impact the volume of Use Fees and, thus, can negatively affect the collateral for the Notes.

During the Existing Notes Pre-Redemption Period, the transfer and assignment of the Transferred Rights to the Argentine Collateral Trustee will be limited to an amount equal to the Existing Notes Redemption Principal Amount, as described under “Description of Notes—Collateral.” The Existing Notes Redemption Principal Amount is less than the redemption price required to be paid to redeem the Existing Notes and to release the Transferred Rights assigned and transferred to the Existing Trust) because the Existing Notes Redemption Principal Amount does not include accrued and unpaid interest on the Existing Notes and the applicable prepayment premiums. In order to redeem the Existing Notes, the Indenture Trustee is required to disburse to the Existing Notes Indenture Trustee, on the Business Day preceding the Existing Notes Redemption Date, an amount equal to the redemption price of the Existing Notes. See “Description of Notes—Reserve Account and Redemption of the Existing Notes.” During the Existing Notes Pre-Redemption Period and until the Existing Notes Trustee releases the Transferred Rights assigned and transferred to the Existing Trust, the Notes will be under-collateralized by the difference between the Existing Notes Redemption Principal Amount and an amount equal to the redemption price of the Existing Notes. This under-collateralization amount will be an unsecured obligation of the Company.

The insolvency or bankruptcy of the Company could adversely affect the structure of the collateral.

The Bankruptcy Law does not regulate in a particular way the treatment of trusts under bankruptcy. Even though Section 1686 of the Argentine Civil and Commercial Code provides that creditors of the trustor cannot move against the assets transferred to the trust (unless fraud or actions of avoidance are proved), Argentine courts in a bankruptcy proceeding could consider the Argentine Collateral Trust Agreement to have no effect against the Company’s other creditors, as the Trust was formed for collateral reasons which could diminish the Company’s flow of funds and restrict the Company’s ability to continue with its regular business. In addition, courts may argue that

as a consequence of the assignment of funds by the Company, it was left with insufficient funds to continue with the ordinary exploitation of its business.

There is no judicial consensus with respect to whether the beneficiaries of collateral trusts should obtain, prior to exercising their rights upon the assets transferred to the trust, a right to claim their credit before the bankruptcy judge.

In the event the trustor were to be declared bankrupt after the execution of the Argentine Collateral Trust Agreement, and the competent court, by request of the bankruptcy administrator or any creditor, determined that the Transferred Rights were assigned in whole or in part during the “period of suspect behavior” (as defined in the Bankruptcy Law, *periodo de sospecha*), such assignment could be revoked if certain requirements set forth in Section 118 and Section 119 of the Argentine Bankruptcy Law are met (known as actions of avoidance). Such revocation would authorize the bankruptcy administrator to claim the return of all amounts assigned to the Trust. The “period of suspect behavior” is the period that runs from the date in which the debtor’s cessation of payment starts to the date in which the bankruptcy decree is issued. The relevant court determines the date upon which the debtor incurred such cessation of payment, the effects of which cannot be set beyond two (2) years prior to the date the bankruptcy is declared.

The airline operators that currently pay the Use Fees in U.S. dollars could decide, or might be required in the future to make such payments in Argentine pesos.

Currently, Use Fees are included in the price of the flight ticket that airline operators charge passengers, subsequently airline operators pay the Use Fees to the Company through the International Air Transport Association’s (“IATA”) collection system (International Clearing House (“ICH”) for payments in U.S. dollars or through Billing and Settlement Plan (“BSP”) for payments in pesos) or, less frequently directly to the Company. Airline operators pay Use Fees directly to the Company in both U.S. dollars and pesos. Payments made to the Company through ICH or (except for certain smaller payors) directly by the airline operators in U.S. dollars will flow, as long as they are considered Transferred Rights, into the Dollar Collection Account (as defined herein) or the Local Dollar Collection Account.

There can be no assurance that the airline operators that currently make payments in U.S. dollars through IATA or directly to the Company will not subsequently make such payments in pesos. In the event airline operators decide to make payments of Use Fees in pesos, directly to the Company or through BSP, the funds in dollars that flow into the Dollar Collection Account may be insufficient to make payments of principal and interest under the Notes. In addition, since the Company cannot make any assurances that a minimum amount of dollar payments will periodically flow into the Dollar Collection Account, the insufficiency of such collections in and of itself shall not constitute a Default under the Notes.

Approximately 32% of the Use Fees we received for the year ended December 31, 2015, were from Aerolíneas Argentinas S.A., which is subject to laws and regulations of the Argentine National Government. We cannot assure that the Argentine National Government will not require Aerolíneas Argentinas S.A. to pay Use Fees in pesos, or suspend or modify the obligation of international passengers flying on Aerolíneas Argentinas S.A. to pay Use Fees. Any such action by the Argentine National Government would have an adverse effect on the receipt of Transferred Use Fees, and may increase the risk of a loss on the Notes.

Certain airline operators receive discounts on international aeronautical rates, and the amount of these discounts may increase.

As required by the ORSNA, airline operators that satisfy regular payment conditions receive discounts of approximately 30% off the international aeronautical services rates specified in the Concession Agreement. These airline operators represented approximately 7.3%, 8.1% and 8.4% of our revenues for the 2015, 2014 and 2013 fiscal years, respectively. We cannot assure that other airline operators will not satisfy the regular payment conditions and thus become entitled to receive such discounts, that the percentage of our revenues received from airline operators entitled to discounts will not increase, or that the ORSNA will not increase the discount rate for airline operators that qualify for such discounts. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Classification of Revenue—Maximum Rates.”

The Payors in respect of the Transferred Rights may set off any part of the debt owed to the Company, thus reducing the amounts payable to the Argentine Collateral Trustee.

The Company has not received, nor will it receive, from the Payors in respect of the Transferred Rights a waiver of their right to set off or otherwise reduce any part of the debt owed to the Company under the Transferred Rights by any sum the Company may, for any reason, owe to the debtors. As such, the Company cannot guarantee that the debtors will not set off any part of the debt owed to the Company against the Transferred Rights at the time payments are due to the Argentine Collateral Trustee, including payments to be made to the Indenture Trustee pursuant to the Transaction Documents. In the event that the debtors decide to set off any part of the debt owed to the Company by virtue of the Transferred Rights, the amounts received by the Argentine Collateral Trustee (or the Indenture Trustee on its behalf, as contemplated in the Transaction Documents) may not be enough to pay principal, interest and other amounts due under the Notes and the other Transaction Documents.

The debtors in respect of the Transferred Rights might continue to make payments into the accounts of the Company.

The Company cannot guarantee that the debtors in respect of the Transferred Rights will stop making the payments due under the Transferred Rights into the accounts of the Company, even following receipt of a notice instructing them to make such payments into the Trust Accounts. Even though the Company will (in certain circumstances) be obligated to transfer to the Argentine Collateral Trustee (or the Indenture Trustee on its behalf, as contemplated in the Transaction Documents) any such payments received by it, amounts deposited into the accounts of the Company may be subject to liens or injunctions or other judicial measures requested by third parties and ordered against the Company. In the event such liens or injunctions or judicial measures take place, and while any such lien or injunction or judicial measure remains in effect, the affected amounts will not be transferred to the Argentine Collateral Trustee.

Use Fees may be paid, other than through airlines, through passengers making direct cash payments to us, which may result in great difficulty for the Beneficiaries to obtain control over the related Collections.

Currently, passengers are charged Use Fees within the price of the flight ticket charged by airlines, which then pay the Use Fees to us through IATA or directly. If this current approach changes for payment of some or all of the Use Fees (whether as a result of a change in Argentine applicable law or otherwise), then it is possible that the Indenture Trustee will have greater difficulty obtaining possession of the Collections on such Use Fees. For example, if, pursuant to applicable law, passengers are required to pay Use Fees in cash at the airport of departure (as was the case until March 2009), then we will directly receive such payments. Although we are obligated under the Transaction Documents to deliver the Transferred Use Fees to the Indenture Trustee in the manner described herein, we may not be able (such as in the case of bankruptcy) to do so and/or third parties may have (or purport to have) a claim over the Collections while in our possession. Any delay or failure in delivering the Collections to the Indenture Trustee could have a material adverse effect on your investment in the Notes.

Action by the Argentine National Government, whether general or targeted at the Company or the offering of the Notes, could materially affect your investment, including the Collateral.

This transaction has been structured in order to provide investors with the potential advantages of using certain of our Use Fees and Concession Indemnification Rights as collateral. Nevertheless, actions by the Argentine National Government (whether general in nature or targeted at the Company or even this offering) could result in a loss of these benefits or otherwise materially negatively affect your investment. For example, the Argentine National Government may not make any required payments in respect of Concession Indemnification Rights, may demand that we and/or the Trust deliver to the Argentine National Government Collections on the Transferred Rights (including those held in the Collection Accounts), may require that Payors make their payments directly to the Argentine National Government, may replace Use Fees with other charges, may require that Use Fees be payable in Argentine pesos. These or any other governmental actions, including any similar to those taken in the Argentine crisis following 2001, could occur at any time and materially impact your ability to receive payments as contemplated in the Transaction Documents.

We shall have no right to indemnification under the investments for which the proceeds of the offering of the Notes will be used while the Trust and the Existing Notes remain in place, which will reduce the amount of the Transferred Concession Indemnification Rights available to the Holders upon an acceleration of the Notes.

The Concession Agreement enables us to collaterally assign revenue in trust in order to obtain the necessary resources to fulfill our obligations under the Concession Agreement. Such collateral assignments cannot affect the Specific Allocation of Revenue, the resources foreseen for the financing of the investment plan detailed in the Memorandum of Agreement, the tariff increases for specific allocations nor the Allocated Revenues under the Mutual Claim Settlement Procedure (which was cancelled in 2011; see “Regulatory Framework—The Concession Agreement—Withdrawal and Settlement of Claims”). Pursuant to the Concession Agreement, a collateral assignment of revenue that is made into a trust may remain in effect even upon an early termination of the Concession Agreement, as long as the application of the funds thereunder are audited by the Argentine National Government and/or by a consulting firm hired for such purpose and that is satisfactory to the Argentine National Government. However, while such a collateral assignment remains in place, we shall have no right to indemnification for the investments secured by the relevant collateral assignment. Once the collateral assignment is terminated, we will be entitled to be paid the relevant indemnification corresponding to such investment net of the amounts transferred to and applied by the trust.

To secure our obligations under the Notes, we will transfer, as collateral, the Transferred Rights to the Trust, in accordance with the provisions of the Concession Agreement; such transfer will be authorized by the ORSNA. Therefore, the Transferred Rights, the Trust and our rights with respect to the Concession Indemnification Rights are subject to the provisions of the Memorandum of Agreement. In addition, we previously assigned the Transferred Rights into the Existing Trust in order to secure our obligations under the Existing Notes, which will be redeemed with the net proceeds from the offering of the Notes, as described under “Use of Proceeds.” The prior assignment of the Transferred Rights also was subject to the provisions of the Memorandum of Agreement. Therefore, and because we are redeeming the Existing Notes, such collateral assignments will remain subject to the provisions of the Memorandum of Agreement. The remainder of the net proceeds from the offering of the Notes will be used to finance certain other capital expenditures in our other international airports and will also be subject to the provisions of the Memorandum of Agreement. The portion of the Concession Indemnification Rights corresponding to the Ezeiza Works (as defined herein) financed with the proceeds of the Existing Notes, together with such other works to be financed with the net proceeds of the offering of the Notes (collectively, the “Improvement Works Amount”), will not be available to us upon termination of the Concession if the Trust or the collateral trust entered into with respect to some or all of the Improvement Works Amount remains in place at such time.

Upon an early termination of the Concession, the Transferred Concession Indemnification Rights available to the Argentine Collateral Trustee will be ratably reduced in the amount corresponding to the Improvement Works Amounts. We cannot make any assurances that the amounts payable to the Argentine Collateral Trustee pursuant to the Transferred Concession Indemnification Rights upon an early termination of the Concession will be sufficient to repay the Notes. If such amount is not sufficient to repay the Notes, the Notes will be repaid over time with the Transferred Use Fees assigned to the Trust, which may result in delays in repayment of your Notes and the extension of the maturity of your Notes. You may also suffer a loss of principal on your investment.

The Transferred Rights that will secure our obligations under the Notes have previously been assigned and transferred to the Existing Notes Trustee under the Existing Trust securing our obligations under the Existing Notes; thus, payments in respect of the Transferred Rights will flow into the Trust only after the Existing Notes Indenture Trustee has received sufficient funds to redeem the Existing Notes.

Our obligations under the Existing Notes are secured by a first priority lien on the Collateral; therefore, payments in respect of the Transferred Rights have already been assigned and transferred to the Existing Notes Trustee under the Existing Trust securing our obligations under the Existing Notes. Thus, payments in respect of the Transferred Rights will flow into the Trust only after the Existing Notes Indenture Trustee has received sufficient funds to redeem the Existing Notes.

If a Default occurs and is continuing, the collections in respect of the Transferred Rights could be allocated to cover the Basic Concession Operating Costs.

Pursuant to the Indenture and the Argentine Collateral Trust Agreement, upon the occurrence and during the continuance of a Default, the collections in respect of the Transferred Rights deposited and retained in the Collection Accounts, shall be applied to pay interest and principal on the Notes and other amounts payable to the Beneficiaries under the Transaction Documents as set forth in “Description of Notes—Collateral—Payments from the Collection Accounts Following Default.”

The Company believes that upon the occurrence and during the continuance of a Default, the Company would have sufficient funds from proceeds that were not transferred and assigned into the Trust, to cover the Basic Concession Operating Costs. However, upon the occurrence and during the continuance of a Default, if the Company lacks sufficient funds to cover the Basic Concession Operating Costs, the Company is required to instruct the Argentine Collateral Trustee and the Indenture Trustee, in writing (in the form attached to the Indenture and the Argentine Collateral Trust Agreement), to, commencing on the Business Day following the receipt of such instruction and until they receive a written instruction of the Company to the contrary, (i) deliver, on a weekly basis, to the Company the Collections relating to the Transferred Rights deposited in the Collection Accounts, and (ii) to apply, on each Payment Date, any remaining amounts in the Collection Accounts in the manner set forth in “Description of Notes—Collateral—Payments from the Collection Accounts Following Default.” Such instruction of the Company will apply with respect to Collections equal to the amount of the Basic Concession Operating Costs specified in such instruction. The instruction to the Argentine Collateral Trustee and the Indenture Trustee is required to be accompanied by a certification from an officer of the Company and an accounting report issued by PwC or any other internationally recognized auditing firm (in English and Spanish, as applicable) stating that Company’s calculation of the Basic Concession Operation Costs set forth in the instruction correspond to the accounting records of the Company. In the event the Company receives amounts in excess of the funds necessary to cover the Basic Concession Operating Costs, such amounts are required to be held in trust for the benefit of the Beneficiaries and are required to be promptly returned to the Indenture Trustee and the Argentine Collateral Trustee, as applicable. The Indenture Trustee and the Argentine Collateral Trustee may conclusively rely upon such written instruction and will be fully protected, without liability, in transferring such collections to the Company.

In the event that the Argentine Collateral Trustee and/or the Indenture Trustee deliver the funds in the Collection Accounts to the Company as described above, the Collateral securing the Notes may be affected. See “Description of Notes—Collateral.”

USE OF PROCEEDS

The estimated net proceeds of this offering of the Notes will be approximately US\$393.5 million, after giving effect to the Initial Purchasers' underwriting discounts and commissions and our estimated transaction expenses. In compliance with Article 36 of the Negotiable Obligations Law, we expect to use the net proceeds of this offering to refinance the principal amount outstanding under our Existing Notes, plus accrued and unpaid interest to the date of redemption and the applicable prepayment premiums and to finance capital expenditures of our "Group A" airports.

As of December 31, 2016, the aggregate principal amount outstanding with respect to our Existing Notes was US\$168.0 million. We expect that the redemption of our Existing Notes will occur on March 13, 2017. Prior to the redemption of our Existing Notes, we are scheduled to make a payment of \$10.5 million of principal, plus accrued and unpaid interest, under our Existing Notes on March 1, 2017.

Pursuant to the terms of the Indenture, the net proceeds of this offering will be deposited into the Reserve Account and distributed as described under "Description of Notes—Reserve Account and Redemption of the Existing Notes." The Indenture will require that the Company, on the Issuance Date, deliver to the Existing Notes Indenture Trustee an irrevocable notice for the redemption of the Existing Notes.

CAPITALIZATION

The following table sets forth certain financial information as of September 30, 2016, including our cash and cash equivalents and capitalization. The table also sets forth such information as adjusted to give effect to the issuance and sale of the Notes, including application of an estimated US\$170.2 million of net proceeds to redeem our Existing Notes, including accrued and unpaid interest plus the redemption premium. See “Use of Proceeds.”

The financial information set forth below is based on information derived from our Unaudited Interim Financial Statements. This table should be read in conjunction with “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our Consolidated Financial Statements included elsewhere in this Offering Memorandum.

	As of September 30, 2016 (unaudited)			
	Actual		As Adjusted	
	(in millions of US\$) ⁽¹⁾	(in millions of AR\$)	(in millions of US\$)	(in millions of AR\$) ⁽¹⁾
Cash and cash equivalents ⁽²⁾	79.2	1,213.0	302.5	4,630.6
Total cash and cash equivalents	79.2	1,213.0	302.5	4,630.6
Borrowings				
Short-term borrowings ⁽³⁾⁽⁴⁾⁽⁵⁾	53.2	814.2	11.2	171.5
Long-term borrowings ⁽⁵⁾	154.6	2,367.0	432.6	6,622.4
Total borrowings	207.8	3,181.2	443.8	6,793.9
Total shareholders’ equity	287.6	4,403.2	274.9	4,208.7
Total capitalization⁽⁶⁾	495.4	7,584.4	718.7	11,002.6

(1) Peso amounts have been converted into U.S. Dollars at a rate of Ps.15.31 per U.S.\$1.00, which was the exchange rate for U.S. Dollars quoted by Banco Nación for wire transfers (*divisas*) as of September 30, 2016.

(2) On January 23, 2017, we redeemed our Local Notes using our own funds.

(3) On December 1, 2016, we paid US\$10.5 million of principal under the Existing Notes, plus accrued and unpaid interest.

(4) On March 1, 2017, we expect to pay US\$10.5 million of principal under the Existing Notes, plus accrued and unpaid interest.

(5) Borrowings include bank borrowings, negotiable obligations (notes) and finance lease liabilities, among others.

(6) Capitalization equals total debt plus total shareholders’ equity.

EXCHANGE RATE INFORMATION AND EXCHANGE CONTROLS

Exchange Rates and Exchange Controls

From 1991 until the end of 2001, Law No. 23,928 (the “Convertibility Law”) established a regime under which the Central Bank was obliged to sell U.S. dollars at a fixed rate of one peso per U.S. dollar and had to maintain a reserve in foreign currencies, gold and other instruments in an aggregate amount equal to at least the monetary base, which consists of the currency in circulation and Argentine peso deposits of the financial sector with the Central Bank. On January 6, 2002, the Argentine Congress enacted Law No. 25,561, as amended, and supplemented, the “Public Emergency Law”), formally ending the regime of the Convertibility Law, abandoning over ten years of U.S. dollar-peso parity and eliminating the Central Bank’s reserves requirement.

The Public Emergency Law, which has been annually extended and is in effect until December 31, 2017, granted the Argentine National Government the power to set the exchange rate between the peso and foreign currencies and to issue regulations related to the foreign exchange market. Following a brief period during which the Argentine National Government established a temporary dual exchange rate system, the peso was allowed to float freely against other currencies beginning in February 2002. However, the Central Bank has the power to intervene in the exchange rate market by buying and selling foreign currency for its own account, a practice in which it engaged in, and in which it may continue to engage in, on a regular basis. In recent years and particularly since 2011, the Argentine National Government increased controls on exchange rates and the transfer of funds into and out of Argentina.

With the tightening of exchange controls beginning in late 2011, in particular with the introduction of measures that allowed limited access to foreign currency by private companies and individuals (such as requiring an authorization of tax authorities to access the foreign currency exchange market), the implied exchange rate, as reflected in the quotations for Argentine securities in foreign markets, compared to the corresponding quotations in the local market, increased significantly over the official exchange rate. Most foreign exchange restrictions and restrictions on transfer of funds into and out of Argentina that had been enacted since 2011, were lifted by the Macri administration in December 2015, May 2016 and August 2016, reestablishing Argentine residents’ rights to purchase and remit outside of Argentina foreign currency with no maximum amount and without specific allocation or prior approval.

In 2012, 2013, 2014 and 2015, the peso depreciated 14.4%, 32.6%, 31.2% and 52%, respectively, against the U.S. dollar. We cannot assure that the peso will not depreciate or appreciate again in the future. See “Risk Factors—Risks Related to Argentina—Significant fluctuation in the value of the peso may adversely affect the Argentine economy as well as our financial condition and results of operations.”

Exchange Rates

The following table sets forth the annual high, low, average and period-end exchange rates for the periods indicated, expressed in pesos per U.S. dollar and not adjusted for inflation. The Federal Reserve Bank of New York does not report a noon buying rate for pesos.

	Exchange Rates ⁽¹⁾⁽²⁾			
	High	Low	Average ⁽³⁾	Period-end
Year ended December 31,				
2011	3.97	3.97	4.13	4.30
2012	4.30	4.30	4.55	4.91
2013	4.92	4.92	5.47	6.49
2014	6.52	6.52	8.12	8.55
2015	8.55	8.55	9.26	13.04
Month				
December 2015	9.70	9.70	11.41	13.04
January 2016	13.04	13.04	13.61	13.84
February 2016	14.13	14.13	14.85	15.80
March 2016	14.39	14.39	14.99	14.70
April 2016	14.05	14.05	14.40	14.25

	Exchange Rates ⁽¹⁾⁽²⁾			
	High	Low	Average ⁽³⁾	Period-end
May 2016.....	13.92	13.92	14.14	13.99
June 2016.....	13.74	13.74	14.18	15.04
July 2016.....	14.56	14.56	14.89	14.95
August 2016.....	14.66	14.66	14.83	14.93
September 2016	14.90	14.90	15.11	15.31
October 2016	15.00	14.90	14.95	15.10
November 2016.....	15.70	14.70	15.10	15.70
December 2016.....	16.03	15.50	15.85	15.89

(1) Source: Banco Nación

(2) Banco Nación's reference exchange rates for wire transfers (*divisas*).

(3) Average of daily closing quotes.

Currency conversions, including conversions of pesos into U.S. dollars, are included for the convenience of the reader only and should not be construed as a representation that the amounts in question have been, could have been or could be converted into any particular denomination, at any particular rate or at all.

As of January 30, 2017, the peso-U.S. dollar reference exchange rate was Ps. 15.70 to US\$1.00, as quoted by Banco Nación for wire transfers (*divisas*).

Exchange Controls

In January 2002, with the enactment of the Public Emergency Law, Argentina declared a state of public emergency in terms of social, economic, administrative, financial and exchange rate conditions, and the Argentine executive branch was vested with the power to establish a system to determine the exchange rate between the peso and foreign currencies and to enact foreign exchange regulations. In February 2002, the Argentine executive branch issued Decree 260/2002 which established (i) a single floating foreign exchange market ("MULC") in which all foreign exchange transactions were to be settled, and (ii) that foreign exchange transactions are to be consummated at an exchange rate that is freely settled, subject to the requirements and regulations imposed by the Central Bank.

In June 2005, through the issuance of Decree No. 616/2005, the Argentine National Government established that (i) all inflows of funds into the domestic foreign exchange market arising from foreign debts incurred by individuals or entities in the private sector, excluding foreign trade financing and primary issuances of debt securities authorized for public offering in Argentina and listing and/or trading in self-regulatory markets, and (ii) all inflows of funds of non-residents channeled through the local foreign exchange market to be applied to holdings of local currency, acquisitions of financial assets or liabilities in the financial or non-financial private sector, other than direct foreign investment and primary issuances of debt securities and shares authorized for public offering in Argentina and listing and/or trading in self-regulatory markets, and investments in government securities acquired in secondary markets, must meet the following requirements: (a) the funds entering Argentina may only be transferred out of the local foreign exchange market after 365 calendar days as of the date the funds were received in Argentina, (b) the proceeds of the foreign exchange settlement of the funds received in Argentina must be credited to an account in the local banking system, (c) a registered, non-transferable and non-interest bearing deposit equal to 30% of the amount of the relevant transaction must be maintained for a term of 365 calendar days under the conditions prescribed by the regulations, and (d) such deposits must be made in U.S. dollars and held in a financial institution in Argentina. Such deposits shall not accrue interest or any other type of benefits and may not be used to secure credit facilities of any type.

In December 2015, in line with the economic reforms implemented by the Macri administration, the Argentine Ministry of Treasury issued Resolution No. 3/2015 which eliminated the requirement to maintain a registered, non-transferable and non-interest bearing deposit by reducing the amount of the deposit from 30% to 0%. Consequently, such deposit is no longer applicable to, among other transactions, foreign financial debts, inflows of funds of non-residents and repatriations by residents. In addition, pursuant to Resolution No. 1-E/2017 dated January 5, 2016, the minimum period of 120 calendar days, imposed by Resolution No. 3/2015, that proceeds received from any new financial indebtedness (incurred by residents and granted by foreign creditors) as well as portfolio investments of non-residents, had to be kept in Argentina was reduced to zero. The Argentine Ministry of

Treasury is entitled to modify the percentage of and period that funds must be kept in Argentina when a change in the macroeconomic situation so requires.

In addition, on August 6, 2016, the Central Bank issued Communiqué “A” 6037 (“Communiqué “A” 6037”), which repealed most of the restrictions to purchase currency and those relating to the inflow and outflow of funds into and from Argentina (except for the obligation of Argentine exporters of goods and services to repatriate to the MULC foreign currency proceeds from exportation transactions, such as receivables relating to the exportation of goods, which shall also be settled through the MULC).

The following is a description of the main aspects of the Central Bank’s regulations relating to the inflows and outflows of funds into and from Argentina. For additional information regarding all current foreign exchange restrictions and exchange control regulations, investors should consult their legal advisors and read the applicable rules mentioned herein, as well as any amendments and complementary regulations, which are available at the Argentine Ministry of Treasury’s website: www.economia.gob.ar, or the Central Bank’s website: www.bcra.gov.ar.

Inflows

Pursuant to Communiqué “A” 5265 issued by the Central Bank, any financial debts incurred with foreign creditors by both the non-financial and financial private sector had to be settled through the MULC. This requirement was eliminated by Communiqué “A” 6037, which abrogated Communiqué “A” 5850 dated December 17, 2015, allowing Argentine borrowers to keep proceeds outside of Argentina and eliminated the requirement to repatriate and exchange proceeds into pesos when repaying debts through the MULC.

In addition, Communiqué “A” 6037 eliminated the requirement of Communiqué “A” 5910 dated February 25, 2016, pursuant to which any issuance of debt securities (financial and non-financial) by the private sector, denominated in foreign currency, with principal and interest services not exclusively payable in pesos in Argentina, had to be subscribed in foreign currency and the proceeds thereof had to be exchanged and repaid by the debtor through the MULC. Therefore, this type of indebtedness is subject to the general financial indebtedness regime, under which there is no obligation to repatriate and exchange funds into pesos through the MULC.

Pursuant to Resolution No. 1-E/2017, the minimum period of 120 calendar days, imposed by Resolution No. 3/2015, that proceeds received from foreign financial debt had to be kept in Argentina was reduced to zero.

Outflows

Communiqué “A” 6037 abrogated Communiqué “A” 5264 and partially abrogated Communiqué “A” 5265, together with their amendments and supplementary regulations, specifically Communiqués “A” 5850, 5890 and 6011; which regulated, among others, the requirements to access the MULC to pay principal and interest services of foreign debts.

Currently, access to the MULC to pay interest accrued from the disbursement of funds is subject to verification by the relevant financial entities that the borrower accessing the MULC has duly filed, as applicable, the statement of debt required by Communiqué “A” 3602, as amended from time to time, or the statement of direct investments provided by Communiqué “A” 4237, as amended from time to time.

Pursuant to Resolution No. 1-E/2017, the minimum period of 120 calendar days, imposed by Resolution No. 3/2015, that proceeds from financial external indebtedness had to be kept in Argentina, was reduced to zero, notwithstanding whether or not the debt is repaid through the MULC. Additionally, access to the MULC for payment of principal is subject to verification by the relevant financial entity that the borrower has duly filed the statement of debt required by Communiqué “A” 3602, as amended from time to time.

Communiqué “A” 6137

Communiqué “A” 6137, issued by the Central Bank on December 30, 2016, eliminated the requirement to repatriate and exchange funds obtained from the exportation of services into pesos through the MULC. Such

requirement remains applicable only for exported services included in the FOB (free on board) and/or CIF (cost insurance and freight) value of exported goods (which is not applicable to the types of services exported by the Company). Consequently, we may directly apply proceeds from our exportations held in off-shore accounts (such as the receivables of international and regional use fees in U.S. dollars) to payments of principal and interest relating to the Notes, without having to transfer such funds into Argentina or exchange them into pesos through the MULC.

Anti-Money Laundering

Money laundering generally refers to transactions which purpose is to introduce funds generated through illegal activities into the institutional system; thus transforming illegal profits into assets from apparently legitimate sources.

On April 13, 2000, the Argentinian Congress passed Law No. 25,246, as amended, and complemented by Law No. 26,087, Law No. 26,119, Law No. 26,268 and Law No. 26,683 (collectively, the “Argentine Money Laundering Law”), which defines money laundering as a type of crime.

The Argentine Money Laundering Law, defines money laundering as a crime committed by any person who exchanges, transfers, manages, sells, levies, disguises or in any other way commercializes goods acquired through the commitment of a crime, the possible consequence of which being that the original assets or the substitute thereof appear to come from a lawful source, provided that the value of the assets exceeds AR\$300,000, whether such amount results from one or more related transactions. The sanctions established for committing money laundering are the following:

- imprisonment for three to ten years and fines of two to ten times the amount of the transaction;
- the penalty provided in the preceding item shall be increased by one third of the maximum and a half of the minimum, when (a) the person carries out the act on a regular basis or is a member of an association or gang organized for the purpose of continuously committing acts of a similar nature, or (b) the person is a governmental officer who carries out the act in the course of his duties; and
- if the value of the assets does not exceed AR\$300,000, the penalty shall be imprisonment for six months to three years.

The Argentine Criminal Code, as amended by the Argentine Money Laundering Law, also punishes any person who receives money or other assets from a criminal source with the purpose of using them in a transaction and making them appear to be from a lawful source.

The Argentine Money Laundering Law also created the Financial Information Unit (*Unidad de Información Financiera*, or the “UIF”), a centralized monitoring organization, responsible for the analysis, management and transmission of information for purposes of preventing and impeding money laundering resulting from trafficking or commercialization of illicit drugs, contraband of arms (Law No. 22,415), activities of illegal organizations, as specified in article 210(bis) of the Penal Code, or of illegal terrorist organizations, as defined in article 213(ter) of the Penal Code, illegal acts committed by illegal organizations, as defined in article 210 of the Penal Code, whose purpose is to commit political or racial crimes, certain crimes against the public administration, prostitution and child pornography, and crimes involving the financing of terrorism.

Recently, the “National Coordination Program for the Prevention of Asset Laundering and the Financing of Terrorism” was created by Decree No. 360/2016 issued by the Ministry of Justice and Human Rights (*Ministerio de Justicia y Derechos Humanos*). This Program was assigned the duty to reorganize, coordinate and strengthen the national system for the prevention of money laundering and the financing of terrorism, taking in consideration the specific risks that might have an impact on Argentine territory and the global demand for more effective compliance with international obligations and recommendations established under the United Nations Conventions and the standards of the Financial Action Task Force (FATF). These duties will be performed and implemented through a national coordinator appointed for this purpose. Also, applicable statutory rules were modified to establish that the

Ministry of Justice and Human Rights will be the Argentine National Government's central authority in charge of the inter-institutional coordination of all public and private agencies and entities with competent jurisdiction on this matter, while the UIF will retain the ability to perform operating coordination activities at the national, provincial and municipal levels in relation to matters strictly inherent in its jurisdiction as a financial intelligence agency.

The main objective of the Argentine Money Laundering Law is to prevent money laundering and the financing of terrorism. Following internationally recognized practice, the Argentine Money Laundering Law delegates enforcement responsibilities to the private sector, including banks, insurance companies, stock brokers, and broker companies. Therefore, the persons listed in section 20 of the Argentine Money Laundering Law are obliged to submit information to the UIF of suspicious activities of money laundering and terrorist financing from any individual or legal persons. These responsibilities primarily consist of data collection, including:

- obtaining documents from clients that conclusively prove identity, legal status, domicile and other facts as a prerequisite to engaging in certain activities;
- informing the Argentine National Government of any suspicious facts or activities; and
- abstaining from informing such clients of those activities undertaken in compliance with the Argentine Money Laundering Law.

The Argentine Money Laundering Law, together with UIF Resolutions 121/2011 and 229/2011 (as amended by Resolution No. 104/2016), provide that (i) those required to provide information shall not withhold from the UIF any banking, professional or market secrets, nor legal or contractual confidentiality obligations, within the scope of suspicious activities that must be reported, and (ii) the UIF shall communicate suspicious activities to Argentina's Public Ministry in order for the Public Ministry to determine whether to take legal action whenever the analysis of reported activities confirms the suspicion of money laundering.

Pursuant to Argentine Law No. 27,260, which approved the fiscal transparency regime, the UIF issued Resolution No. 92/2016, in order to provide a special mechanism for reporting suspicious transactions within the framework of said regime.

Obligated Persons under the Argentine Money Laundering Law shall consider the items below in order to analyze whether a suspicious transaction shall be reported within the framework of the fiscal transparency regime:

- (i) Client Profile: the Obligated Persons shall establish an economic and financial client profile with the information and documentation provided to the Obligated Persons by the relevant client and that may be obtained by the Obligated Persons.
- (ii) “Unusual Transactions” are defined as those transactions, attempted or carried out, once or in multiple occasions, with no legal and/or economic justification, whether because they are not related to the economic or financial profile of the relevant client or because they divert from customary market practices due to their frequency, regularity, amount, complexity, nature and/or specific characteristics.
- (iii) “Suspicious Transactions” are defined as those transactions, attempted or carried out, that after analysis and assessment of the Obligated Persons, have been previously identified as Unusual Transactions, and raise doubts as to the authenticity, truthfulness or consistency of the documents submitted by the client, thus raising suspicion on asset laundering, or even when such transactions are related to legal activities, there is suspicion whether they are linked or used to finance terrorism, thus, being necessary to appraise the risks of said transaction by taking into account its relation with the client's activity.

In addition, to follow the criteria of Resolution No. 92/2016, Resolution No. 141/2016, modified UIF Resolutions No. 121/2011 and 229/2011, to provide that the Obligated Persons shall establish the economic and financial profile of the client without considering the client's tax information as an element to define said profile.

Furthermore, each of the Central Bank and the CNV, through its regulations, requires that banks take certain precautions to prevent money laundering.

For a more detailed analysis of the Argentine anti-money laundering regime in effect as of the date of this Offering Memorandum, investors should consult their own legal advisors and review the Argentine Criminal Code, the regulations issued by each of the UIF, the Central Bank and the CNV Rules, among other applicable laws and regulations. The regulations issued by the UIF are available at UIF's web page, <http://www.uif.gob.ar/uif/index.php/es/>.

SELECTED CONSOLIDATED FINANCIAL AND OTHER DATA

The selected consolidated financial data below is qualified in its entirety by reference to, and should be read in conjunction with “Presentation of Financial and Other Information,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our Consolidated Financial Statements and the accompanying notes thereto contained elsewhere in this Offering Memorandum.

The following table sets forth our summary consolidated financial data and other data as of and for the periods indicated. We derived the selected consolidated financial data related to our consolidated statements of comprehensive income and cash flows for the nine-month periods ended September 30, 2016 and 2015 and the summary of the financial data related to our consolidated statement of financial position as of September 30, 2016 from our Unaudited Interim Financial Statements included elsewhere in this Offering Memorandum. We derived the summary consolidated financial data related to our consolidated statements of comprehensive income and cash flows for the years ended December 31, 2015, 2014 and 2013 and the summary of the financial data related to our consolidated statements of financial position as of December 31, 2015, 2014 and 2013 from our Audited Consolidated Financial Statements included elsewhere in this Offering Memorandum.

	Nine-month period ended September 30, (Unaudited)			Year ended December 31,		
	2016		2015	2015		2014
	(in millions of US\$)	(in millions of AR\$)	(in millions of AR\$)	(in millions of US\$)	(in millions of AR\$)	(in millions of AR\$)
Consolidated Statements of Comprehensive Income						
Aeronautical services revenue	260.9	3,796.7	2,097.1	307.8	2,852.9	2,358.4
Non-aeronautical services revenue	249.7	3,634.0	2,189.9	337.6	3,129.5	2,323.1
Total revenue	510.6	7,430.7	4,287.0	645.3	5,982.4	4,681.5
IFRIC 12 -paragraph 14 Credits	120.2	1,749.4	1,040.9	150.9	1,399.1	1,126.7
Cost of services	(247.0)	(3,594.1)	(2,363.7)	(346.3)	(3,210.3)	(2,502.7)
IFRIC 12 -paragraph 14 Debits.....	(120.1)	(1,747.7)	(1,039.5)	(150.7)	(1,397.2)	(1,125.4)
Gross profit.....	263.7	3,838.4	1,924.7	299.2	2,774.0	2,180.1
Distribution and selling expenses	(33.3)	(484.5)	(278.3)	(43.9)	(406.8)	(287.8)
Administrative expenses.....	(29.4)	(427.2)	(246.6)	(43.4)	(401.9)	(261.1)
Other income and expenses, net.....	(0.8)	(11.8)	(1.7)	(0.6)	(5.8)	3.0
Operating profit.....	200.3	2,914.8	1,398.1	211.4	1,959.5	1,634.2
Finance income.....	11.5	168.1	48.5	22.7	210.0	78.6
Finance cost.....	(56.1)	(816.5)	(444.7)	(158.5)	(1,469.1)	(869.3)
Income from investments accounted for by the equity method.....	0.0	0.0	(0.2)	0.0	0.0	(0.5)
Income before income tax	155.7	2,266.4	1,001.8	75.6	700.5	843.0
Income tax	(53.9)	(784.7)	(348.2)	(26.1)	(242.4)	(295.8)
Net income.....	101.8	1,481.7	653.5	49.4	458.1	547.2
Basic earnings per share	0.4	5.7	2.5	0.2	1.7	2.1
Net Income attributable to AA2000.....	101.7	1,479.9	652.1	49.2	456.2	546.7
Net income attributable to non-controlling interest....	0.1	1.7	1.5	0.2	1.9	0.4
						(1.7)

	As of September 30, (unaudited)		As of December 31,			
	2016		2015		2014	
	(in millions of US\$)	(in millions of AR\$)	(in millions of US\$)	(in millions of AR\$)	(in millions of US\$)	(in millions of AR\$)
Consolidated Statements of Financial Position						
Cash and cash equivalents	79.2	1,213.0	46.4	605.2	469.6	212.9
Total assets	644.1	9,861.2	582.0	7,589.3	6,178.6	4,844.8
Total current liabilities	192.0	2,939.1	145.8	1,900.8	1,521.2	941.8
Borrowings	207.8	3,181.2	247.1	3,222.0	2,440.4	1,956.1
Total liabilities	356.5	5,458.0	358.0	4,667.8	3,715.1	2,930.1
Non-controlling interest	0.4	6.9	0.4	5.1	3.3	1.3
Total shareholders' equity	287.6	4,403.2	224.0	2,921.5	2,463.5	1,914.7
 Nine-month period ended September 30, (unaudited)						
 Year ended December 31,						
	2016	2015	2015	2014	2014	2013
	(in millions of US\$)	(in millions of AR\$)	(in millions of US\$)	(in millions of AR\$)	(in millions of US\$)	(in millions of AR\$)
 Other Operating Data (unaudited)						
Total passengers (thousands of passengers).....	-	23,111	21,490	-	29,578.0	27,207.0
Total air traffic movements (number of movements)...	-	275,431	278,117	-	376,490.0	371,906.0
 Other Data						
Adjusted EBITDA (unaudited):						
Net income	101.8	1,481.7	653.5	49.4	458.1	547.2
<i>Plus</i>						
Finance income/cost, net ⁽¹⁾	44.6	648.4	396.2	135.8	1,259.0	790.7
Income tax	53.9	784.7	348.2	26.1	242.4	295.8
Intangible assets' amortization and property plant and equipment's depreciation	15.9	230.8	149.9	21.6	200.3	195.3
Adjusted EBITDA (unaudited)⁽²⁾	216.1	3,145.7	1,547.8	233.0	2,159.8	1,829.0
Cash flow from operating activities.....	92.7	1,349.1	389.2	47.2	437.4	476.9
 Selected Financial Ratios						
Liquidity ⁽³⁾	-	0.7	0.6	-	0.7	0.7
Solvency ⁽⁴⁾	-	0.8	0.8	-	0.6	0.7
Return on Equity ⁽⁵⁾	-	0.4	0.2	-	0.2	0.2
Fixed Assets Ratio ⁽⁶⁾	-	0.8	0.9	-	0.8	0.9

(1) Finance income/cost, net includes interest income and interest expense and exchange rate gains or losses.
 (2) We present Adjusted EBITDA as a supplemental measure of our performance. We define Adjusted EBITDA as net income or loss plus depreciation and amortization, total net financial income or expense and income taxes. We believe Adjusted EBITDA provides investors with meaningful information with respect to our operating performance, facilitates comparisons of our historical operating results and is more aligned with IFRS requirements. Adjusted EBITDA has limitations as an analytical tool and should not be considered in isolation as an alternative to total comprehensive income or as an indicator of our operating performance or as a substitute for analysis of our results of operations as reported under IFRS. Some of these limitations include:

- It does not reflect our cash expenditures, or future requirements, for capital expenditures or contractual commitments;
- It does not reflect changes in, or cash requirements for, our working capital needs;
- It does not reflect our interest expense, or the cash requirements necessary to service interest or principal payments, on our debt;
- It does not reflect cash income taxes or employees' profit sharing we may be required to pay;
- It reflects the effect of non-recurring expenses;
- It is not adjusted for all non-cash income or expense items that are reflected in restatements of changes in financial position; and
- Other companies in our industry may calculate Adjusted EBITDA differently than we do, limiting its usefulness as a comparative measure.

Because of these limitations, Adjusted EBITDA should not be considered in isolation or as a measure of discretionary cash available to us for investment or to meet our obligations. Adjusted EBITDA is not a measure of financial performance under

IFRS. You should rely primarily on our results of operations contained in our Audited Consolidated Financial Statements and our Unaudited Interim Financial Statement, as applicable, and consider Adjusted EBITDA as a supplemental measure of our performance. See “Presentation of Financial and Other Information—Non-IFRS Data.”

- (3) Calculated as current assets divided by current liabilities (excluding deferred income).
- (4) Calculated as total equity divided by total liabilities (excluding deferred income).
- (5) Calculated as net income divided by average total shareholders’ equity. “Average total shareholders’ equity” equals the quotient of (x) total shareholders’ equity at the beginning of the period, *plus* (y) total shareholders’ equity at the end of the period, *divided* by two.
- (6) Calculated as non-current assets divided by total assets.

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

The following discussion of our results of operations and financial condition is based upon, and should be read in conjunction with, our Audited Consolidated Financial Statements and our Unaudited Interim Financial Statements and the related notes thereto included elsewhere in this Offering Memorandum. Our Audited Consolidated Financial Statements have been prepared in accordance with IFRS as issued by the IASB. Our Unaudited Interim Financial Statements have been prepared in accordance with IAS 34 and should be read in conjunction with our Audited Consolidated Financial Statements. This discussion should also be read in conjunction with "Selected Consolidated Financial and Other Data" contained elsewhere in this Offering Memorandum.

The following discussion contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those discussed in the forward-looking statements as a result of various factors, including, without limitation, those set forth under "Forward-Looking Statements," "Risk Factors" and this Offering Memorandum generally.

Overview

We are the largest airport concessionaire in Argentina, holding rights under our Concession to use, operate and manage 33 of the 54 airports in the National Airport System, including the two largest airports in Argentina, Ezeiza and Aeroparque. We have successfully managed our Concession since 1998, through six government administrations. We derive our revenue from aeronautical services, such as the use of our airport facilities by airlines and passengers, and from non-aeronautical services, such as the operation of warehouse facilities, car parking facilities, advertising, the leasing of space to airlines and fees derived from Sub-concessions granted to duty free shops and other retailers.

Our Concession establishes the maximum rates that we may charge to airlines and passengers for aeronautical services. Passenger use fees are charged to each departing passenger and vary depending on whether the passenger's flight is international, regional or domestic. Aircraft charges are charged to airlines for aircraft landing and aircraft parking and vary depending on whether the flight is international or domestic, the maximum takeoff weight ("MTOW") of the aircraft, the time slot and the takeoff time. Our revenue from aeronautical services is affected by the maximum rates we are allowed to charge as well as by the level of passenger volume and the number of air traffic movements at our airports.

Our non-aeronautical services revenue is not subject to price regulation under our Concession, although we are required to notify the ORSNA of any price adjustments we make. As a result, our non-aeronautical services revenue is principally affected by the passenger and cargo volumes at our airports, general economic conditions affecting passenger spending at our airports and the mix of commercial activities carried out at our airports.

The Memorandum of Agreement includes an estimate of the Company's revenue, operating expenses (including payments to the Argentine National Government pursuant to the Concession Agreement) and investment obligations for the term of the Concession. Such estimates are referred to as the "Financial Projection of Income and Expenses" and are expressed in December 2005 values, reflecting our free cash flows for each year for the period from January 1, 2006 through February 13, 2028.

The Memorandum of Agreement provides that the ORSNA must annually review the Financial Projection of Income and Expenses in order to verify and preserve the economic equilibrium of the variables on which it was originally based. During each annual review, amounts previously included in the Financial Projection of Income and Expenses as projections are replaced with our actual results of operations and investments for each relevant period. Our actual results of operations and investments for any year are adjusted to eliminate the effects of inflation for such year in accordance with a formula set forth in the Memorandum of Agreement, in order for the Financial Projection of Income and Expenses to be restated in December 2005 values. The ORSNA then determines a new set of projections through the term of the Concession which, together with our past results of operations, may result in an economic equilibrium. The three principal factors that determine economic equilibrium are the payments we make to the Argentine National Government, the fees we charge airlines and passengers for aeronautical services (such as aircraft landing charges and passenger use fees) and the investments that we are required to make under the

Concession. The ORSNA then determines the adjustments to be made to these three factors that would be needed, if any, to achieve economic equilibrium through the term of the Concession. The only factor that has been adjusted in the past has been the fees that we are permitted to charge for aeronautical services and the additional investment commitments. See “Regulatory Framework—The Concession Agreement—Financial Projections.”

Classification of Revenue

We classify our revenue in two categories: aeronautical services revenue and non-aeronautical services revenue. Aeronautical services revenue is derived from the use of our airport facilities by aircrafts and passengers. In 2015, 2014 and 2013, 47.7%, 50.4% and 50.7%, respectively, of our total revenue was derived from aeronautical services and 52.3%, 49.6% and 49.3%, respectively, of our total revenue was derived from non-aeronautical services.

We measure revenue at the fair value of the consideration received or receivable which represents the amounts received for the provision of services, net of discounts and value added taxes. We recognize revenue in the period the services are rendered, when the amounts can be reliably measured, when it is likely that future economic benefits will flow to the entity and when the specific criteria for each of the activities have been met.

Aeronautical Services Revenue

For the nine-month period ended September 30, 2016, aeronautical services revenue was AR\$3,796.7 million, which represented 51.1% of our total revenue. Our revenue in this category increased 81.0% for nine-month period ended September 30, 2016 from AR\$2,097.1 million on September 30, 2015. During 2015 our revenue under this category represented 47.7% of our total revenue. From 2013 to 2015, our aeronautical services revenue increased by 88.4% from AR\$1,514.0 million to AR\$2,852.9 million.

The system of rate regulation applicable to our aeronautical services revenue establishes the maximum rates that we may charge at each of our airports. Our maximum rates for international flights and regional flights are denominated in U.S. dollars and our maximum rate for domestic flights is denominated in pesos. Passenger fees are charged upon the passenger’s departure from our airports and aircraft fees are charged for aircraft landing and aircraft parking, based on the MTOW of the aircraft. We no longer charge fees for the use of passenger walkways.

The following table sets forth our aeronautical services revenue as well as the percentage of total aeronautical services revenue each represented for the periods indicated.

	Nine-month period ended September 30, (unaudited)						Year ended December 31,					
	2016			2015			2015			2014		
	(in millions of US\$)	(in millions of AR\$)	%	(in millions of AR\$)	(in millions of AR\$)	%	(in millions of US\$)	(in millions of AR\$)	%	(in millions of AR\$)	(in millions of AR\$)	%
Passenger use fees.....	223.3	3,250.4	85.6	1,783.4	85.0		260.8	2,417.7	84.7	1,981.5	84.0	1,263.8
Aircraft landing charges.....	26.7	389.0	10.2	218.8	10.4		32.7	303.1	10.6	268.8	11.4	182.4
Aircraft parking charges.....	10.8	157.4	4.1	94.9	4.5		14.2	132.1	4.6	108.0	4.6	67.4
Passenger walkway charges.....	0.0	0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0	0.0	0.4
Total Aeronautical Services Revenue.....	260.9	3,796.7	100.0	2,097.1	100.0		307.8	2,852.9	100.0	2,358.4	100.0	1,514.0

Under our Concession, we can set the specific price for each aeronautical service as long as it does not exceed the applicable maximum rate set forth in the Concession Agreement. We generally price our services at the maximum rates we may charge our customers.

Maximum Rates

The following table sets forth the maximum rates that were applicable under our Concession Agreement during the periods indicated for passenger use fees, as well as selected aircraft landing charges and aircraft parking charges for our Category I airports.

	Maximum Rates			
	As of January 1, 2017 ⁽¹⁾	November 25, 2015 through December 31, 2016	April 8, 2014 through November 24, 2015 ⁽¹⁾	January 1, 2013 through April 7, 2014 ⁽¹⁾
Passenger Use Fees				
International flights (in US\$).....	49.00	57.00	43.93	37.32
Domestic flights (in AR\$).....	74.33	29.73	22.91	19.07
Aircraft Landing Charges⁽²⁾				
International flights (in US\$ per ton) (81-170 MTOW)	8.81	8.81	8.81	8.81
Domestic flights (in AR\$ per ton) (31-80 MTOW)	1.14	1.14	1.14	1.14
Aircraft Parking Charges (13-80 MTOW)⁽²⁾⁽³⁾				
International flights (in US\$).....	0.34	0.38	0.38	0.38
Domestic flights (in AR\$).....	0.85	0.17	0.17	0.17

- (1) The rates set forth in this table are approved by the ORSNA pursuant to the Concession Agreement. However, the implementation of such rate adjustments generally occurs over different periods of time following effectiveness of the resolution.
- (2) Aircraft landing and parking charges do not reflect discounts to international aeronautical service charges approved by ORSNA Resolution 10/09, which were maintained by ORSNA Resolutions 126/11, 45/14, 168/15 and 101/2016. According to such resolutions, airlines paying on time benefit from a 30% discount pursuant to which such airlines pay rates equivalent to 70% of the international aeronautical rates set forth in Annex II of the Memorandum of Agreement, instead of paying the rates established by each of ORSNA Resolutions 10/09, 126/11, 45/14, 168/15 and 101/2016. According to ORSNA Resolution 101/2016, which became effective on January 1, 2017, international parking charges were reduced, and the discount will entail a 42.35% effective discount (e.g., instead of paying the rate of US\$0.34 for international aircraft parking charges, airlines making timely payments will pay US\$0.196 for international aircraft parking charges, which is 70% of the US\$0.28 set forth in Annex II of the Memorandum of Agreement). See “Regulatory Framework—The Concession Agreement—Regulation of Rates.” We filed a claim with the ORSNA regarding the rate adjustments approved by Resolution No. 101/2016, which as of the date of this Offering Memorandum, has not been resolved.
- (3) Aircraft parking charges applicable to Ezeiza and Aeroparque.

Non-Aeronautical Services Revenue

For the nine-month period ended September 30, 2016, non-aeronautical services revenue was AR\$3,634.0 million, which represented 48.9% of our total revenue. Our revenue in this category increased by 65.9% for the nine-month period ended September 30, 2016 from AR\$2,189.9 million on September 30, 2015. Non-aeronautical services during 2015 represented 52.3% of our total revenue. From 2013 to 2015, our revenue under this category increased by 112.7% from AR\$1,471.3 million to AR\$3,129.5 million.

The majority of our non-aeronautical services revenue is derived from fees resulting from warehouse usage (which includes cargo storage, stowage and warehouse services and related international cargo services), duty free shops, car parking facilities, aircraft fueling and the sub-concession of space to airlines, catering, food and beverage services, retail stores, hangar services and advertising, and fees collected from other miscellaneous sources, such as telecommunications, car rentals and passenger services.

The following table sets forth our revenue from non-aeronautical services as well as the percentage of total non-aeronautical services revenue each represented for the periods indicated.

	Nine-month period ended September 30, (unaudited)						Year ended December 31,					
	2016			2015			2015			2014		
	(in millions of US\$)	(in millions of AR\$)	%	(in millions of US\$)	(in millions of AR\$)	%	(in millions of US\$)	(in millions of AR\$)	%	(in millions of AR\$)	%	(in millions of AR\$)
Warehouse usage.....	125.2	1,821.9	50.1	950.4	43.4	149.7	1,387.4	44.3	1,021.9	44.0	585.5	39.8
Services and retail stores	40.7	591.8	16.3	367.0	16.8	56.5	523.7	16.7	396.8	17.1	260.4	17.7
Duty free shops	28.8	419.0	11.5	328.1	15.0	49.4	458.0	14.6	331.7	14.3	220.0	15.0
Parking facilities	17.2	250.6	6.9	172.3	7.9	27.1	250.9	8.0	169.9	7.3	135.0	9.2
Catering	7.7	112.2	3.1	74.9	3.4	11.2	104.3	3.3	84.6	3.6	56.9	3.9
Food and beverage services	6.5	94.1	2.6	67.5	3.1	9.6	88.8	2.8	62.9	2.7	42.8	2.9
Sub-concession of space to airlines ..	7.7	111.6	3.1	63.3	2.9	9.5	88.2	2.8	71.6	3.1	47.3	3.2
Advertising	4.7	68.0	1.9	58.6	2.7	8.2	75.9	2.4	50.8	2.2	33.7	2.3
Walkway services	5.3	77.1	2.1	49.7	2.3	7.6	70.0	2.2	57.9	2.5	39.0	2.7
Fuel	3.5	50.7	1.4	34.7	1.6	5.4	50.5	1.6	45.8	2.0	33.1	2.2
Counters	2.5	37.1	1.0	23.3	1.1	3.4	31.8	1.0	29.3	1.3	17.4	1.2
Total Non-Aeronautical Services	249.7	3,634.0	100.0	2,189.9	100.0	337.6	3,129.5	100.0	2,323.1	100.0	1,471.3	100.0
Revenue												

For a description of our non-aeronautical services and the revenues we generate therefrom, see “Business—Our Sources of Revenue—Non-Aeronautical Services—Revenue from Non-Aeronautical Services.”

IFRIC 12 – Service Concession Agreements – Paragraph 14 Credits and Debits

Our Concession Agreement is accounted for in accordance with IFRS based on the principles outlined in IFRIC 12 “Service Concession Arrangements.” Under IFRIC 12, our Concession Agreement is a “build-operate-transfer” arrangement, under which we develop infrastructure to provide public services and, for a specific period of time, operate and maintain such infrastructure. Infrastructure is not recognized as property, plant or equipment (PPE), because we have the right to charge fees for services provided to users during the period of the Concession Agreement.

Infrastructure is recognized as an intangible asset that represents the right (license) to charge users for the services provided.

Construction activities to improve existing infrastructure is considered a separate stream of revenue which is recognized as construction revenue and costs during the construction period by stage of completion method.

In addition, revenue and costs relating to operating activities represented by the provision of aeronautical and non-aeronautical services are accounted for when services are rendered.

Revenue by Airport

We consider our 33 airports as one operating unit. The following table sets forth our revenues for the periods indicated for each of our five largest airports by revenue as well as the remaining 28 airports which we currently operate, on a combined basis.

	Nine-month period ended September 30, (unaudited)		Year ended December 31,		
	2016	2015	2015	2014	2013
	(in millions of AR\$)		(in millions of AR\$)		
Ezeiza					
Aeronautical services revenue	2,689.0	1,499.1	2,045.2	1,696.0	1,077.2
Non-aeronautical services revenue	2,837.3	1,681.0	2,422.5	1,806.8	1,100.6
Total revenue	5,526.4	3,180.1	4,467.8	3,502.9	2,177.8
Aeroparque					
Aeronautical services revenue	615.1	376.8	490.2	448.7	286.6
Non-aeronautical services revenue	398.0	276.6	379.0	286.8	197.9
Total revenue	1,013.1	653.4	869.2	735.4	484.5
Córdoba Airport					
Aeronautical services revenue	227.4	100.5	143.1	99.1	64.1
Non-aeronautical services revenue	96.4	37.9	54.2	35.3	24.2
Total revenue	323.9	138.4	197.4	134.4	88.3
Mendoza Airport					
Aeronautical services revenue	93.1	41.6	61.5	45.3	32.9
Non-aeronautical services revenue	31.2	23.1	33.9	23.0	15.5
Total revenue	124.3	64.7	95.4	68.3	48.4
Bariloche Airport					
Aeronautical services revenue	48.8	20.0	24.9	11.3	10.0
Non-aeronautical services revenue	15.3	10.9	14.5	11.5	8.2
Total revenue	64.0	30.9	39.4	22.8	18.3
Other Airports					
Aeronautical services revenue	123.3	59.2	88.0	58.0	43.2
Non-aeronautical services revenue	255.8	160.2	225.3	159.7	124.8
Total revenue	379.0	219.5	313.3	217.7	168.1
Total revenue for all airports.....	7,430.7	4,287.0	5,982.4	4,681.5	2,985.3

Passenger Volume, Aircraft Movements and Cargo Volume

Passenger traffic in our airports is approximately evenly divided between international and domestic passengers. In 2015, approximately 38.4% of the passengers using our airports were international passengers. In addition, of the international passengers traveling through our airports, a majority has historically traveled on flights originating in or departing to South America, North America and Europe. Accordingly, our results of operations are influenced strongly by changes to Argentine economic conditions as well as by South American, North American and European economic and other conditions. Many factors affecting our passenger traffic volume and the mix of passenger traffic in our airports are beyond our control. See “Risk Factors—Risks Related to our Operations—Our revenue is highly dependent on levels of air traffic, which depend in part on factors beyond our control, including economic and political conditions and environmental factors” and “—Risks Related to Argentina—The Argentine economy could be adversely affected by economic developments in other markets and by more general “contagion” effects.”

The following table sets forth certain statistical data relating to passenger volume, aircraft movement and cargo volume and our revenue and revenue per passenger for the periods indicated.

	Nine-month period ended September 30,			Years ended December 31,		
	2016		2015	2015		2014
		% change against prior year		% change against prior year		% change against prior year
Domestic passengers (in thousands).....	13,054.0	0.9	12,933.9	17,943	12.4	15,967
International passengers (in thousands).....	9,051.8	7.9	8,392.9	11,353	2.9	11,035
Transit passengers (in thousands).....	1,005.3	519.7	162.2	282	37.2	205
Total passengers (in thousands).....	23,111.1	7.5	21,490.0	29,578	8.7	27,207
Total aircraft movements (in thousands).....	275.4	-1.0	278.1	376.5	1.2	371.9
International aeronautical services revenue (in millions of AR\$)	3,607.2	85.8	1,941.3	2,640.9	21.3	2,177.3
Domestic aeronautical services revenue (in millions of AR\$)	189.5	21.6	155.8	212.0	17.1	181.1
Aeronautical services revenue (in millions of AR\$)	3,796.7	81.0	2,097.1	2,852.9	21.0	2,358.4
Aeronautical services revenue per passenger (in millions of AR\$)	164.3	68.3	97.6	96.45	11.3	86.68
Non-aeronautical services revenue (in millions of AR\$)	3,634.0	65.9	2,189.9	3,129.5	34.7	2,323.1
Non-aeronautical services revenue per passenger (in millions of AR\$)	157.2	54.3	101.9	108.8	27.5	85.4
Cargo volumes (in tons)	139,730.0	2.0	136,971.0	200,916	-6.7	215,442

Operating Expenses

Our operating expenses are composed of cost of services, distribution and selling expenses and administrative expenses.

Cost of Services

Cost of services consists primarily of the Specific Allocation of Revenue, which is a percentage of our total revenue that we are required to allocate to certain trusts pursuant to the Concession Agreement (see “Regulatory Framework—The Concession Agreement—Specific Allocation of Revenue”), airport service and maintenance expenses, salaries and related social security contributions for salaried workers, the amortization of intangible assets, utilities and other miscellaneous expenses such as professional fees and office expenses.

The following table sets forth our cost of services, as well as the percentage of cost of services in relation to total operating expenses for the periods indicated.

	Nine-month period ended September 30, (unaudited)				Year ended December 31,			
	2016		2015		2015		2014	
					(in millions of AR\$, except percentages)			
Specific Allocation of Revenue ⁽¹⁾	1,079.3	30.0%	620.4	26.2%	866.0	27.0%	678.0	27.1%
Airport service and maintenance.....	1,006.1	28.0%	698.7	29.6%	962.9	30.0%	686.8	27.4%
Salaries and social security	949.2	26.4%	689.4	29.2%	903.3	28.1%	709.4	28.3%
Intangible assets amortization.....	225.1	6.3%	147.9	6.3%	194.1	6.0%	190.8	7.6%
Public utilities and contributions.....	151.7	4.2%	95.0	4.0%	126.7	3.9%	109.8	4.4%
Others	182.7	5.1%	112.2	4.7%	157.3	4.9%	127.9	5.1%
Total cost of services.....	3,594.1	100.0%	2,363.7	100.0%	3,210.3	100.0%	2,502.7	100.0%

(1) The Specific Allocation of Revenue, as set forth in the Concession Agreement, is equal to 15% of our total revenue. However, for the purpose of calculating the Specific Allocation of Revenue, we do not take into account our revenue derived from reimbursement of expenses by our sub-concessionaires and the revenue resulting from our contributions to the

Development Trust for investment commitments in our airports equivalent to 2.5% of the annual revenue derived from the Concession. See “Regulatory Framework—The Concession Agreement—Specific Allocation of Revenue.”

Distribution and Selling Expenses

Our distribution and selling expenses consist primarily of sales taxes, advertising expenses, bad debt charges and other miscellaneous expenses.

The following table sets forth our distribution and selling expenses, as well as the percentage of distribution and selling expenses in relation to total distribution and selling expenses for the periods indicated.

	Nine-month period ended September 30, (unaudited)			Year ended December 31,				
	2016	2015	2015	2014	2013			
(in millions of AR\$, except percentages)								
Sales taxes.....	382.0	78.8%	218.2	78.4%	305.6	75.1%	238.9	83.0%
Salaries and social security	38.4	7.9%	24.7	8.9%	38.2	9.4%	23.1	8.0%
Advertising expenses	16.7	3.5%	7.7	2.8%	24.9	6.1%	7.8	2.7%
Bad debt charges (net).....	29.9	6.2%	14.6	5.2%	19.6	4.8%	6.4	2.2%
Others	17.5	3.6%	13.1	4.7%	18.5	4.6%	11.5	4.0%
Total distribution and selling expenses	484.5	100.0%	278.3	100.0%	406.8	100.0%	287.8	100.0%

We record our bad debt charge as part of distribution and selling expenses. Provisions for these items represent our estimations of future losses based on our historical experience.

The following table shows our revenue, bad debt charges and bad debt recoveries for the periods indicated

	Nine-month period ended September 30, (unaudited)			Year ended December 31,		
	2016	2015	2015	2014	2013	
(in millions of AR\$)						
Revenue.....	7,430.7	4,287.0	5,982.4	4,681.5	2,985.3	
Bad debt charges	29.9	14.6	19.6	17.1 ⁽¹⁾	17.1	
Bad debt recoveries	0.0	0.0	0.0	(10.4)	0.0	

⁽¹⁾ In 2014 AR\$0.2 million and \$0.1 million were recorded as part of cost of services and administrative expenses, respectively.

Administrative Expenses

Our administrative expenses consist primarily of salaries and related social security contributions for executive staff, tax on debits and credits in bank accounts, taxes, professional fees, office expenses and other miscellaneous expenses.

The following table sets forth our administrative expenses as well as the percentage of administrative expenses in relation to total administrative expenses for the periods indicated.

	Nine-month period ended September 30, (unaudited)				Year ended December 31,					
	2016		2015		2015		2014		2013	
	(in millions of AR\$, except percentages)									
Office expenses	95.7	22.4%	64.0	26.0%	87.7	21.8%	74.6	28.6%	51.9	28.3%
Salaries and social security.....	148.0	34.7%	71.3	28.9%	151.0	37.6%	85.0	32.6%	60.6	33.0%
Taxes.....	82.0	19.2%	47.6	19.3%	65.2	16.2%	47.8	18.3%	34.0	18.5%
Fees	48.6	11.4%	31.2	12.6%	50.1	12.5%	28.6	10.9%	18.3	10.0%
Others.....	52.9	12.4%	32.4	13.2%	48.0	11.9%	25.1	9.6%	18.8	10.2%
Total administrative expenses.....	427.2	100.0%	246.6	100.0%	401.9	100.0%	261.1	100.0%	183.6	100.0%

Seasonality

Our business is subject to seasonal fluctuations. In general, demand for air travel is typically higher during the spring and summer months in the Southern Hemisphere as well as during the winter holiday season in international markets, due to increased vacation travel during these periods. Our quarterly results of operations generally reflect this seasonality. Our second quarter is generally our weakest quarter each fiscal year in terms of revenue, as passenger activity typically declines during such quarter. As a result, our results of operations for quarterly periods are not necessarily indicative of results of operations for an entire year.

Effects of Inflation

Historically, the Argentine economy has shown significant volatility, characterized by high rates of inflation, which have materially undermined the Argentine economy and the Argentine National Government's ability to stimulate economic growth. According to the data published by INDEC, CPI increased by 10.9% in 2010, 9.5% in 2011, 10.8% in 2012, 10.9% in 2013 and 23.9% in 2014 and 11.9 % during the ten-month period ended October 31, 2015. See "Risk Factors—Risks Related to Argentina—Continuing high inflation may impact the Argentine economy and adversely affect our results of operations."

While the ORSNA takes into account changes in inflation to preserve the economic equilibrium of our Concession over time, a material increase in inflation may impact our results of operations during any given fiscal period since a substantial portion of our cost of services during any given year, such as the Specific Allocation of Revenue and the salaries we pay our employees, are denominated in pesos.

Effects of Exchange Rate Fluctuation

Our results of operations are affected by fluctuations in the exchange rate of the Argentine peso against other currencies. A principal factor in determining our finance income/cost, net is the result from exchange rate differences on assets and liabilities denominated in foreign currency and the interest expense on financial liabilities. The Argentine peso's value went from AR\$6.521 per US\$1.00 as of December 31, 2013 to AR\$8.551 per US\$1.00 as of December 31, 2014, AR\$13.04 per US\$1.00 as of December 31, 2015 and AR\$15.31 per US\$1 as of September 30, 2016. See "Risk Factors—Risks Related to Argentina—Continuing high inflation may impact the Argentine economy and adversely affect our results of operations."

Our foreign currency exposure gives rise to market risks associated with exchange rate movements of the Argentine peso against the U.S. dollar, under which our foreign currency liabilities are denominated. Because we borrow in the international markets to support our operations and investments, we are exposed to market risks from changes in foreign exchange rates. In addition, a substantial amount of our total revenue is in U.S. dollars or linked to the U.S. dollar. See "Risk Factors—Risks Related to Argentina—Significant fluctuation in the value of the peso may adversely affect the Argentine economy as well as our financial condition and results of operation."

Critical Accounting Policies

The preparation of our Consolidated Financial Statements and related notes requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses, and related disclosure of contingent assets and liabilities. We have based our estimates on historical experience and on various other assumptions that we believe are 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. We believe that the following critical accounting policies reflect the more significant estimates and assumptions used in the preparation of our Consolidated Financial Statements. You should read the following descriptions of critical accounting policies and estimates in conjunction with our Consolidated Financial Statements and other disclosures filed with this Offering Memorandum.

Provisions for lawsuits and legal contingencies

In connection with certain pending litigation and other claims, we have estimated the range of probable losses and provided for such losses through charges to our consolidated statement of comprehensive income. These estimates have been based on our assessment of the facts and circumstances at each balance sheet date and are subject to change based upon new information and future events. See Note 25 to our Audited Consolidated Financial Statements and Note 9 to our Unaudited Interim Financial Statements.

Income Taxes

We are subject to income tax. A high level of judgment is required to determine the provision for income tax. There are many transactions and calculations for which the ultimate tax determination is uncertain. We recognize liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. When the final tax outcome of such matters differs from the amounts that we initially recorded, such differences will impact the current and deferred income tax in the year in which such determination is made.

Pursuant to Argentine Tax Law, income taxes payable have been computed on a separate return basis (i.e., we are not allowed to prepare a consolidated income tax return). Income tax payments are made by each of our subsidiaries as required by the tax laws of the countries in which they operate. We record income taxes in accordance with IAS 12.

The following table illustrates our effective income tax rates for the periods indicated:

	Nine-month period ended September 30, (unaudited)		Year ended December 31,		
	2016	2015	2015	2014	2013
(in millions of AR\$, except percentages)					
Income before income taxes	2,266.4	1,001.8	700.5	843.0	221.9
Income tax expenses.....	(784.7)	(348.2)	(242.4)	(295.8)	(79.6)
Effective income tax rate.....	34.6%	34.8%	34.6%	35.1%	35.9%

Provision for bad debts

We make estimates to calculate provision for bad debts at a certain time. Judgments regarding provision for bad debts are made based on an individual analysis of the portfolio of customers.

Summary Consolidated Historical Results of Operations

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

	Nine-month period ended September 30, (unaudited)				Year ended December 31,			
	2016		2015		2015		2014	
	(in millions of AR\$)	% change against prior year	(in millions of AR\$)	(in millions of AR\$)	(in millions of AR\$)	% change against prior year	(in millions of AR\$)	% change against prior year
Revenue:								
Aeronautical services revenue	3,796.7	81.0	2,097.1	2,852.9	21.0	2,358.4	55.8	1,514.0
Non-aeronautical services revenue	3,634.0	65.9	2,189.9	3,129.5	34.7	2,323.1	57.9	1,471.3
Total revenue	7,430.7	73.3	4,287.0	5,982.4	27.8	4,681.5	56.8	2,985.3
IFRIC 12 -paragraph 14 Credits	1,749.4	68.1	1,040.9	1,399.1	24.2	1,126.7	42.5	790.8
Cost of Services:								
Specific Allocation of Revenue	(1,079.3)	74.0	(620.4)	(866.0)	27.7	(678.0)	57.3	(431.0)
Airport service and maintenance	(1,006.1)	44.0	(698.7)	(962.9)	40.2	(686.8)	43.3	(479.3)
Salaries and social security	(949.2)	37.7	(689.4)	(903.3)	27.3	(709.4)	39.2	(509.8)
Intangible assets amortization	(225.1)	52.2	(147.9)	(194.1)	1.7	(190.8)	18.7	(160.7)
Public utilities and contributions	(151.7)	59.7	(95.0)	(126.7)	15.4	(109.8)	36.2	(80.6)
Others	(182.7)	62.8	(112.2)	(157.3)	23.0	(127.9)	39.0	(92.0)
Total cost of services	(3,594.1)	52.1	(2,363.7)	(3,210.3)	28.3	(2,502.7)	42.7	(1,753.4)
IFRIC 12 -paragraph 14 Debits	(1,747.7)	68.1	(1,039.5)	(1,397.2)	24.2	(1,125.4)	42.4	(790.1)
Gross profit	3,838.4	99.4	1,924.7	2,774.0	27.2	2,180.1	76.9	1,232.6
Distribution and selling expenses:								
Sales taxes	(382.0)	75.1	(218.2)	(305.6)	27.9	(238.9)	59.6	(149.7)
Salaries and social security	(38.4)	55.3	(24.7)	(38.2)	65.0	(23.1)	45.7	(15.9)
Advertising expenses	(16.7)	117.4	(7.7)	(24.9)	220.9	(7.8)	(55.2)	(17.3)
Bad debt charges	(29.9)	105.0	(14.6)	(19.6)	203.7	(6.4)	(62.2)	(17.1)
Others	(17.5)	33.9	(13.1)	(18.5)	61.0	(11.5)	20.4	(9.6)
Total distribution and selling expenses	(484.5)	74.1	(278.3)	(406.8)	41.4	(287.8)	37.3	(209.5)
Administrative Expenses:								
Office expenses	(95.7)	49.4	(64.0)	(87.7)	17.5	(74.6)	43.7	(51.9)
Salaries and social security	(148.0)	107.7	(71.3)	(151.0)	77.6	(85.0)	40.4	(60.6)
Taxes	(82.0)	72.2	(47.6)	(65.2)	36.3	(47.8)	40.7	(34.0)
Fees for services	(48.6)	55.8	(31.2)	(50.1)	75.3	(28.6)	55.6	(18.3)
Others	(52.9)	63.1	(32.4)	(48.0)	91.1	(25.1)	33.5	(18.8)
Total administrative expenses	(427.2)	73.2	(246.6)	(401.9)	53.9	(261.1)	42.2	(183.6)
Other Income and Expenses, net	(11.8)	585.9	(1.7)	(5.8)	(294.5)	3.0	(185.5)	(3.5)
Operating profit	2,914.8	108.5	1,398.1	1,959.5	19.9	1,634.2	95.5	835.9
Finance income/cost, net	(648.4)	63.7	(396.2)	(1,259.0)	59.2	(790.7)	28.8	(614.0)
Income from investments accounted for by the equity method	0.0	100.0	(0.2)	0.0	(100.0)	(0.5)	100.0	0.0
Income before Income Tax	2,266.4	126.2	1,001.8	700.5	(16.9)	843.0	279.9	221.9
Income Tax	(784.7)	125.3	(348.2)	(242.4)	(18.1)	(295.8)	271.6	(79.6)
Net Income	1,481.7	126.7	653.5	458.1	(16.3)	547.2	284.5	142.3

Results of operations

Nine-month period ended September 30, 2016 compared to the nine-month period ended September 30, 2015

Total Revenue

Total revenue was AR\$7,430.7 million for the nine-month period ended September 30, 2016, a 73.3% increase from the AR\$4,287.0 million recorded for the nine-month period ended September, 2015, as a result of increases in both aeronautical services revenue and non-aeronautical services revenue.

Aeronautical services revenue was AR\$3,796.7 million for the nine-month period ended September 30, 2016, a 81.0% increase from AR\$2,097.1 million for the nine-month period ended September 30, 2015. Passenger use fees were AR\$3,250.4 million for the nine-month period ended September 30, 2016, a 82.3% increase from AR\$1,783.4 million for the nine-month period ended September 30, 2016. This increase is principally due to a 7.5% increase in passenger volumes and increases in passenger use fees and the exchange rate applicable to the international passenger use fees, and it is partially offset by a 1.0% decrease in air traffic movements.

Non-aeronautical services revenue was AR\$3,634.0 million for the nine-month period ended September 30, 2016, a 65.9% increase from AR\$2,189.9 million recorded for the nine-month period ended September 30, 2015. Warehouse usage revenue was AR\$1,821.9 million, a 91.7% increase from AR\$950.4 million for the nine-month period ended September 30, 2015. This increase is principally due to an increase in the exchange rate of Pesos to U.S. dollars during the nine-month period ended September 30, 2016. In addition, the increase in non-aeronautical services revenue was partially due to an increase of AR\$224.7 million and AR\$90.90 million generated from services and fees collected from the sub-concessionaires of retail stores and duty free shops, respectively. These increases were the result of an increase in the number of passengers using our airports as well as higher prices charged by retailers due to inflationary adjustments, of which we receive a percentage. To a lesser extent, non-aeronautical services revenue also increased as a result of a devaluation in the peso of approximately 74.3% during this period in comparison to the nine-month period ended September 30, 2015.

As mentioned above, under IFRIC 12 our construction activities (including development of new infrastructure and improvements to existing infrastructure) requires that we recognize construction revenue and costs during the construction period. The revenue and costs generated for such construction activities reflect the increase in intangible assets.

Cost of Services

Cost of services increased 52.1% to AR\$3,594.1 million for the nine-month period ended September 30, 2016, compared to AR\$2,363.7 million for the nine-month period ended September 30, 2015. This increase was primarily due to an increase of AR\$458.8 million in the Specific Allocation of Revenue paid to the Argentine National Government as a result of our increased revenue during 2016, as well as an increase of AR\$259.8 million and AR\$307.4 million, respectively, in salaries and social security contributions as a result of inflationary adjustments, and in airport service and maintenance costs as a result of inflationary adjustments made by service providers at our airports to the prices they charge us.

Distribution and Selling Expenses

Distribution and selling expenses represented a net loss of AR\$484.5 million for the nine-month period ended September 30, 2016, an increase from the AR\$278.3 million recorded for the nine-month period ended September 30, 2015, principally due to increases in advertising expenses of AR\$9.0 million, in selling taxes of AR\$163.8 million as a result of our increased revenue during the nine-month period ended September 30, 2016, in bad debt charges of AR\$15.3 million and in salaries and social security contributions of AR\$13.7 due to inflationary adjustments.

Administrative Expenses

Administrative expenses were AR\$427.2 million for the nine-month period ended September 30, 2016, a 73.2% increase from AR\$246.6 million for the nine-month period ended September 30, 2015. This increase was principally due to a 49.4% increase in office expenses from AR\$64.0 million for the nine-month period ended September 30, 2015 to AR\$95.7 million for the nine-month period ended September 30, 2016, as a result of an increase in the total amounts charged to us by IATA and SITA (“SITA”) in respect of the passenger use fee collection services they provide to us. In addition, salaries and social security contributions increased AR\$76.7 million as a result of inflationary adjustments.

Finance Income/Cost, Net

Finance income/cost, net, consists of interest, the results from exchange rate differences on assets and liabilities denominated in foreign currency and recording the current value of long-term liabilities. For the nine-month period ended September 30, 2016, we recorded a finance income/cost, net of AR\$648.4 million, a 63.7% increase from the finance income/cost, net of AR\$396.2 million recorded for the nine-month period ended September 30, 2015. This increase was principally due to the increase in the exchange rate of Pesos to U.S. Dollars.

Other Income and Expenses, Net

For the nine-month period ended September 30, 2016, we recorded a net loss of AR\$11.8 million, an increase from the AR \$1.7 million net loss recorded for the nine-month period ended September 30, 2015. The increase in net loss is principally due to the AR\$9.1 million justice fee granted to appeal the ruling of the AFIP in connection with certain assessment proceedings initiated against us by the AFIP. See “Business—Legal Proceedings—Foreign Exchange and Tax Proceedings” for additional information relating to the assessment proceedings initiated against us by the AFIP.

Income Tax

Income taxes were AR\$784.7 million for the nine-month period ended September 30, 2016, a 125.3% increase from the AR\$348.2 million recorded for the nine-month period ended September 30, 2015. Our effective income tax rate decreased from 34.8% in the nine-month period ended September 30, 2015 to 34.6% during the nine-month period ended September 30, 2016.

Net Income

As a result of the factors described above, we recorded net income of AR\$1,481.7 million during the nine-month period ended September 30, 2016, a 126.7% increase from the net income of AR\$653.5 million registered during the nine-month period ended September 30, 2015.

Fiscal year ended December 31, 2015 compared to the fiscal year ended December 31, 2014

Total Revenue

Total revenue was AR\$5,982.4 million for the year ended December 31, 2015, a 27.8% increase from the AR\$4,681.5 million recorded for the year ended December 31, 2014, as a result of increases in both aeronautical services revenue and non-aeronautical services revenue.

Aeronautical services revenue was AR\$2,852.9 million for the year ended December 31, 2015, a 21.0% increase from AR\$2,358.4 million in the year ended December 31, 2014. Passenger use fees were AR\$2,417.7 million for the year ended December 31, 2015, a 22.0% increase from AR\$1,981.5 million for the year ended December 31, 2014. The increased revenue is partially attributable to an 8.7% increase in passenger volumes and a 1.2% increase in air traffic movements, an increase in the exchange rate that affects the international fees and the increase in the passenger fees.

Non-aeronautical services revenue was AR\$3,129.5 million for the year ended December 31, 2015, a 34.7% increase from AR\$2,323.1 million recorded for the year ended December 31, 2014. Warehouse usage revenue was AR\$1,387.4 million for the year ended December 31, 2015, a 35.8% increase from AR\$1,021.9 million for the year ended December 31, 2014, principally due to increases during the third quarter of 2015 in the prices we charged to our customers and an increase in the exchange rate. In addition, the increase in non-aeronautical services revenue was partially due to an increase of AR\$126.9 million and AR\$126.3 million in revenue generated from services and fees collected from the Sub-concessionaires of retail stores and duty free shops, respectively. These increases were the result of increased number of passengers utilizing our airports during 2015, as well as higher prices charged by retailers due to inflationary adjustments of which we received a percentage and an increase in the percentage we charge to duty free shops, effective as of October 2014.

As mentioned above, under IFRIC 12 our construction activities (including development of new infrastructure and improvements to existing infrastructure) requires that we recognize construction revenue and costs during the construction period. The revenue and costs generated for such construction activities reflect the increase in intangible assets.

Cost of Services

Cost of services was AR\$3,210.3 million for the year ended December 31, 2015, a 28.3% increase from the AR\$2,502.7 million recorded for the year ended December 31, 2014. This increase was primarily due to an increase of AR\$188 million in the Specific Allocation of Revenue paid to the Argentine National Government as a result of our increased revenue during 2015, and an increase of AR\$193.9 million in salaries and social security contributions as a result of inflationary adjustments. In addition, the increase in our cost of services was partially due to an increase of AR\$276.1 million in airport service and maintenance costs as a result of inflationary adjustments made by service providers at our airports to the prices they charge us.

Distribution and Selling Expenses

Distribution and selling expenses represented a net expense of AR\$406.8 million for the year ended December 31, 2015, an increase from AR\$287.8 million recorded for the year ended December 31, 2014, principally due to an increase in sales taxes of AR\$66.7 million due to our increases revenues and an increase in advertising expenses of AR\$17.1 million.

Administrative Expenses

Administrative expenses were AR\$401.9 million for the year ended December 31, 2015, a 53.9% increase from AR\$261.1 million for the year ended December 31, 2014, principally due to an increase of AR\$65.9 million in salaries and social security contributions as a result of inflation adjustments, an increase of AR\$17.4 million in taxes on debits and credits in bank accounts and an increase of AR\$ 13.1 million in office expenses as a result of inflation adjustments.

Finance Income/Cost, Net

Finance income/cost, net consists of interest, the results from exchange rate differences on assets and liabilities denominated in foreign currency and the interest expense on financial liabilities. For the year ended December 31, 2015, we recorded a finance loss, net of AR\$1,259.0 million, a 59.2% increase from the finance loss, net of AR\$790.7 million recorded for the year ended December 31, 2014. This increase was principally due to the increase in the exchange rate.

Other Income and Expenses, Net

For the year ended December 31, 2015, we recorded a net loss of AR\$5.8 million in respect of other income and expenses, a decrease from the AR\$3.0 million net gain recorded for the year ended December 31, 2014. This significant variation is principally due to the recovery of a provision for contingencies in 2014.

Income Tax

Income taxes were AR\$242.4 million for the year ended December 31, 2015, a 18.1% decrease from the AR\$295.8 million recorded for the year ended December 31, 2014. While our effective income tax rate decreased from 35.1% in 2014 to 34.6 % in 2015, the decrease in income tax during the year ended December 31, 2015 was principally a result of the decrease in the income before taxes.

Net Income

As a result of the factors described above, we recorded net income of AR\$458.1 million during the year ended December 31, 2015, a 16.3% decrease from the net income of AR\$547.2 million recorded during the year ended December 31, 2014.

Fiscal year ended December 31, 2014 compared to the fiscal year ended December 31, 2013

Total Revenue

Total revenue was AR\$4,681.5 million for the year ended December 31, 2014, a 56.8% increase from the AR\$2,985.3 million recorded for the year ended December 31, 2013, as a result of increases in both aeronautical services revenue and non-aeronautical services revenue.

Aeronautical services revenue was AR\$2,358.4 million for the year ended December 31, 2014, a 55.8% increase from AR\$1,514.0 million in the year ended December 31, 2013. Passenger use fees were AR\$1,981.5 million for the year ended December 31, 2014, a 56.8% increase from AR\$1,263.8 million for the year ended December 31, 2013. This increase is principally due to a 5.4% increase in passenger volumes, an increase in passenger fees and an increase in the exchange rate applicable to the international fees and partially offset by a 2.5% decrease in air traffic movements.

Non-aeronautical services revenue was AR\$2,323.1 million for the year ended December 31, 2014, a 57.9% increase from AR\$1,471.3 million recorded for the year ended December 31, 2013. Such increased revenue is attributable to an increase of AR\$436.3 million in warehouse usage revenue during 2014, as a result of an increase in the prices charged to our customers beginning on April 28, 2014. In addition, services and retail stores revenue was AR\$396.8 million for the year ended December 31, 2014 a 52.4% increase from AR\$260.4 million for the year ended December 31, 2013. This increase is principally due to an increased number of passengers utilizing our airports during 2014, as well as increased spending by such passengers and higher prices charged by retail stores due to inflationary adjustments. To a lesser extent, non-aeronautical services revenue increased as a result of an increase of AR\$34.9 million generated from car parking facilities due to an increased number of passengers utilizing our airports and an increased number of cars entering our airports, as well as an increase of AR\$111.7 million generated from duty free shops, as a result of increased number of passengers utilizing our airports during 2014, as well as increased spending by such passengers and higher prices charged by duty free shops.

Cost of Services

Cost of services was AR\$2,502.7 million for the year ended December 31, 2014, a 42.7% increase from the AR\$1,753.4 million recorded for the year ended December 31, 2013, primarily due to an increase of AR\$247.1 million in the Specific Allocation of Revenue paid to the Argentine National Government as a result of our increased revenue during 2014, and an increase of AR\$199.6 million in salaries and social security contributions as a result of inflationary adjustments. In addition, the increase in our cost of services was partially due to an increase of AR\$207.4 million in airport service and maintenance costs as a result of inflationary adjustments made by service providers at our airports to the prices they charge us.

Distribution and Selling Expenses

Distribution and selling expenses were AR\$287.8 million for the year ended December 31, 2014, a AR\$78.2 million increase from selling expenses of AR\$209.5 million recorded for the year ended December 31,

2013, principally due to the increase in sales taxes of AR\$89.2 million due to our increased revenue and partially offset by a recovery in bad debt charges.

Administrative Expenses

Administrative expenses were AR\$261.1 million for the year ended December 31, 2014, a 42.2% increase from the AR\$183.6 million recorded for the year ended December 31, 2013, principally due to a 43.7% increase in office expenses from AR\$51.9 million for the year ended December 31, 2013 to AR\$74.6 million for the year ended December 31, 2014 due to a 40.4% increase in salaries and related social security contributions for administrative staff of AR\$24.5 million, as well as an increase in taxes of AR\$13.8 million as a result of inflation adjustments.

Finance Income/Cost, Net

For the year ended December 31, 2014, we recorded a finance loss, net of AR\$790.7 million, a 28.8% increase from the finance loss, net of AR\$614.0 million we recorded for the year ended December 31, 2013. This increase was principally due to the increase in the exchange rate.

Other Income and Expenses, Net

For the year ended December 31, 2014, we recorded net income of AR\$3.0 million in respect of other income and expenses, an increase from the AR\$3.5 million net loss recorded for the year ended December 31, 2013. This significant variation is principally due to the recovery of a provision for contingencies in 2014.

Income Tax

Income taxes were AR\$295.8 million for the year ended December 31, 2014, a AR\$216.2 million increase from the AR\$79.6 million recorded for the year ended December 31, 2013. While our effective income tax rate decreased from 35.9% in 2013 to 35.1% in 2014, the increase in income taxes for the year ended December 31, 2014 was due to an increase in our income before taxes.

Net Income

As a result of the factors described above, we recorded net income of AR\$547.2 million in the year ended December 31, 2014, a AR\$404.9 million increase from net income of AR\$142.3 million recorded during the year ended December 31, 2013.

Liquidity and Capital Resources

Our financial condition and liquidity has been, and we expect will continue to be, influenced by a variety of factors, including:

- our ability to generate cash flows from our operating activities;
- the level of our outstanding indebtedness and the interest that we are obligated to pay on our indebtedness, which affect our net financial expenses;
- prevailing domestic and international interest rates at the time we incur indebtedness, which affect our debt services requirements; and
- our investment commitments under our investment plan and master plans under the Concession and additional capital expenditures.

Our principal cash requirements consist of the following:

- operating and working capital requirements;

- the Specific Allocation of Revenue owed to the Argentine National Government;
- the servicing of our indebtedness; and
- our investment commitments under our investment plan and master plans and additional capital expenditures we make.

Since we commenced operations, our principal sources of liquidity have been cash flow from operations and indebtedness. The primary use of our liquidity has been to fund operating expenses, our investment commitments under the Concession, to service our indebtedness and to make necessary capital expenditures to accommodate increases in total passengers and air traffic movements.

As of September 30, 2016 and December 31, 2015, our cash and cash equivalents totaled AR\$1,213.0 million and AR\$605.2 million, respectively. We believe that our cash flow from operations, the net proceeds from this offering after redeeming our Existing Notes and available cash on hand will be sufficient to fund our operating expenses, investment commitments, service our debt obligations and make necessary capital expenditures for the foreseeable future.

We have a working capital structure customary to that of a company with intensive capital that obtains financing from different financial institutions. Our negative operating working capital was AR\$921.2 million as of September 30, 2016, an increase of AR\$ 257.7 million compared to December 31, 2015. The variation is due to an increase of AR\$608.0 million in income tax liabilities given that as of December 31, 2015, the prepayments made during the year ended December 31, 2015 covered a large sum of the balance of income taxed that was due for that period, while in income tax liabilities as of September 30, 2016, the prepayments made during the nine-month period ended September 30, 2016 are lower than the estimated balance due for such period. Cash and cash equivalents increased by AR\$607.8 million due to an increase in revenue, which is partially offset by an increase of AR\$293.0 million in accounts payable relating to a higher number of construction projects in our airports.

Cash Flows

During the nine-month period ended September 30, 2016, we generated AR\$1,349.1 million in funds provided by operating activities, including the effect of our foreign exchange positions. Of such funds, AR\$5.1 million were used to make investments, principally those under our investment plan, and AR\$884.3 million were used in connection with financing activities, principally for the repayment of our indebtedness. During the year ended December 31, 2015, we generated AR\$437.4 million in funds provided by operating activities, including the effect of our foreign exchange positions. Of such funds, AR\$6.0 million were used to make investments, principally those under our investment plan, and AR\$592.4 million were used in connection with financing activities, principally for the repayment of our indebtedness. During the year ended December 31, 2014, we generated AR\$476.9 million from our operating activities, including the effects of our foreign exchange positions. Of such funds, AR\$0.4 million were used to make investments, principally those required under our investment plan, and AR\$394.9 million were used in connection with financing activities, principally for the repayment of our indebtedness.

Liabilities

As of September 30, 2016, our total liabilities were AR\$5,458.0 million, of which AR\$2,518.9 million were non-current liabilities and AR\$2,939.1 million were current liabilities. As of December 31, 2015, our total liabilities were AR\$4,667.8 million, of which AR\$2,767 million were non-current liabilities and AR\$1,900.8 million were current liabilities.

The following tables set forth our current and non-current liabilities for the periods indicated:

Current Liabilities

	As of September 30, (unaudited)				As of December 31,					
	2016		2015		2015		2014		2013	
	(in millions of AR\$)	%	(in millions of AR\$)	%	(in millions of AR\$)	%	(in millions of AR\$)	%	(in millions of AR\$)	%
Fee payable to Argentine National Government	137.5	4.7	76.1	4.1	89.7	4.7	86.3	5.7	131.1	13.9
Commercial accounts payable and others	1,094.7	37.2	766.5	41.1	801.7	42.2	616.5	40.5	530.4	56.3
Liabilities for current profits tax, net of prepayments	649.7	22.1	193.7	10.4	41.7	2.2	218.2	14.3	19.2	2.0
Borrowings	814.2	27.7	522.7	28.0	715.6	37.6	434.8	28.6	147.7	15.7
Provisions and other charges	243.0	8.3	305.1	16.4	252.1	13.3	165.5	10.9	113.4	12.0
Total current liabilities	2,939.1	100.0	1,864.0	100.0	1,900.8	100.0	1,521.2	100.0	941.8	100.0

Non-Current Liabilities

	As of September 30, (unaudited)				As of December 31,					
	2016		2015		2015		2014		2013	
	(in millions of AR\$)	%	(in millions of AR\$)	%	(in millions of AR\$)	%	(in millions of AR\$)	%	(in millions of AR\$)	%
Commercial accounts payable and others	8.2	0.3	1.1	0.1	19.4	0.7	1.6	0.1	1.7	0.1
Borrowings	2,367.0	94.0	1,941.8	91.3	2,506.4	90.6	2,005.6	91.4	1,808.3	91.0
Liabilities for income tax deferred....	86.1	3.4	128.3	6.0	106.7	3.9	135.0	6.2	133.3	6.7
Provisions and other charges	57.6	2.3	55.1	2.6	134.4	4.9	51.7	2.4	44.8	2.3
Total non-current liabilities	2,518.9	100.0	2,126.3	100.0	2,767.0	100.0	2,194.0	100.0	1,988.3	100.0

Funding

On December 22, 2010, we issued US\$300,000,000 of our Existing Notes, the net proceeds of which were approximately US\$293,700,000. The net proceeds of the Existing Notes were used, in accordance with our investment plan, to partially finance the redesign of terminal “A” of Ezeiza and other construction at that airport aimed to increase its capacity (“Ezeiza Works”) and to finance capital expenditures in our other international airports. We intend to use the net proceeds of this offering to redeem our Existing Notes approximately 35 days after the closing of this offering, see “Use of Proceeds.”

On April 21, 2010, we issued local notes in the following series: (i) Class A notes due on April 21, 2020 in an aggregate amount of US\$28,894,000, at an 11% annual fixed rate (the “Class A Notes”); (ii) Class B notes due on April 21, 2013 in an aggregate amount of AR\$7,000,000 (approximately US\$1.7 million), at an interest rate equal to the Buenos Aires Deposits of Large Amount Rate (“BADLAR”), plus 385 basis points; and (iii) Class C due on April 21, 2020 in an aggregate amount of US\$5,832,000, at a 10% annual fixed rate (the “Class C Notes,” and together with the Class A Notes, the “Local Notes”). The net proceeds of the Local Notes were used to repay financial debt, to partially finance Ezeiza Works and to finance working capital. As of September 30, 2016 and December 31, 2015, the outstanding principal amount under the Local Notes was AR\$310.8 million (approximately US\$20.3 million) and AR\$305.2 million, respectively. On January 23, 2017, we redeemed our Local Notes using our own funds.

The following table sets forth our outstanding liabilities under the Existing Notes, Local Notes, leasings and other bank loans for the periods indicated:

Creditor	As of September 30, 2016 (unaudited)		As of December 31, 2014		2013
	2015	(in millions of AR\$ (including principal and interest thereon))	2014	2013	
Existing Notes.....	2,746.0	2,744.5	2,165.3	1,721.0	
Local Notes.....	310.8	305.2	230.4	198.8	
Nuevo Banco de Santa Fe S.A.	0.0	-	-	15.3	
Estado Nacional Argentino	0.0	-	4.0	3.9	
Leasings.....	67.7	59.4	40.7	17.1	
Corporación América.....	0.0	19.1	-	-	
Banco Ciudad de Buenos Aires.....	39.0	48.2	-	-	
Banco de la Provincia de Buenos Aires	17.6	45.6	-	-	
Totals	3,181.2	3,222.0	2,440.4	1,956.1	

On October 28, 2014, we entered into a loan agreement with Banco de la Provincia de Buenos Aires, for an amount equal to AR\$20 million. The loan was repaid in 12 equal monthly payments of principal and interest, at an annual interest rate of 23.0%, the first of which was due on July 3, 2015. As of September 30, 2016, this loan has been fully repaid.

On June 2, 2015, we entered into a loan agreement with Banco de la Provincia de Buenos Aires, for an amount equal to AR\$47 million. The loan shall be repaid in 24 equal monthly payments of principal and interest, at an annual interest rate equal to BADLAR, plus 600 basis points, the first of which was due on July 30, 2015. As of September 30, 2016 the outstanding amount of principal and interest under this loan was AR\$17.6 million.

On June 24, 2015, we entered into a loan agreement with Banco de la Ciudad de Buenos Aires, for an amount equal to AR\$50 million. The loan shall be repaid in 36 equal monthly payments of principal and interest, the first of which is due on October 7, 2015, at an annual interest rate equal to BADLAR, adjusted pursuant to an agreed formula. As of September 30, 2016 the outstanding amount of principal and interest under this loan was AR\$39.0 million.

On October 20, 2015, we entered into a securities credit agreement with Corporación América S.A., for a loan of securities in an amount equal to AR\$17.5 million. The loan accrued annual interest at a rate of 8%. As of September 30, 2016 this loan has been repaid in full.

We have entered into several leasing agreements with each of HP Financial Services Argentina S.A., BBVA Banco Francés S.A., CGM Leasing Argentina S.A., Banco Comafi S.A. and Banco de la Provincia de Buenos Aires. As of September 30, 2016 the aggregate outstanding amount of principal and interest under such leasing agreements was AR\$67.7 million.

Investment Commitments

Under the terms and conditions of the Concession Agreement, we are required to make investments in accordance with our investment plan and master plans for each airport, which must be submitted to the Argentine National Government for approval. The investment plan and each of the master plans outline the specific allocations of the investment commitments for each of our airports during the term of the Concession Agreement. As a result of our entering into the Memorandum of Agreement, we were required to prepare a revised investment plan. The ORSNA may adjust our investment commitments on an annual basis, to preserve the economic equilibrium of the Concession Agreement. See “Regulatory Framework—The Concession Agreement—Financial Projections.”

Pursuant to the Memorandum Agreement, our total required investment commitments from January 1, 2006 to February 13, 2028, at December 31, 2005 values, are AR\$2,158.4 million. As of December 31, 2015, we had invested approximately AR\$1,593.6 million (calculated in December 2005 values) of such required amounts. All of our investments have been approved by the ORSNA, except for our investments for the years ended December 31, 2015, 2014 and 2013, which are currently under review by the ORSNA.

The ORSNA reviews and approves our capital expenditures and monitors our compliance with our investment plan. Accordingly, we may record investments in any given period that have not yet been (and may

never be) approved by the ORSNA. See “Risk Factors—Risks Related to the Regulation of Our Business—if the ORSNA does not approve the capital expenditures we made under the investment plan, we will be required to make additional capital expenditures.”

During the years ended December 31, 2015, 2014 and 2013 on an unconsolidated basis, our capital expenditures (*altas en bienes intangibles*) under “Intangible assets” on our Audited Consolidated Financial Statements amounted to AR\$1,399.1 million, AR\$1,126.7 million and AR\$790.8 million, respectively. Our capital expenditures, to be approved by the ORSNA for the years ended December 31, 2015, 2014 and 2013 amounted to AR\$980.9 million, AR\$674.8 million and AR\$630.8 million, respectively (expressed in the respective year-end values). In addition, with respect to the investment amounts recognized by the ORSNA for the periods of 2011 and 2012, we filed a claim with the ORSNA, which, as of the date of this Offering Memorandum, has not been resolved. See “Risk Factors—Risks Related to the Regulation of Our Business—We may not be able to comply with our investment plan.”

Our capital expenditures from December 31, 2013 to December 31, 2015 were allocated to the following types of investments:

- *Terminals:* We redesigned several terminals of the airports we operate and built new facilities in others.
- *Runways, taxiways, control towers, aprons and aircraft parking:* We improved the runways and taxiways, repaved and expanded them, and finished several runway lighting systems. We also built new control towers, expanded and improved aprons and built new aircraft parking areas in the airports we operate.
- *Utility-related infrastructure:* We repaired sewage piping in several airports and improved waste management.
- *Redesign and Maintenance:* We redesigned certain VIP lounges at departure and arrival areas in some terminals, as well as the immigration area, and implemented projects to build new auxiliary health rooms and comprehensive fire and accident safety projects, as well as general maintenance works.

Our current investments are principally related to construction works in Ezeiza, Aeroparque, Mendoza and Comodoro Rivadavia. In addition, we intend to invest in activities related to the continued maintenance of our airports as well as the preservation and continued improvement of our quality of service, infrastructure and security. We expect to finance the remainder of our investment commitments under the Concession Agreement principally with cash generated by our operations and the proceeds from this offering.

Off-Balance Sheet Transactions

We are not party to any off-balance sheet arrangements.

Contractual Obligations

The table below sets forth our cash payment obligations as of December 31, 2015:

	Total	Less than one year	One to three years	Three to five years	More than five years
(in millions of AR\$)					
Long-Term Liabilities ⁽¹⁾	4,646.4	1,593.5	2,441.8	611.0	-
Lease Obligations.....	59.3	20.2	37.6	1.6	-
Pending Investment Commitments.....	341.9	341.9	-	-	-
Purchase Obligations ⁽²⁾	584.5	584.5	-	-	-
Other Long Term Liabilities.....	206.7	206.7	-	-	-
Total contractual obligations	5,838.8	2,746.8	2,479.4	612.6	-

(1) Includes Fees payable to the Argentine National Government, accounts payable, negotiable obligations (principal and interest) and local borrowings.

(2) Includes payable purchase commitments that are pending on each period.

Quantitative and Qualitative Disclosure`s about Market Risk

We are exposed to market risks arising from our normal business activities. These market risks principally involve the possibility that changes in exchange rates will adversely affect the value of our 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 Exchange Rate Risk

Our foreign currency exposure gives rise to market risks associated with exchange rate movements of the Argentine peso against the U.S. dollar.

We have liabilities in U.S. dollars that are exposed to foreign currency exchange rate risk. Because we borrow in the international markets to support our operations and investments, we are exposed to market risks from changes in foreign exchange rates.

As of September 30, 2016, our foreign currency-denominated borrowings amounted to an equivalent of AR\$3,118.4 million out of a total of AR\$5,458.0 million. We do not hedge because a large percentage of our revenues is in U.S. dollars or linked to the U.S. dollar.

Of our total revenue in 2015, a substantial amount was in U.S. dollars or was linked to the U.S. dollar because, for example, the revenues are calculated as a percentage of the total revenues of duty-free and other sub-concessionaires generated in U.S. dollars, and a lesser amount in Argentine pesos.

Our revenues that are substantially linked to U.S. dollars are generated from the following aeronautical services: international and regional use fees, international aircraft landing charges and international aircraft parking charges. In addition, our revenues that are substantially linked to U.S. dollars are generated from the following non-aeronautical services, sub-concessionaires and customers: Terminal de Cargas Aereas (warehouse usage), Interbaires (duty free shops), YPF (gasoline), Axion (gasoline), Shell (gasoline) and Intercargo S.A.C. (ramp services) ("Intercargo"). Non-consolidated amounts invoiced by us in connection with such aeronautical services and non-aeronautical services comprised 84% and 83% of our total invoices (net of value added tax ("VAT")) for 2014 and 2015, respectively.

Based on the composition of our condensed consolidated statement of financial position as of September 30, 2016, we estimate that a variation in the exchange rate of AR\$0.10 against the U.S. dollar would result in an increase or decrease of AR\$5.1 million in our consolidated assets and AR\$21.4 million in our consolidated liabilities.

Interest Rate Risk

Our interest rate risk arises from our financial borrowings. Borrowings issued at variable rates expose us to increases in interest expense when market interest rates increase, while the borrowings issued at a fixed rate expose us to fair value interest rate risk. We analyze our interest rate exposure on a dynamic basis, maintaining, pursuant to our general policy, most of our financial borrowings at a fixed rate.

We believe that a variation in the interest rates would not affect our results of operation since most of our consolidated financial and banking liabilities are tied to fixed interest rates.

The weighted average interest rate for our debt instruments denominated in Argentine pesos is 28.62% for 2015. Our total borrowings with a variable rate at September 30, 2016 amount to AR\$ 73.6 million (2.3% of total borrowings) in the aggregate.

Price risk

As set forth in the Memorandum of Agreement, during the period from January 1, 2006 to February 13, 2028, the ORSNA annually reviews our financial projections (calculated in December 2005 values) in connection with, among other items, aeronautical and non-aeronautical revenues, operation costs and investment commitments.

As a result of that review, the ORSNA can change the price of the aeronautical rates, charges, and/or our investment obligations in order to preserve the economic equilibrium of the Concession Agreement, as set forth in Attachment V of the Concession Agreement and the parameters established by the ORSNA for the Procedure to Review the Financial Projection of Income and Expenses. See Note 15 to the Consolidated Financial Statements.

BUSINESS

Introduction

We were incorporated in 1998 by the consortium that won the national and international bid conducted by the Argentine National Government for the concession rights related to the use, management and operation of our airports. We are the largest airport concessionaire in Argentina, holding rights under our Concession to use, operate and manage 33 of the 54 airports in the National Airport System, including the two largest airports in Argentina, Ezeiza and Aeroparque. During the last decade, the Argentine National Government increased its direct intervention in the economy, including through expropriations, nationalizations, price controls and exchange controls. Although many companies in Argentina experienced significant difficulties since 2000, we made strong efforts to maintain a positive and cooperative relationship with each of the successive government administrations during this period as well as our regulators, which allowed us to continue our business in the normal course. We believe that our 17-year history of successfully operating our airports in Argentina, meeting our investment objectives and maintaining a close and productive relationship with the government and our regulators give us a strong platform to continue successfully operating the businesses under our Concession.

For the year ended December 31, 2015 we had total consolidated revenue of AR\$5,982.4 million (US\$645.3 million) and our airports handled approximately 29.6 million total passengers, of which approximately 11.4 million were international, 17.9 million were domestic and 0.3 million were in transit, and 376,490 total air traffic movements. A material percentage of our revenue was in U.S. dollars or was linked to the U.S. dollar (in respect of fees charged to non-aeronautical sub-concessionaires, which are calculated as a percentage of the revenues of such Sub-concessionaires). For the nine-month period ended September 30, 2016, we had total consolidated revenue of AR\$7,430.7 million (US\$510.6 million), net income of AR\$1,481.7 million (US\$101.8 million) and our airports handled approximately 23.1 million total passengers (of which approximately 9.0 million were international, 13.1 million were domestic and 1.0 million were in transit) and 275,431 total air traffic movements.

Our Operations

We currently hold the concession rights under the Concession Agreement to use, operate and manage 33 of the 54 airports in the National Airport System. In addition, we operate Rio Hondo Airport located in the province of Santiago del Estero, which is an airport outside of the “Group A” airports. Of the 20 airports in the National Airport System that we do not operate, nine receive year-round commercial flights, ten receive only private flights and one receives commercial and private flights only during the summer.

Our airports currently serve major metropolitan areas in several Argentine provinces (such as Buenos Aires, Córdoba and Mendoza) and the City of Buenos Aires, tourist destinations (such as Bariloche, Mar del Plata and Iguazú), regional centers (such as Córdoba, Santa Rosa, San Luis, San Juan, La Rioja, Santiago del Estero and Catamarca) and border province cities (such as Mendoza, Iguazú, Salta and Bariloche). Our airports are located in 22 of the 23 Argentine provinces and in the City of Buenos Aires. The 2010 census conducted by the INDEC stated that Argentina had a population of approximately 40.1 million people at such time.

Of the 33 airports we currently operate under the Concession Agreement, 17 have been designated as “international airports” under Argentine law, meaning that they are or may potentially be equipped to receive international flights. Currently, 15 of our airports (Ezeiza, Aeroparque, Córdoba Airport, Mendoza Airport, Bariloche Airport, Tucumán Airport, Salta Airport, Resistencia, Iguazú Airport, Jujuy Airport, Mar del Plata, San Fernando, Posadas, Rio Gallegos Airport and Rio Grande Airport) are equipped to receive international flights, with customs and immigration services operated by the Argentine National Government.

Ezeiza is Argentina’s largest airport in terms of revenue and serves as the country’s primary gateway for international air travel. Aeroparque is Argentina’s second largest airport and serves as the country’s primary hub for domestic air travel. Aeroparque also serves as the primary airport for flights between Argentina and Montevideo and Punta del Este in Uruguay and serves major Argentine resort destinations such as Bariloche, Iguazú, Mar del Plata and Mendoza and also offers international routes to and from Brazil, Chile, Paraguay and Peru.

Aeroparque located in the City of Buenos Aires, is Argentina's largest airport in terms of passenger traffic and Argentina's second largest airport in terms of revenue and serves major Argentine resort destinations such as Bariloche, Mar del Plata, Iguazú and Mendoza, which are popular destinations frequented by tourists from Argentina, Chile, Brazil, the United States and Europe. There are direct domestic flights between other domestic airports, for example Iguazú, Salta, Cordoba, Bariloche, but substantially, most domestic flights in Argentina are routed through Aeroparque. Aeroparque also offers international routes to and from Uruguay, Paraguay, Brazil and Chile.

Our other airports that are equipped to serve international routes primarily serve domestic traffic as well as regional international traffic between Argentina and Chile, Bolivia, Paraguay, Uruguay and Brazil.

As operator of "Group A" airports, we charge fees to passengers as well as to aircraft operators for using our premises and for certain aeronautical services. These primarily consist of a fee for each departing passenger, aircraft landing fees and aircraft parking fees. Our income also includes revenues derived from non-aeronautical services performed in the airports, including duty free shops and other retail activities, vehicle parking, warehouse usage, aircraft fueling services, hangar services and other fees collected from various sources in our airports.

Our Sources of Revenue

Our revenue principally results from aeronautical services, which are derived from passenger and aircraft charges and are regulated by the Argentine National Government under the terms of the Concession Agreement, and non-aeronautical services, which are derived primarily from our commercial and other activities within our airports (which the Argentine National Government does not regulate).

Aeronautical Services

All of our revenue from aeronautical services is regulated under the Concession Agreement. Our revenue from aeronautical services are classified according to (a) passenger use fees, which are charged to each departing passenger and vary depending on whether the passenger's flight is an international, regional or domestic flight, and (b) aircraft charges, which are charged for landing and parking and vary depending on whether the flight is an international or domestic one, the airport's category as set forth in Annex II of the Concession Agreement, the MTOW, 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 others. Each airport's category is detailed in "Business—Our Airports" below.

During the nine-month period ended on September 30, 2016, our aeronautical service revenue was AR\$3,796.7 million (US\$260.9 million), which represented approximately 51.1% of our total revenue. 95.0% of the aeronautical service revenue resulted from charges on international flights and 5.0% resulted from domestic charges. Of the international revenue, 85.2% resulted from passenger use fees and 14.8% resulted from aircraft charges. In respect of our aeronautical services revenue resulting from domestic charges, 93.3% of our revenue resulted from passenger use fees and 6.7% resulted from aircraft charges.

During the year ended on December 31, 2015, our aeronautical service revenue was AR\$2,852.9 million (US\$307.8 million), which represented approximately 47.7% of our total revenue. 92.6% of our aeronautical service revenue resulted from charges on international flights and 7.4% resulted from domestic charges. Of the international revenue, 84.1% resulted from passenger use fees and 15.9% resulted from aircraft charges. In the case of our aeronautical services revenue resulting from domestic charges, 92.4% of our revenue resulted from passenger use fees and 7.6% resulted from aircraft charges.

Passenger Use Fees

We have the right to collect a passenger charge for the use of the airport from every departing passenger (other than diplomats, children under the age of two (international flights) or three (domestic flights) and transfer and transit passengers). We do not collect passenger use fees from arriving passengers.

During the nine-month period ended September 30, 2016, passenger use fees represented approximately 85.6% of our aeronautical services revenue and approximately 43.7% of our total revenue. In 2015, passenger use fees represented approximately 84.7% of our aeronautical services revenue and approximately 40.4% of our total revenue.

We may charge three (3) different types of passenger use fees based on the passenger's domestic, international or regional destination.

International airport passenger use fees (*Tasas de Uso de Aerostación Internacional*) are U.S. dollar-denominated, are payable in either U.S. dollars or the equivalent amount in Argentine pesos and are automatically included in the cost of a passenger's ticket. We invoice international airport passenger use fees on a weekly basis using the exchange rate based on the "dollar bill" selling exchange rate offered by Banco Nación at the close of business on the previous business day. We receive payment of international use fees from IATA, through BSP, approximately one week after the issuance of our invoice, through ICH approximately three weeks after the issuance of our invoice and from airlines that pay us directly within 10 days after the issuance of our invoice. Therefore, the value of our revenue from these charges may be affected by fluctuations in the value of the U.S. dollar compared to the Argentine peso occurring during the time between the issuance of our invoice and payment. The ORSNA recently issued Resolution No. 101/2016 that became effective on January 1, 2017. Currently, in accordance with such Resolution No. 101/2016 the maximum rate we may charge international airport passengers is US\$49.00 at our Category I airports, US\$36.48 at our Category II airports and US\$32.34 at our Category III and IV airports. Although Resolution No. 101/2016 became effective on January 1, 2017, the implementation of such rate adjustments generally occurs over different periods of time following effectiveness of the resolution. See "—Our Airports" and "Management's Discussion and Analysis of Financial Conditions and Results of Operations—Classification of Revenue—Maximum Rates."

Regional passenger use fees (*Tasas de Uso de Aerostación Regional*) are U.S. dollar-denominated and are collected in either U.S. dollars or the equivalent amount in Argentine pesos, applying the same exchange rate mechanism as in respect of international flight passenger use fees. These charges are a variation of the international flight passenger use fees and are applied only to international flights which cover a distance of less than 300 kilometers (187.5 miles). Regional passenger use fees are only applied at the following airports and to the following flights: Ezeiza, Aeroparque and San Fernando, to all passengers flying to Uruguay, Chile and Brazil; Río Gallegos to all passengers flying to Chile; Mendoza to all passengers flying to Chile; Córdoba to all passengers flying to Brazil; and Salta to all passengers flying to Bolivia. Currently, the regional passenger charge is US\$25.16.

Domestic airport passenger use fees (*Tasa de Uso de Aerostación Nacional*) are Argentine peso-denominated and are automatically included in the cost of a passenger's ticket. Airlines are required to provide us, on a semi-monthly basis, with a sworn statement declaring the number of passengers during the prior 15 days. We then issue corresponding invoices for such domestic airport passenger use fees to each airline. Our airline customers are required to pay us no later than 19 days after our invoice issuance date, except for Aerolíneas Argentinas S.A. which must pay us no later than 48 business hours after our invoice issuance date. Currently, the domestic airport passenger charge is AR\$29.73 plus VAT at our airports listed in Category I and AR\$20.80 plus VAT at those listed in Category II, III and IV.

Payment of International and Regional Passenger Use Fees

International and regional passenger use fees are automatically included in the cost of a passenger's ticket and are, subsequently, generally paid by the airline operators through IATA's collection system (ICH for payments in U.S. dollars or BSP for payments in pesos) or, less frequently, direct payment by the operator to us. Airline operators that currently make payments in U.S. dollars through IATA or directly to the Company have the option to make such payments in Argentine pesos at any time.

On December 15, 2008, the Company entered into an agreement with IATA (as amended, the "IATA Contract"), under which IATA is responsible for all invoicing, collection and liquidation services for the international and regional airport use fees. Such contract was amended on three occasions, on March 24, 2009, December 10, 2009 and December 6, 2010. By virtue of the IATA Contract, IATA provides invoicing, collection and liquidation services to the Company under two systems: ICH and BSP.

In addition, on March 2004, the Company entered into a contract with SITA, as further amended from time to time, for the supply of information processing and auditing services relating to passenger departures ("EPI"). According to such contract, SITA is responsible for the processing and auditing of EPI, which is later on sent to IATA for the invoicing, collection and liquidation of use fees to the airline operators.

On a weekly basis, we receive from IATA information related to the amounts we should invoice each airline operator and the currency in which such airline operator should pay. Thereafter, we invoice IATA in respect of each airline operator in U.S. dollars. We record these invoices, and payment thereof, whether made in U.S. dollars or Argentine pesos, in our accounting records in Argentine pesos. IATA collects payments from each airline operator and then remits such payments to us.

We receive payment of international and regional use fees from IATA on a weekly basis in U.S. dollars (with respect to payments made through ICH) and in pesos (with respect to payments made through BSP). Payments made in U.S. dollars by each airline operator are transferred by IATA's office in Geneva, Switzerland to our accounts in New York.

In the case of airlines that pay us directly, we issue invoices on a weekly basis, based on SITA information, and payment is due between 7 and 10 days after such issuance.

The following table sets forth the total amounts collected by IATA in connection with international and regional Use Fees during the periods indicated below:

IATA	Amounts Collected for International and Regional Use Fees ⁽¹⁾								
	2013	2014	1 st Quarter 2015	2 nd Quarter 2015	3 rd Quarter 2015	4 th Quarter 2015	1 st Quarter 2016	2 nd Quarter 2016	3 rd Quarter 2016
ICH (US\$)	24.4	22.2	6.2	5.6	5.2	5.5	4.8	5.6	5.3
BSP (AR\$)	784.5	1,368.7	431.4	404.5	428.6	477.4	528.0	856.8	990.8

(1) Amounts indicated are inclusive of IATA service fees, which were \$0.54 per passenger until October 2013, \$0.51 per passenger in November and December 2013, \$0.46 per passenger from January to May 2014, and US\$0.38 per passenger as of December 2014.

Aircraft Charges

Landing Charges

We collect landing charges from carriers for their use of our runways. Our landing charges vary depending on each airport's category under Annex II of the Concession Agreement and are based on each landing aircraft's MTOW and the origin of the flight, whether domestic or international. In addition, certain surcharges are added for nighttime illumination for flights that arrive and depart during certain hours as determined in accordance with the Manual for Pilots (*Manual del Piloto*); for rush hour flights that land at and depart from Aeroparque between 6:00 and 10:00 a.m. and between 6:30 and 9:30 p.m.; and for the early opening or delayed closing of an airport at the special request of an aircraft for flights that arrive at and depart from airports outside of the established operating hours of each airport (other than airports that operate 24 hours daily).

We collect aircraft landing charges directly from the airlines. Domestic aircraft landing charges are invoiced and collected in Argentine pesos while international aircraft landing charges are invoiced in U.S. dollars and paid in Argentine pesos at the applicable exchange rate on the date of payment.

During the nine-month period ended September 30, 2016, these charges represented approximately 10.2% of our aeronautical services revenue and approximately 5.2% of our total revenue. During the year ended December 31, 2015, these charges represented approximately 10.6% of our aeronautical services revenue and approximately 5.1% of our total revenue. In 2014, these charges represented approximately 11.4% of our aeronautical services revenue and 5.7% of our total revenue.

Aircraft Parking Charges

We collect aircraft parking charges based on the amount of time an aircraft is parked, the aircraft's MTOW and the applicable rate based on the category of airport under the Concession Agreement. The charges do not vary depending on the time of day that the relevant service is provided. We collect aircraft parking charges the entire time an aircraft is parked. At Aeroparque and Ezeiza, aircraft parking charges are further classified depending on whether an aircraft is parked at an operative or remote apron. Higher charges are applied to aircraft parked at operative aprons. Aircraft parked in a hangar are not charged parking fees, as we receive separate fees for use of the hangar itself.

During the nine-month period ended September 30, 2016, these charges represented approximately 4.1% of our aeronautical services revenue and approximately 2.1% of our total revenue. During the year ended December 31, 2015, these charges represented approximately 4.6% of our aeronautical services revenue and approximately 2.2% of our total revenue. In 2014, these charges represented approximately 4.6% of our aeronautical services revenue and approximately 2.3% of our total revenue.

Non-aeronautical Services

General

“Non-aeronautical services” are services related to aeronautical activity and other activities that occur within our airports. Unlike aeronautical services, the Argentine National Government does not regulate these charges. Non-aeronautical services include, among others: (i) commercial transportation-related services, including hangar services, maintenance of aircraft, pilot training, sub-concession of space to airlines, aircraft fueling, ramp services, counters and catering; (ii) commercial development-related services in airports, including warehouse usage, duty free shops, car rentals, car parking facilities, retail stores, banks and exchange institutions, telecommunications, advertising and passenger services; and (iii) ancillary services performed at airports, including cleaning services, private security and maintenance of buildings.

During the nine-month period ended September 30, 2016, our non-aeronautical services revenue was AR\$3,634.0 million, representing approximately 48.9% of our total revenue. During the year ended December 31, 2015, our non-aeronautical services revenue was AR\$3,129.5 million, representing approximately 52.3% of our total revenue. In 2014, our non-aeronautical services revenue was AR\$2,323.1 million, representing approximately 49.6% of our total revenue.

While our revenue from non-aeronautical services is not regulated by the Argentine National Government, under the terms of the Concession Agreement, we are required to submit our agreements with third parties for the rendering of non-aeronautical services to the ORSNA. If the ORSNA objects to the terms of an agreement, it may request that the agreement be modified to accommodate its concerns. Either we or the related third party may challenge such request in an administrative proceeding to be decided by the ORSNA, which is subject to further administrative proceedings and judicial review. As of the date of this Offering Memorandum, the ORSNA has never requested the termination of any agreement.

Revenue from Non-Aeronautical Services

Since entering into the Concession Agreement, we have made it a priority to increase our revenue from commercial activities. As a result, between 2013 and 2015 our total non-aeronautical revenue increased approximately 112.7% from AR\$1,471.3 million in 2013 to AR\$3,129.5 million in 2015, due primarily to the following initiatives:

- *Expanding and reconfiguring the commercial space available in our airport terminals.* In order to increase our revenue from commercial activities, we have expanded and redesigned the layout of certain terminals at our airports to allow the inclusion of more commercial businesses and larger individual commercial spaces, as well as to redirect the flow of passengers through our airports so as to increase their exposure to the commercial businesses operating in our airports.

- *Renegotiating the terms of our permits to use spaces.* We have also improved the terms of the permits granted to Sub-concessionaires to use space in our airports. Initially, Sub-concessionaires paid fixed amounts whereas now the majority of them pay a minimum fixed charge in advance annually, and a variable charge based on their revenue monthly charged.
- *Improving the quality of retail offerings in our airports.* We have 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 our passengers. The sales revenue from Sub-concessionaires has increased our revenue.

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

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

- *Warehouse usage:* We have the right to directly use and manage warehouse services in Ezeiza, Aeroparque, Córdoba, Mendoza, Mar del Plata and Tucumán airports. We exclusively use and provide cargo storage, stowage and warehouse services and related international cargo services at such airports.
- *Duty free shops:* We receive a percentage of the revenue earned by duty free shops located in Ezeiza, Aeroparque, Bariloche, Córdoba and Mendoza airports. The duty free shops are located between customs and the airline gates. They sell tax-exempt products and currently offer a variety of international brands and products such as clothing, watches, perfumes, electronics, cigarettes and cigars. These services are provided by Interbaires.
- *Parking facilities:* We provide parking facilities for the vehicles that enter our airports. In some of our airports, we operate the parking facilities directly, and in others the parking facilities are operated by a third party under temporary sub-concessions. The rates charged at each parking facility are pre-established and are based on the amount of time that vehicles are parked, with 15 minutes of free parking.
- *Fuel services:* We receive fees for the sale of aircraft fuel and lubricant in all of our airports. Aircraft fuel is provided by companies such as YPF, Shell C.A.P.S.A. ("Shell") and Axion. On October 31, 2015, our agreement with Axion expired.
- *Sub-concession of space and counters by airlines:* We derive revenue from providing space in our airports to the airlines for certain ancillary activities to their operations such as ticket counters, back offices and VIP lounges.
- *Catering:* We receive a fixed percentage of the revenues, plus a fixed fee, from food and beverage providers for items that are consumed onboard the aircraft that depart from our airports. Catering services are provided by third parties for both domestic and international flights. Currently, the main providers of such services are Gate Gourmet, Sky Chefs Argentine Inc. (Sucursal Argentina) and Fly Kitchen S.A.
- *Food and beverage services:* We have renovated spaces in our airports 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.

- *Retail stores:* We have renovated spaces available for retail stores in the commercial areas at our airports so as to improve the product mix and brands offered. Our retail tenants currently offer internationally recognized brands.
- *Hangar services:* We receive revenue for the use of hangars in the airports by airlines and other users for certain supplementary activities such as aircraft repair. Aircrafts do not pay parking fees as long as they are parked in a hangar.
- *Advertising:* We have developed a number of strategically located advertising spaces at our airports, including billboards and projection and plasma screens. We collect fees from advertisers who use our advertising space.

To a lesser extent, we also receive revenue from providers of other commercial services, including car rentals, communications (which includes telephone and internet services), financial services (which includes banks and currency exchanges), transportation services, cargo handling, passenger services (which includes insurance, tourist information and hotel reservations) and aircraft maintenance. In addition, we receive commercial revenue for services rendered by third parties in our airports, such as cleaning, private security and building maintenance.

Charges We Do Not Earn

The Argentine aeronautical authority (*Administración Nacional de Aviación Civil*, or “Argentine Aeronautical Authority”) and the Argentine migrations bureau (*Dirección Nacional de Migraciones*, or “Argentine Migrations Bureau”) collect charges relating to airport security and immigration, respectively. See “Regulatory Framework.” We do not receive any portion of these charges.

Airport Security Charges

The Argentine Aeronautical Authority collects airport security charges from both domestic and international passengers. Such charges are included in the cost of a passenger’s ticket. The Argentine Aeronautical Authority also collects flight route security charges and support charges.

Immigration Charges

The Argentine Migrations Bureau is responsible for collecting all charges relating to immigration. The charges are only applied to international passengers, irrespective of the category of the passengers’ airport under Annex II of the Concession Agreement.

Our Airports

The following table sets forth the location, name, international or national status and category under the Concession Agreement for the “Group A” airports:

	Name	Location	International or national status	Category for maximum rates
1.	Aeropuerto de San Carlos de Bariloche	San Carlos de Bariloche	International	I
2.	Aeropuerto de Catamarca “Coronel Felipe Varela”	Catamarca	National	I
3.	Aeroparque Internacional “Jorge Newbery”	Ciudad A. Buenos Aires	International	I
4.	Aeropuerto de Comodoro Rivadavia “Geral. Enrique Mosconi”	Comodoro Rivadavia	International	I
5.	Aeropuerto Internacional de Córdoba “Ing. A. Taravella”	Córdoba	International	I
6.	Aeropuerto de Esquel	Esquel	National	I
7.	Aeropuerto Internacional de Ezeiza “Ministro Pistarini”	Ezeiza	International	I
8.	Aeropuerto Internacional de Formosa “El Pucu”	Formosa	International	I
9.	Aeropuerto de General Pico	General Pico	National	II
10.	Aeropuerto de Misiones “Cataratas del Iguazú”	Puerto Iguazú	International	I
11.	Aeropuerto de Jujuy Gobernador Horacio Guzmán	Jujuy	International	I
12.	Aeropuerto de La Rioja “Capitán Vicente Almandos Almonacid”	La Rioja	National	I
13.	Aeropuerto de Malargüe “Comodoro D Ricardo Salomon”	Malargüe	National	II
14.	Aeropuerto Internacional de Mar del Plata “Astor Piazzolla”	Mar del Plata	International	I
15.	Aeropuerto Internacional de Mendoza “El Plumerillo”	Mendoza	International	I
16.	Aeropuerto de Entre Ríos “General Justo José de Urquiza”	Parana	National	I
17.	Aeropuerto de Posadas “Libertador General José de San Martín”	Posadas	International	I
18.	Aeropuerto de Puerto Madryn “El Tehuelche”	Puerto Madryn	National	II
19.	Aeropuerto de Reconquista	Reconquista	National	II
20.	Aeropuerto de Resistencia “José de San Martín”	Resistencia	International	I
21.	Aeropuerto de Rio Cuarto “Área de Material”	Rio Cuarto	National	II
22.	Aeropuerto de Rio Gallegos “Piloto Civil Norberto Fernández”	Rio Gallegos	International	I
23.	Aeropuerto de Rio Grande	Rio Grande	International	I
24.	Aeropuerto Internacional de Salta “Martin Miguel de Güemes”	Salta	International	I
25.	Aeropuerto de San Fernando	San Fernando	International	II
26.	Aeropuerto de San Luis “Brigadier Mayor César R Ojeda”	San Luis	National	I
27.	Aeropuerto de San Rafael “S.A. Santiago Germano”	San Rafael	National	II
28.	Aeropuerto de San Juan “Domingo Faustino Sarmiento”	San Juan	National	I
29.	Aeropuerto de Santa Rosa	Santa Rosa	National	I
30.	Aeropuerto de Santiago del Estero “Vcom. Angel de la Paz Aragones”	Santiago del Estero	National	I
31.	Aeropuerto de Tucumán “General Benjamin Matienzo”	San Miguel de Tucuman	International	I
32.	Aeropuerto de Viedma “Gobernador Castello”	Viedma	National	I
33.	Aeropuerto de Villa Reynolds	Villa Reynolds	National	I

Total passengers

The following table sets forth the total passengers for our five (5) most important airports by revenue, as well as the 28 other airports combined, for the periods indicated.

Airport	Total Passengers						
	Nine-month period ended September 30,			Year ended December 31,			
	2016	2015	2015 (in thousands, except percentages)	2014	2013	2012	2011
Ezeiza.....	7,350	6,636	9,128	8,601	8,533	8,880	8,276
Aeroparque.....	8,461	8,015	11,053	10,256	9,553	8,849	8,251
Córdoba.....	1,585	1,403	1,948	1,673	1,572	1,523	1,493
Mendoza	987	981	1,352	1,308	1,269	1,195	1,077
Bariloche.....	901	790	1,039	919	835	636	302
Others.....	3,827	3,665	5,058	4,450	4,044	11,634	3,314
Total.....	23,111	21,490	29,578	27,207	25,806	24,725	22,713
Variation from prior year	7.5%	7.5%	8.7%	5.4%	4.4%	8.9%	(0.6%)

Total of air traffic movements

The following table sets forth the number of air traffic movements for our top five airports by revenue, as well as the other 28 airports combined, for the periods indicated.

Airport	Total Air Traffic Movements						
	Nine-month period ended September 30,		Year ended December 31,				
	2016	2015	2015	2014	2013	2012	2011
Ezeiza	52	49	67	66	66	69	63
Aeroparque	88	90	120	116	114	116	114
Córdoba	17	16	22	20	20	21	22
Mendoza	11	12	16	16	17	17	16
Bariloche.....	8	8	10	9	9	8	4
Others	99	105	142	145	155	138	151
Total.....	275	278	377	372	381	369	370
Variation from prior year.....	(1.0)%	0.4%	1.2%	(2.5)%	3.2%	(0.3)%	(2.3)%

Our five (5) most important airports, in terms of revenue are described below.

Ezeiza

Ezeiza is our largest airport in terms of contribution to revenue and our second largest airport in terms of passenger traffic. During the nine-month period ended September 30, 2016, Ezeiza generated AR\$5,526.4 million in revenue, representing 74.4% of our total revenue. Of Ezeiza's revenue, AR\$2,689.0 million resulted from aeronautical services revenue and AR\$2,837.3 million resulted from non-aeronautical services revenue, representing 48.7% and 51.3%, respectively, of Ezeiza's total revenue. During the year ended December 31, 2015, Ezeiza generated AR\$4,467.8 million (US\$482.0 million) in revenue, representing 74.7% of our total revenue. Of Ezeiza's revenue, AR\$2,045.2 million (US\$220.6 million) resulted from aeronautical services revenue and AR\$2,422.5 million (US\$261.3 million) resulted from non-aeronautical services revenue, representing 45.8% and 54.2%, respectively, of Ezeiza's total revenue. In 2015, Ezeiza was the second busiest airport in Argentina accounting for approximately 30.9% of our total passenger traffic. During the same period, a total of 9.1 million total passengers were served by Ezeiza. Of the total passengers, 92.6% were international passengers, 6.7% were domestic passengers and 0.7% were transit passengers. In addition, Ezeiza accounted for 66,834 total air traffic movements, which accounted for 17.8% of all air traffic movements in the airports we operate.

In 2014, Ezeiza generated AR\$3,502.9 million in revenue, representing 74.8% of our total revenue. Of Ezeiza's 2014 revenue, AR\$1,696.0 million resulted from aeronautical services revenue and AR\$1,806.8 million resulted from non-aeronautical services revenue, representing 48.4% and 51.6%, respectively, of Ezeiza's total revenue for 2014. In 2014, Ezeiza was the second busiest airport in Argentina in terms of international passenger traffic and accounted for approximately 31.6% of our total passenger traffic. During 2014, a total of 8.6 million total passengers were served by Ezeiza. Of the total passengers at Ezeiza in 2014, 93.8% were international passengers, 6.0% were domestic passengers and 0.2% were transit passengers. In addition, in 2014, Ezeiza accounted for 66,329 total air traffic movements, which accounted for 17.8% of all air traffic movements in the airports we operate.

A number of commercial airlines, including Aerolíneas Argentinas, Air Canada, Air France, Alitalia, American Airlines, British Airways, Delta Airlines, Lufthansa, LATAM Airlines Group and United Airlines, operate international flights to and from Ezeiza. Domestic routes are served principally by Aerolíneas Argentinas, Austral – Cielos del Sur and LAN Argentina.

Ezeiza is located approximately 22 kilometers (13.7 miles) from downtown Buenos Aires, the capital city of Argentina. Approximately three million people live within the city itself and approximately 12 million people live within the city and its suburbs (the "Greater Buenos Aires Area"). The City of Buenos Aires is home to most of Argentina's largest companies in a wide variety of industries, as well as several major universities. The Greater Buenos Aires Area represents one-third of the Argentine population and produces 40% of Argentine GDP.

Ezeiza operates 24 hours a day. The total area of the airport's premises is approximately 3,297 hectares (354,886,126 square feet). The airport has two operating runways, one with a length of 3,300 meters (10,824 feet) and the other with a length of 3,100 meters (10,170 feet). The airport's approximate runway capacity is 60 air traffic movements per hour. Ezeiza has nine taxiways, which cover 526,300 square meters (5,665,046 square feet), and two types of aprons (remote and operative), with an area of approximately 656,290 square meters (7,064,246 square feet). The airport has three terminals A, B and C, which cover an area of 103,000 square meters (1,108,700 square feet), of which 8,140 square meters (87,620 square feet) is commercial space. The parking lot is approximately 125,460 square meters (1,350,440 square feet), with the capacity to accommodate 4,182 vehicles.

Aeroparque

Aeroparque is our largest airport in terms of passenger traffic and the second largest airport in terms of contribution to revenue. During the nine-month period ended September 30, 2016, Aeroparque generated AR\$1,013.1 million in revenue representing 13.6% of our total revenue. Of Aeroparque's revenue from such period, AR\$615.1 million resulted from aeronautical services revenue and AR\$398.0 million resulted from non-aeronautical services revenue, representing 60.7% and 39.3%, respectively of Aeroparque's total revenue. During the year ended December 31, 2015, Aeroparque generated AR\$869.2 million (US\$93.8 million) in revenue representing 14.5% of our total revenue for the year. Of Aeroparque's revenue from such period, AR\$490.2 million (US\$52.9 million) resulted from aeronautical services revenue and AR\$379.0 million (US\$40.9 million) resulted from non-aeronautical services revenue, representing 56.4% and 43.6%, respectively of Aeroparque's total revenue in 2015. During the year ended December 31, 2015, a total of 11.1 million passengers were served by Aeroparque, which accounted for approximately 37.4% of all passengers served by our airports. Aeroparque accounted for 120,492 total air traffic movements, which accounted for 32.0% of all air traffic movements in the airports we operate.

In 2014, Aeroparque generated AR\$735.4 million in revenue representing 15.7% of our total revenue for the year. Of Aeroparque's 2014 revenue, AR\$448.7 million resulted from aeronautical services revenue and AR\$286.8 million resulted from non-aeronautical services revenue, representing 61.0% and 39.0%, respectively, of the total revenue during 2014 for Aeroparque. In 2014, a total of 10.3 million total passengers were served by Aeroparque, which accounted for approximately 37.7% of all passengers served by our airports. In 2014, Aeroparque accounted for 116,219 total air traffic movements, accounting for 31.2% of all air traffic movements in the airports we operate.

The principal airlines operating at Aeroparque are Aerolíneas Argentinas, Austral – Cielos del Sur, LAN Airlines, LAN Argentina, TAM Linhas Aereas and VRG Linhas Aereas S.A. Aeroparque offers flights to all domestic airports and certain international routes to Uruguay, Brazil, Chile, Paraguay, Bolivia and Peru.

Aeroparque is located two kilometers (1.24 miles) from downtown Buenos Aires. Aeroparque does not operate from 12:30 a.m. to 5:30 a.m. in compliance with the International Civil Aviation Organization ("ICAO") regulations. Such regulations set forth restrictions in airports located within cities to minimize noise pollution. The total area of the airport premises is approximately 140 hectares (15,069,474 square feet). The runway has a length of 2,190 meters (7,185 feet) and an approximate runway capacity of 57 air traffic movements per hour. The airport has one taxiway which covers 71,495 square meters (769,565 square feet) and 207,650 square meters (2,235,126 square feet) of remote and operative aprons. The airport's terminal covers approximately 95,570 square meters (1,028,707 square feet), of which 4,080 square meters (43,917 square feet) is commercial area. The parking lot is 78,755 square meters (847,711 square feet), with the capacity to accommodate 2,456 vehicles.

Córdoba Airport

Córdoba Airport is our third largest airport in terms of passenger traffic and contribution to revenue. During the nine-month period ended September 30, 2016, Córdoba Airport generated AR\$323.9 million in revenue representing 4.4% of our total revenue. Of Córdoba Airport's revenue from such period, AR\$227.4 million resulted from aeronautical services revenue and AR\$96.4 million resulted from non-aeronautical services revenue, representing 70.2% and 29.8%, respectively, of Córdoba Airport's total revenue. During the year ended December 31, 2015, Córdoba Airport generated AR\$197.4 million (US\$21.3 million) in revenue, representing 3.3% of our total revenue for the year. Of Córdoba Airport's revenue from such period, AR\$143.1 million (US\$15.4 million) resulted from aeronautical services revenue and AR\$54.2 million (US\$5.9 million) resulted from non-aeronautical services

revenue, representing 72.5% and 27.5%, respectively, of Córdoba Airport's total revenue in 2015. During the year ended December 31, 2015, Córdoba Airport served a total of 1.9 million passengers, which accounted for 6.6% of all passengers served by our airports. In addition, Córdoba Airport accounted for 21,783 air traffic movements, which represented 5.8% of all air traffic movements in the airports we operate.

In 2014, Córdoba Airport generated AR\$134.4 million in revenue representing 2.9% of our total revenue for the year. Of Córdoba Airport's 2014 revenue, AR\$99.1 million resulted from aeronautical services revenue and AR\$35.3 million resulted from non-aeronautical services revenue, representing 73.7% and 26.3%, respectively, of Córdoba Airport's total revenue for 2014. In 2014, Córdoba Airport served a total of 1.7 million passengers, which accounted for 6.2% of all passengers served by our airports. In 2014, Córdoba Airport accounted for 20,284 air traffic movements, which represented approximately 5.5% of all air traffic movements in the airports we operate.

The principal airlines serving Córdoba Airport are Aerolíneas Argentinas, Austral – Cielos del Sur and LAN Argentina, and the principal route of most flights is between Córdoba Airport and Aeroparque. However, several airlines operate international routes to and from Córdoba Airport, such as LAN Airlines.

Córdoba Airport is located nine kilometers (5.6 miles) from downtown Córdoba, the capital city of the Province of Córdoba, which is located in the center of Argentina. Córdoba is the second largest city in Argentina, with a population of approximately 1,300,000. Córdoba is an important industrial, commercial and cultural center of Argentina.

Córdoba Airport operates 24 hours a day. The total area of the airport's premises is approximately 966 hectares (103,979,374 square feet). The airport has two runways, which have lengths of 3,200 meters (10,499 feet) and 2,200 meters (7,218 feet). The airport's approximate runway capacity is 56 air traffic movements per hour. The airport has three taxiways and 93,752 square meters (1,009,138 square feet) of remote aprons. The airport's terminal covers approximately 21,590 square meters (232,352 square feet), of which 1,192 square meters (12,831 square feet) is commercial area. The parking lot is 20,100 square meters (216,354 square feet), with the capacity to accommodate 670 vehicles.

Mendoza Airport

Mendoza Airport is our fourth largest airport in terms of passenger traffic and contribution to revenue. During the nine-month period ended September 30, 2016, Mendoza Airport generated AR\$124.3 million in revenue, representing 1.7% of our total revenue for the period. Of Mendoza Airport's revenue from such period, AR\$93.1 million resulted from aeronautical services revenue and AR\$31.2 million resulted from non-aeronautical services revenue, representing 74.9% and 25.1%, respectively, of Mendoza Airport's total revenue. During the year ended December 31, 2015, Mendoza Airport generated AR\$95.4 million (US\$10.3 million) in revenue, representing 1.6% of our total revenue for the period. Of such revenue, AR\$61.5 million (US\$6.6 million) resulted from aeronautical services revenue and AR\$33.9 million (US\$3.7 million) resulted from non-aeronautical services revenue, representing 64.5% and 35.5%, respectively, of Mendoza Airport's total revenue. During the year ended December 31, 2015, Mendoza Airport served 1.4 million passengers, which accounted for 4.6% of all passengers served by our airports. In addition, Mendoza Airport accounted for 15,700 air traffic movements, which represented 4.2% of all air traffic movements in the airports we operate.

In 2014, Mendoza Airport generated AR\$68.3 million in revenue, representing 1.5% of our total revenue for the year. Of Mendoza Airport's 2014 revenue, AR\$45.3 million resulted from aeronautical services revenue and AR\$23.0 million resulted from non-aeronautical services revenue, representing 66.3% and 33.7%, respectively, of Mendoza Airport's total revenue for 2014. In 2014, Mendoza Airport served a total of 1.3 million passengers, which accounted for 4.8% of all passengers served by our airports. In 2014, Mendoza Airport accounted for 16,183 air traffic movements, which was approximately 4.3% of all air traffic movements in the airports we operate.

The principal airlines operating at this destination are Aerolíneas Argentinas, Austral – Cielos del Sur and LAN Argentina, and the principal route for these airlines is between Mendoza Airport and Aeroparque. There is also an international route to Santiago de Chile (operated by Aerolíneas Argentinas and LAN Airlines).

Mendoza Airport is located 11 kilometers (6.8 miles) from the city of Mendoza, the capital city of the Province of Mendoza, which is located in the western part of Argentina. Mendoza is a principal wine producing region. Mendoza is the fourth largest city in Argentina, with a population of approximately 848,700.

Mendoza Airport operates 24 hours a day. The total area of the airport's premises covers 444.6 hectares (47,856,346 square feet). The airport has one runway with a length of 2,835 meters (9,302 feet). The airport's approximate runway capacity is 56 air traffic movements per hour. The airport has 10 taxiways, which cover 3,490 square meters (37,566 square feet), and 102,100 square meters (1,098,995 square feet) of remote aprons. The airport's terminal covers approximately 14,107 square meters (151,846 square feet), of which 5,000 square meters (53,820 square feet) is commercial area. The parking lot is 53,125 square meters (571,832 square feet), with the capacity to accommodate 1,000 vehicles.

Bariloche Airport

Bariloche Airport is our fifth largest airport in terms of passenger traffic and contribution to revenues. During the nine-month period ended September 30, 2016, Bariloche Airport generated AR\$64.0 million in revenue, representing 0.9% of our total revenue for the period. Of Bariloche Airport's revenue from such period, AR\$48.8 million resulted from aeronautical services revenue and AR\$15.3 million resulted from non-aeronautical services revenue, representing 76.2% and 23.8%, respectively, of Bariloche Airport's total revenue. During the year ended December 31, 2015, Bariloche Airport generated AR\$39.4 million (US\$4.3 million) in revenue, representing 0.7% of our total revenue for the period. Of such revenue, AR\$24.9 million (US\$2.7 million) resulted from aeronautical services revenue and AR\$14.5 million (US\$1.6 million) resulted from non-aeronautical services revenue, representing 63.1% and 36.9%, respectively, of Bariloche Airport's total revenue. During the year ended December 31, 2015, Bariloche Airport served a total of 1.0 million passengers, which accounted for 3.5% of all passengers served by our airports. In addition, Bariloche Airport accounted for 10,084 air traffic movements, which represented 2.7% of all air traffic movements in the airports we operate.

In 2014, Bariloche Airport generated AR\$22.8 million in revenue representing 0.5% of our total revenue for the year. Of Bariloche Airport's 2014 revenue, AR\$11.3 million resulted from aeronautical services revenue and AR\$11.5 million resulted from non-aeronautical services revenue, representing 49.6% and 50.4%, respectively, of Bariloche Airport's total revenue for 2014. In 2014, Bariloche Airport served a total of 918,905 passengers, which accounted for approximately 3.4% of all passengers served by our airports. Bariloche Airport also accounted for 9,433 air traffic movements, which was approximately 2.5% of all air traffic movements in the airports we operate.

The principal airlines serving Bariloche Airport are Aerolíneas Argentinas, Austral – Cielos del Sur and LAN Argentina, and the principal route is between Bariloche Airport and Aeroparque.

Bariloche Airport is located 13 kilometers (8 miles) east of San Carlos de Bariloche in the Province of Río Negro. The population of San Carlos de Bariloche is approximately 274,500. San Carlos de Bariloche is one of the principal winter tourist destinations in South America. It is located next to the Andes Mountains in Nahuel Huapi National Park, one of the most important national parks in Argentina. San Carlos de Bariloche offers numerous attractions, including lakes, woods, mountains and outstanding ski resorts.

Bariloche Airport operates 15 hours a day, from 7:00 a.m. until 10:00 p.m. The total area of the airport's premises covers 1,800 hectares (193,750,388 square feet). The airport has one runway with a length of 2,800 meters (9,186 feet). The airport's approximate runway capacity is 53 air traffic movements per hour. The airport has four taxiways, which cover 34,960 square meters (376,306 square feet), and one remote apron covering 37,800 square meters (406,875 square feet). The airport's terminal covers approximately 12,000 square meters (129,166 square feet), of which 1,813 square meters (19,515 square feet) is commercial area. The parking lot is 10,400 square meters (111,944 square feet), with the capacity to accommodate 394 vehicles.

Additional Airports

Seven (7) of the additional airports we operate are briefly described below.

Tucumán Airport

During the nine-month period ended September 30, 2016, Tucumán Airport generated AR\$22.6 million in revenue, representing 0.3% of our total revenue for the period. During the year ended December 31, 2015, Tucumán Airport generated AR\$18.1 million (US\$2.0 million) in revenue, representing 0.3% of our total revenue for the period. During such period, Tucumán Airport served a total of 600,776 passengers, which accounted for 2.0% of all passengers served by our airports. In addition, Tucumán Airport accounted for 6,838 air traffic movements, which represented 1.8% of all air traffic movements in the airports we operate.

In 2014, Tucumán Airport generated AR\$13.0 million in revenue, representing 0.3% of our total revenue for the year. It served a total of 523,191 passengers, which accounted for approximately 1.9% of all passengers served by our airports, and had a total of 5,538 air traffic movements, which was approximately 1.5% of all air traffic movements in the airports we operate.

Tucumán Airport is located in the Province of Tucumán, nine kilometers (5.6 miles) to the west of the city of San Miguel de Tucumán, the capital of the Province of Tucumán. San Miguel de Tucumán is the fifth largest city in Argentina and has a population of approximately 738,500.

Comodoro Rivadavia Airport

During the nine-month period ended September 30, 2016, Aeropuerto General Enrique Mosconi (“Comodoro Rivadavia Airport”) generated AR\$21.4 million in revenue, representing 0.3% of our total revenue for the period. During the year ended December 31, 2015, Comodoro Rivadavia Airport, generated AR\$20.2 million (US\$2.2 million) in revenue, representing 0.3% of our total revenue for the period. During such period, Comodoro Rivadavia Airport served a total of 577,480 passengers, which accounted for 2.0% of all passengers served by our airports. In addition, Comodoro Rivadavia Airport accounted for 9,155 air traffic movements, which represented 2.4% of our total air traffic movements.

In 2014, Comodoro Rivadavia Airport generated AR\$13.0 million in revenue representing 0.3% of our total revenue for the year. It served a total of 517,981 passengers, which accounted for approximately 1.9% of total passengers served, and had a total of 10,366 air traffic movements, which was approximately 2.8% of all air traffic movements in the airports we operate.

Comodoro Rivadavia Airport is located 11 kilometers (6.8 miles) away from the city of Comodoro Rivadavia in the Province of Chubut. Comodoro Rivadavia has a population of 139,440. The city is a leading center of oil exportation in Argentina.

Río Gallegos Airport

During the nine-month period ended September 30, 2016, Río Gallegos Airport generated AR\$6.0 million in revenue, representing 0.1% of our total revenue for the period. During the year ended December 31, 2015, Río Gallegos Airport generated AR\$5.3 million (US\$0.6 million) in revenue, representing 0.1% of our total revenue for the period. During such period, Río Gallegos Airport served a total of 302,504 passengers, which accounted for 1.0% of all passengers served by our airports. In addition, Río Gallegos Airport accounted for 5,976 air traffic movements, which represented 1.6% of all air traffic movements in the airports we operate.

In 2014, Río Gallegos Airport accounted for AR\$3.9 million in revenue, representing 0.1% of our total revenue the year. It served a total of 259,487 passengers, which accounted for approximately 1.0% of all passengers served by our airports, and had a total of 6,723 air traffic movements, which was approximately 1.8% of all air traffic movements in the airports we operate.

Río Gallegos Airport is located eight kilometers (5.0 miles) from downtown Río Gallegos, the capital city of the Province of Santa Cruz, which has a population of approximately 100,000. Santa Cruz is a leading producer of oil and natural gas. In addition, the commercial fishing industry in Santa Cruz has developed significantly in recent years.

Iguazú Airport

During the nine-month period ended September 30, 2016, Iguazú Airport generated AR\$23.2 million in revenue, representing 0.3% of our total revenue for the period. During the year ended December 31, 2015, Iguazú Airport generated AR\$22.0 million (US\$2.4 million) in revenue, representing 0.4% of our total revenue for the period. During such period, Iguazú Airport served a total of 863,165 passengers, which accounted for 2.9% of all passengers served by our airports. In addition, Iguazú Airport accounted for 8,361 air traffic movements, which represented 2.2% of all air traffic movements in the airports we operate.

In 2014, Iguazú Airport generated AR\$17.1 million in revenue representing 0.4% of our total revenue for the year. It served a total of 797,001 passengers, which accounted for approximately 2.9% of all passengers served by our airports, and had a total of 8,230 air traffic movements, which was approximately 2.2% of all air traffic movements in the airports we operate.

Iguazú Airport is located 25 kilometers (15.5 miles) from downtown Puerto Iguazú, in the Province of Misiones, which has a population of approximately 31,500. Iguazú Airport is located in a clearing in the jungle six kilometers (3.75 miles) from Cataratas del Iguazú National Park. Puerto Iguazú is 18 kilometers (11.25 miles) from the well-known Iguazú Falls and has an established infrastructure to support tourism. Puerto Iguazú is also a popular entry point to and from the Brazilian city of Foz do Iguaçu.

Salta Airport

During the nine-month period ended September 30, 2016, Salta Airport, generated AR\$37.5 million in revenue, representing 0.5% of our total revenue for the period. During the year ended December 31, 2015, Salta Airport generated AR\$26.2 million (US\$2.8 million) in revenue, representing 0.4% of our total revenue for the period. During such period, Salta Airport served a total of 856,484 passengers, which accounted for 2.9% of all passengers served by our airports. In addition, Salta Airport accounted for 11,780 air traffic movements, which represented 3.1% of all air traffic movements in the airports we operate.

In 2014, Salta Airport generated AR\$15.9 million in revenue, representing 0.3% of our total revenue for the year. It served a total of 749,504 passengers, which accounted for 2.8% of all passengers served by our airports, and had a total of 11,267 air traffic movements, which was approximately 3.0% of all air traffic movements in the airports we operate.

Salta Airport is located seven kilometers (4.3 miles) from downtown Salta, the capital city of the Province of Salta, which has a population of approximately 500,000. Salta is a center for mining copper, lithium and gold and there are numerous other natural resources located in Salta, including oil and gas, which have only recently begun to be exploited.

San Fernando Airport

During the nine-month period ended September 30, 2016, San Fernando Airport generated AR\$16.1 million in revenue, representing 0.2% of our total revenue for the period. During the year ended December 31, 2015, San Fernando Airport generated AR\$14.9 million (US\$1.6 million) in revenue, representing 0.2% of our total revenue for the period. During such period, San Fernando Airport served a total of 45,890 passengers, which accounted for 0.2% of all passengers served by our airports. In addition, San Fernando Airport accounted for 40,327 air traffic movements, which represented 10.7% of all air traffic movements in the airports we operate.

In 2014, San Fernando's revenue accounted for AR\$12.1 million in revenue, representing 0.3% of our total revenue for the year. It served a total of 51,081 passengers, which accounted for approximately 0.2% of all passengers served by our airports, and had a total of 43,943 air traffic movements, which was approximately 11.8% of all air traffic movements in the airports we operate.

San Fernando Airport is located two kilometers (1.25 miles) from the city of San Fernando in the Province of Buenos Aires. San Fernando has a population of approximately 160,100. San Fernando Airport serves as the

primary private airport in Argentina with the majority of private flights in Argentina arriving and departing from this airport.

Mar del Plata Airport

During the nine-month period ended September 30, 2016, Mar del Plata Airport, generated AR\$9.8 million in revenue, representing 0.1% of our total revenue for the period. During the year ended December 31, 2015, Mar del Plata Airport generated AR\$7.2 million (US\$0.8 million) in revenue, representing 0.1% of our total revenue for the period. During such period, Mar del Plata Airport served a total of 201,289 passengers, which accounted for 0.7% of all passengers served by our airports. In addition, Mar del Plata Airport accounted for 7,356 air traffic movements, which represented 2.0% of all air traffic movements in the airports we operate.

In 2014, Mar del Plata Airport generated AR\$4.5 million in revenue, representing 0.1% of our total revenue for the year. It served a total of 141,620 passengers, which accounted for 0.5% of all passengers served by our airports, and had a total 6,727 air traffic movements, which was approximately 1.8% of all air traffic movements in the airports we operate.

Mar del Plata Airport is located seven kilometers (4.38 miles) from downtown Mar del Plata, which is located in the southeast region of the Province of Buenos Aires. Mar del Plata is the seventh largest city in Argentina with a population of approximately 611,000. Mar del Plata is located 404 kilometers (253 miles) from Buenos Aires and is the most popular tourist destination on the Argentine coast. Mar del Plata offers approximately 50,000 hotel rooms to accommodate tourists.

Main Customers

Main Aeronautical Customers

Aerolíneas Argentinas S.A., VRG Linhas Aereas S.A. (operating as Gol Transportes Aéreos) and LATAM Airlines Group operate the majority of the flights at our airports.

During the nine-month period ended September 30, 2016, the amounts invoiced by us to Aerolíneas Argentinas S.A. and its affiliates (through IATA or directly) were AR\$1,127 million, of which AR\$1,011 million corresponded to aeronautical services. During the same period, amounts invoiced by us to VRG Linhas Aereas S.A. and its affiliates totaled AR\$283.5 million, of which AR\$280.0 million corresponded to aeronautical services, and the amounts invoiced by us to LATAM Airlines Group and its affiliates during such period totaled AR\$992.9 million, of which AR\$972.5 million corresponded to aeronautical services.

During the year ended December 31, 2015, the amounts invoiced by us to Aerolíneas Argentinas S.A. and its affiliates were (through IATA or directly) AR\$923 million, of which AR\$802 million corresponded to aeronautical services. During the same period, amounts invoiced by us to VRG Linhas Aereas S.A. and its affiliates totaled AR\$207 million, of which AR\$204 million corresponded to aeronautical services, and the amounts invoiced by us to LATAM Airlines Group and its affiliates during such period totaled AR\$703 million, of which AR\$688 million corresponded to aeronautical services.

During the year ended December 31, 2014, the amounts invoiced by us to Aerolíneas Argentinas S.A. and its affiliates (through IATA or directly) totaled AR\$710 million, of which AR\$634 million corresponded to aeronautical services. The amounts invoiced by us to LATAM Airlines Group and its affiliates during the same period totaled AR\$635 million, of which AR\$623 million corresponded to aeronautical services, and the amounts invoiced by us to VRG Linhas Aereas S.A. and its affiliates during such period totaled AR\$153 million, of which AR\$151 million corresponded to aeronautical services.

The following table sets forth our main aeronautical customers for the nine-month periods ended September 30, 2016 and 2015 and for the years ended December 31, 2015, 2014 and 2013 based on the percentage of total amounts invoiced by us (net of value added tax) through IATA or directly to each main aeronautical customer compared to all aeronautical customers during those periods.

Main Aeronautical Customers	Nine-month period ended September 30, (unaudited)			Year ended December 31,*		
	2016	2015	(percentages)	2015	2014	2013
Aerolíneas Argentinas.....	26.8	28.4	28.2	27.3	26.4	
LATAM Airlines Group.....	25.8	24.1	24.2	26.8	28.1	
Gol Transportes Aéreos	7.4	7.3	7.2	6.5	6.3	
American Airlines.....	6.2	5.9	5.9	6.2	6.3	
Iberia.....	3.4	3.6	3.4	3.4	3.6	
Lufthansa.....	2.0	3.3	3.0	2.1	2.0	
Avianca.....	2.9	2.7	2.7	2.5	0.8	
Copa Airlines.....	2.7	2.6	2.6	2.7	2.5	
Air France.....	1.6	1.8	1.8	1.8	1.7	
Alitalia.....	1.6	1.7	1.6	1.5	1.5	
Others	19.5	18.8	19.2	19.3	20.8	
Total.....	100.0	100.0	100.0	100.0	100.0	

* Based on the percentage of total aeronautical services revenue invoiced by us (net of valued added tax).

Main Non-aeronautical Customers

As of September 30, 2016, our primary customers which provide non-aeronautical services were Interbaires, Gate Gourmet and Intercargo. During the nine-month period ended September 30, 2016, amounts invoiced by us to Interbaires totaled AR\$426 million, amounts invoiced by us to Gate Gourmet totaled AR\$76 million and amounts invoiced by us to Intercargo totaled AR\$55 million, representing 12.5%, 2.2% and 1.6%, respectively, of the total amounts invoiced by us during such period.

As of December 31, 2015, our primary customers which provide non-aeronautical services were Interbaires, Gate Gourmet and Intercargo. In 2015, amounts invoiced by us to Interbaires totaled AR\$456 million, amounts invoiced by us to Gate Gourmet totaled AR\$77 million and amounts invoiced by us to Intercargo totaled AR\$48 million, representing 15.5%, 2.6% and 1.6%, respectively, of the total amounts invoiced by us in 2015.

As of December 31, 2014, our primary customers which provide non-aeronautical services were Interbaires, Gate Gourmet and Intercargo. In 2014, amounts invoiced by us to Interbaires totaled AR\$333 million, amounts invoiced by us to Gate Gourmet totaled AR\$59 million and amounts invoiced by us to Intercargo totaled AR\$22 million, representing 15.4%, 2.7% and 1.0%, respectively, of the total amounts invoiced by us in 2014.

The following table sets forth our principal non-aeronautical services and services providers as of December 31, 2015 based on the percentage of total non-consolidated amounts invoiced by us (net from value added tax) to all non-aeronautical services providers during 2015, 2014 and 2013 and for the periods ended September 30, 2016 and 2015.

Main Non-aeronautical Customers	Nine-month period ended September 30, (unaudited)		Year ended December 31,		
	2016	2015	2015	2014	2013
			(percentages)		
Terminal de Cargas Aereas (AA2000) – Warehouse usage	52.7	45.6	46.2	46.4	41.3
Interbaires S.A. - Duty Free Shops	12.5	16.0	15.5	15.4	15.8
Aerolíneas Argentinas / Austral – Cielos del Sur – Rented Spaces.....	3.4	4.1	4.1	3.5	4.3
Parking AA2000 Ezeiza – Parking.....	3.7	4.0	4.1	3.9	5.2
Parking AA2000 Aeroparque – Parking.....	2.5	3.1	3.1	2.8	3.3
Gate Gourmet Argentina S.R.L. – Catering	2.2	2.7	2.6	2.7	3.1
Intercargo S.A.C. – Ramp Services.....	1.6	1.7	1.6	1.0	1.7
Wrapping Argentina S.A. - Services and retail stores	0.9	1.1	1.0	1.5	1.2
SITA Information Networking - Counters and cute	1.0	1.0	0.9	1.1	1.1
LSG Sky Chefs Argentina S.A.....	0.9	0.8	0.7	0.8	0.9
Others	18.6	20.0	20.2	20.7	22.0
Total	100.0	100.0	100.0	100.0	100.0

* Based on the percentage of total non-aeronautical services revenue invoiced by us (net of valued added tax).

Legal Proceedings

General

We are involved in certain legal proceedings from time to time that are incidental to the normal conduct of our business. The material proceedings are described below.

Environmental Proceedings

In August 2005, a civil action was brought by *Asociación de Superficierios de la Patagonia* (ASSUPA), a non-governmental organization, against Shell for alleged environmental damages caused by another oil spill located in an area at Ezeiza and, in September 2006, we were called to intervene as a third party at the request of the plaintiff. The lawsuit alleges that we are jointly liable with Shell due to the fact that we manage the real property at which the environmental damages occurred. We have asserted that Shell is solely responsible for any damages. We cannot predict the outcome of this proceeding, which is currently in an early procedural stage, or the amounts of any liability that could be imposed on us. We have not made any provisions to cover risks related to this proceeding.

In August 2011, ASSUPA brought a civil action against us in an Argentine administrative federal court in the City of Buenos Aires (*Justicia Federal en lo Contencioso Administrativo de la Capital Federal*), under the General Environmental Law No. 25,675, requesting compensation for environmental damage caused in the concessionary airports. The administrative federal court appointed the Argentine Center of Engineers (*Centro Argentino de Ingenieros*) to conduct research studies in connection with the required remediation works. In connection with this proceeding, ASSUPA obtained an injunction for compensation for the environmental damage in an amount equal to AR\$97,420,000. Pursuant to section 6.7 of the Memorandum of Agreement, any capital expenditures we make in connection with any ordered remediation works shall be included in our investment plan; therefore, remediation works do not imply a liability for us.

Foreign Exchange and Tax Proceedings Related to Technical Assistance Agreements

We were defendants, among other individuals, in a foreign exchange proceeding related to infringements to the Criminal Foreign Exchange Proceeding Law No. 19,359, as amended, brought by the Central Bank. The Central Bank alleged that we made false declarations related to 64 foreign exchange transactions derived from payments of services (and interest derived from the restructuring of the debt resulting from such services) rendered to us by Corporación América Sudamericana S.A. (one of our shareholders) and Ogden Corporation under certain technical assistance agreements. The Central Bank alleged that the services were not actually rendered to us by such companies. In July 2016, all of the defendants involved in this proceeding were acquitted by the Criminal Federal Court No. 6 of the City of Buenos Aires.

On June 28, 2016, the AFIP initiated an assessment proceeding against us for an amount equal to AR\$363 million for income taxes and income tax on undocumented exemptions (pursuant to Section 37 of the Income Tax Code). The AFIP considers that certain management and administrative services provided by Corporación América Sudamericana S.A. (one of our shareholders), were not actually rendered to us. On August 3, 2016, we appealed the ruling of the assessment proceeding to the National Tax Court (TFN). As of the date of this Offering Memorandum, the National Tax Court has not rendered a final judgment.

Although we believe that we have strong arguments to prove that the management and administrative services were in fact rendered to us by Corporación América Sudamericana S.A., we are evaluating the possibility of adhering to the extraordinary regime of regularization of tax obligations provided by Law No. 27,260 (published in the Argentine Official Gazette on July 22, 2016). The benefits of adhering to the extraordinary regime consist of the suspension of the ongoing tax proceeding, the extinction of the action to prosecute such tax claims (*extinción de la acción penal tributaria*), remission of fines and other sanctions that become unenforceable at the time we adhere to the extraordinary regime and reduction of interest on any amounts due under the claim; *provided that* these benefits will not be applicable in the cases of money laundering or terrorist financing. We estimate that the amount to be paid by us in the event we adhere to such extraordinary regime will be equal to approximately AR\$135 million.

Provisions

As of September 30, 2016, we recorded AR\$21.4 million as a provision for the legal proceedings in which we are involved.

Property and Insurance

Real Property

Pursuant to the Concession Agreement, the Argentine National Government retains ownership of all real property and fixtures in our airports. The real property is considered to be public domain property and, as such, must remain free and clear from any liens and/or encumbrances.

Upon taking possession of the airports, we were awarded use of all the real property necessary for the rendering of services under the Concession Agreement. The grant to use the real property and fixtures under the Concession Agreement requires us to perform general maintenance and upkeep on the real property in accordance with the terms of the Concession Agreement and the bidding documentation submitted by us before the Argentine National Government for the granting of the Concession (the “Bidding Documentation”). The ORSNA’s authorization is required for any activities not expressly provided in the Concession Agreement or which explicitly require the approval of the ORSNA.

We have the right to assign, for consideration, the use of part of the real property and fixtures. As such, we are authorized to grant sub-concessions to use the real property and fixtures or enter into other similar agreements with third parties concerning the real property and fixtures granted to us under the Concession Agreement. We must inform the ORSNA in advance of all such assignments. The ORSNA may object to an assignment when it deems the consideration insufficient or against the best interest of the management, operation or functioning of the airports.

Upon the expiration of the Concession Agreement, the real property and fixtures will revert to the Argentine National Government, including any improvements we may have made during the term of the Concession Agreement, free and clear of any liens and/or encumbrances.

Personal Property

The Argentine National Government transferred to us all of the personal property included in the inventory of the airports when we took possession of the airports. At the end of the Concession Agreement, we are required to assign, free of charge, to the Argentine National Government all of the personal property then used by us in providing the services under the Concession Agreement, so as to facilitate the continued provision of the services by the Argentine National Government or a future concession holder with no change in the quality level thereof.

Insurance

We maintain a civil liability insurance policy in our name as well as in the ORSNA's and the Argentine National Government's names covering any damages, loss or injury to persons or property as a result of the performance of work or operation of the airports, so as to hold ourselves, the ORSNA and the Argentine National Government harmless, to the extent of the coverage limits of the policy, until the termination of the Concession Agreement. Under the terms of the Concession Agreement, the minimum amount of insurance coverage required is AR\$300 million. The amount of insurance coverage we maintain is US\$500 million and it covers civil liability for the functioning of our airports as well as for the performance of works therein.

We maintain partial and total risk insurance coverage on the property and principal assets of our airports, including insurance coverage against some damages that may be caused by acts of God or force majeure, subject to certain limitations. We do not maintain insurance coverage that covers terrorism or war risks to our property. However, such risks are covered in the civil liability insurance policy mentioned in the previous paragraph covering third parties up to US\$500 million. We do not maintain business interruption insurance. We also hold worker's compensation insurance as required by Argentine law.

In addition, to comply with the investment plan guarantee required by the Concession Agreement, we have executed surety bonds for AR\$1,465.6 million.

All of our insurance policies have been granted by companies that comply with the ORSNA's requirements.

Employees

At December 31, 2015, we employed 2,216 employees, of which 1,477 worked on activities such as operations, maintenance, security, customer services, parking and charging of airport charges; 301 performed commercial activities such as sales and marketing; and 438 worked in the finance sector, administration, human resources, legal department and other activities. At December 31, 2014 and December 31, 2013, we employed 2,138 and 2,094 employees, respectively. Our total number of employees increased 3.6% in the year ended December 31, 2015 compared to December 31, 2014, and increased 2.1% in the year ended December 31, 2014 compared to December 31, 2013. As of September 30, 2016, we had 2,259 employees.

As of September 30, 2016, 54% of our employees are represented by two unions: (a) *Union de Personal Civil de la Nación* (UPCN) and (b) *Asociación de Personal Aeronáutico* (APA). The relationship between the unions and our employees is mainly governed by the Collective Bargaining Agreement (CBA Nbr. 1,254/2011 "E") between us and the unions. We have not experienced any significant collective conflicts during the last two years. We maintain a successful working relationship with the each union's delegates and representatives. See "—Risks Related to Our Operations—The majority of our workforce is unionized and we may be subject to organized labor action, including work stoppages and litigation."

The following table provides information regarding the number of our employees as of September 30, 2016 and December 31, 2015, 2014 and 2013:

Areas	Number of employees as of			
	September 30, 2016	December 31, 2015	December 31, 2014	December 31, 2013
Operations and infrastructure.....	1,935	1,905	1,845	1,803
Central Administration (Administration and Finances, Commercial, Purchases, Human Resources, Legal, etc.).....	306	311	293	291
Total.....	2,259	2,216	2,138	2,094

Our Subsidiaries

The following tables provide information concerning our main subsidiaries. The holding percentage indicated below refers to common shares.

Our Direct Subsidiaries

Name	Jurisdiction	Class of Issued Shares	Number of Common Shares	Shareholders	% of Capital and Votes
Servicios y Tecnología Aeroportuarios S.A. ⁽¹⁾	Autonomous City of Buenos Aires	Registered and non-negotiable, AR\$1 and 1 vote per share	14,398,848	Aeropuertos Argentina 2000	99.3%
Cargo & Logistics S.A. ⁽²⁾	Autonomous City of Buenos Aires	Registered and non-negotiable, AR\$1 and 1 vote per share	5,566,259	Corporación América S.A.	98.63%
Paoletti América S.A. ⁽³⁾	Autonomous City of Buenos Aires	Shares of nominal value AR\$1 and 1 vote per share divided into Class A and B	6,000	Aeropuertos Argentina 2000	50.0%
Texelrio S.A. ⁽⁴⁾	Autonomous City of Buenos Aires	Registered and non-negotiable, AR\$1 and 1 vote per share	8,400	Corporación América S.A.	70.0%

- (1) Servicios y Tecnología Aeroportuarios S.A. covers a wide range of activities including, among others, activities related to duty free zones, import and export operations, international trade, port services, consulting activities, waste management, and postal and telecommunication services.
- (2) Cargo & Logistics S.A. holds shares in other companies.
- (3) Paoletti America S.A. conducts environmental matters, including construction and other works in such field, and the preparation of studies and reports regarding pollution and mitigation of environmental damages.
- (4) Texelrio S.A. is dedicated to providing services related to road construction, and maintenance and repair of parks, airports, freeways, bus stations, fuel stations, ports, aircrafts and ships.

Our Indirect Subsidiaries

Name	Jurisdiction	Class of Issued Shares	Number of Shares	Shareholders	% of Capital and Votes	% of Indirect Participation
Villalonga Furlong S.A.	City of Buenos Aires	Registered and non-negotiable, AR\$1	8,499,631	Cargo & Logistics S.A. Aeropuertos Argentina 2000 S.A. Corporación América S.A. Ministry of Defense	98.42% 1.46% 0.12% 55.00%	98.5% 45%
Empresa de Cargas Aéreas del Atlántico Sud S.A. (en liquidación) ⁽¹⁾	City of Buenos Aires	Registered and non-negotiable Class A and B, AR\$1	300,000	Villalonga Furlong S.A.	45.00%	

- (1) Empresa de Cargas Aéreas del Atlántico Sud S.A. is currently under liquidation.

REGULATORY FRAMEWORK

Sources of Regulation

We are subject to numerous regulations that govern our Concession, as well as our business and the operation of our airports, issued by the Argentine Congress, the Executive Branch, the Ministry of Economy and Production, the Ministry of Transportation and the ORSNA.

Title III of Law 17,285, dated May 17, 1967 (the “Aeronautical Code”), as amended, and Regulation 95/2005 of the Air Traffic Directorate (*Dirección Nacional de Aeronavegabilidad*), set forth the basic framework for the regulation of airports in Argentina. The Aeronautical Code also provided for the creation of both international and national airports and established concepts such as public and private airports. Decree 375/97 created the National Airport System and established the general framework for regulating the use, operation and management of the Argentine airport facilities that are part of the National Airport System. Under Decree 375/97, the Argentine National Government may grant concessions to use, operate and manage some or all of the airports in the National Airport System subsequent to a public bidding process that is open to both national and international entities. Decree 375/97 provides that the National Airport System is regulated by the ORSNA, with respect to matters generally involving management and maintenance, and by the Argentine Aeronautical Authority, with respect to matters generally involving airport safety and air travel.

Argentina has a federal government system and 23 provinces and the City of Buenos Aires with individual laws. Under the Argentine Constitution, all powers which are not granted to the Argentine National Government remain with the provinces.

Role of the ORSNA

The ORSNA is the principal regulator of our airports under Argentine law and the Concession Agreement, and is an agency under the authority of the Ministry of Transportation. The ORSNA is directed by a four-member board and represented by the president of the board. The ORSNA is responsible for establishing the rules and procedures that govern our management and maintenance of the “Group A” airports and for enforcing our compliance with Argentine laws and the terms of the Concession Agreement, including our fulfillment of our investment plan and master plans. The ORSNA and the Argentine Aeronautical Authority are jointly responsible for establishing the criteria for our development of airport safety manuals, airport operations manuals, emergency plans and maintenance programs.

All disputes arising in connection with the use, operation or management of our airports must be submitted to the ORSNA. If we object to the ORSNA’s decision regarding a dispute, we may seek final judgment on the matter from the Ministry of Transportation and subsequently from the Argentine federal court system.

Role of the Argentine Aeronautical Authority

The Argentine Aeronautical Authority, which is under the authority of the Ministry of Transportation, is responsible for providing services relating to aeronautical activities, including air traffic control and flight protection services. Since July 2009, the Argentine Aeronautical Authority has been exclusively in charge of civil aeronautical functions, which were previously provided by the Argentine Air Force, the ORSNA and the Sub-Secretariat of Aerocommercial Transportation.

The Argentine Aeronautical Authority has the power to audit and control civil aviation activities, including public and private airports and airdromes, air traffic and communications and air navigation and aeronautical services. In addition, it may develop regulatory projects in connection with such activities.

Under the terms of the Concession Agreement, the Argentine Aeronautical Authority is responsible for providing in our airports, among other functions, operating functions (including air traffic control and communications), supervisory functions (including supervision of airport infrastructure, aviation personnel and flight equipment) and safety functions (including direction and supervision of search and rescue operations) at our

airports. The Argentine Aeronautical Authority charges the airlines and is responsible for the collection of general security, flight route security and aircraft landing support charges.

Additional Argentine Agencies

The Ministry of Interior operates the Argentine Migrations Bureau and under the Ministry of the Treasury and Public Finance operates the Argentine general customs office (*Dirección General de Aduanas*, “Argentine Customs”) which perform all immigration and customs functions for the “Group A” airports. The Argentine Migrations Bureau imposes and collects certain charges relating to immigration. In addition, security functions are provided by the Airport Security Police (*Policía de Seguridad Aeroportuaria*), which is under the authority of the Ministry of Justice and Human Rights.

The Concession Agreement

Pursuant to Administrative Decision 60, we were awarded the Concession for the use, operation and management of the “Group A” airports of the National Airport System. On February 9, 1998, we executed the Concession Agreement with the Argentine National Government, which was approved by Decree 163/98, dated February 13, 1998.

Because of the period of severe political, economic and social crisis that Argentina experienced during 2001 and 2002, the Congress enacted Law 25,561, which was subsequently amended and expanded, which declared a public emergency in social, economic, administrative, financial and exchange matters and provided for, among other things, the renegotiation of public services and works contracts, such as the Concession Agreement. Decree 311/03 established that the renegotiation of public services and works contracts would be carried out by the Public Service Contract Analysis and Renegotiation Unit (*Unidad de Renegociación y Análisis de Contratos de Servicios Públicos*, or “UNIREN”) and that the renegotiation process would be presided over by the former Ministry of Economy and Production and the Ministry of Planning.

Within the renegotiation framework established by Decree 311/03, on July 20, 2005 we executed a memorandum of understanding with the Argentine National Government which set forth the guidelines for the renegotiation of the Concession Agreement. The renegotiation of the Concession Agreement resulted in a preliminary memorandum of agreement, dated June 16, 2006, which was subsequently replaced by a second memorandum of agreement, dated August 23, 2006. The memorandum of agreement, dated August 23, 2006, was then submitted for public hearing by the former Ministry of Economy and Production and the Ministry of Planning. As a result of the comments received at the public hearing, UNIREN modified certain provisions of the memorandum of agreement, dated August 23, 2006, and renegotiated the memorandum of agreement with us. The renegotiations resulted in a revised memorandum of agreement, dated December 1, 2006.

The memorandum of agreement, dated December 1, 2006, was approved by the Congress on February 13, 2007 with certain recommendations. The final Memorandum of Agreement was executed by the Argentine National Government and us on April 3, 2007 and was confirmed by the Executive Branch by Decree 1799, dated December 4, 2007.

In addition to the regulatory structure set forth under Argentine law and regulations governing the Concession, the majority of our rights and obligations with respect to our Concession are regulated by the specific terms of the Concession Agreement as set forth below.

Our General Obligations of the Company

In general, under the terms of the Concession Agreement, we are responsible for the following functions in connection with the “Group A” airports, among others:

- ensuring equality, freedom of access and nondiscrimination with respect to the use of airport services and facilities on the terms established under the Bidding Documentation;

- ensuring that the operations of the “Group A” airports comply with community interests, environmental protection, anti-drug trafficking laws and national defense;
- implementing the master plans approved by the ORSNA;
- operating airport services and facilities in a reliable manner, in accordance with applicable national and international standards;
- investing in airport infrastructure in accordance with the applicable investment plan;
- the maintenance of “Group A” airports, except for those facilities used by the Argentine National Government in the areas assigned to and/or reserved for it;
- the installation, operation and maintenance of the airport facilities and/or equipment in such manner as to prevent them from constituting a public safety hazard;
- compliance with the relevant environmental protection standards and assessment of the environmental impact that may result from proposed works;
- providing the ORSNA all documents and information necessary or requested for verifying compliance with the Concession Agreement and any applicable laws and regulations;
- providing, in the areas under our control, firefighting services for the “Group A” airports;
- ensuring the ability of the Argentine National Government to exercise its relative powers necessary for the operation of the “Group A” airports; and
- controlling and coordinating operations and activities on each apron, under the supervision of the Argentine Aeronautical Authority.

Term

Our Concession is for an initial period of 30 years through February 13, 2028. Upon completion of an initial public offering of our common stock, and subject to the and subject to the prior intervention of the Argentine Aeronautical Authority and the authorization of the Argentine National Government, we may extend the term of our Concession for an additional period of up to 10 years. We have made a formal request to the ORSNA to extend the term of our Concession for the additional 10-year period ending February 13, 2038. We can provide no assurances that the Argentine National Government will grant our request or on what conditions. However, even if our Concession is extended, the Argentine National Government may reserve the right to maintain, modify or eliminate the exclusivity granted to our Concession. The ORSNA may require us to continue abiding with the terms of the Concession Agreement for a term of no more than 12 months following the termination of the Concession Agreement. In such a case, the ORSNA shall have to expressly notify us of its decision no less than six months prior to the termination of the Concession Agreement.

Property

Pursuant to the Concession Agreement, the Argentine National Government transferred to us all of its personal property and the right to use real property in connection with the “Group A” airports for the term of the Concession (no consideration being given in respect of personal property). Under the terms of the Concession Agreement, we are required to use the real property to satisfy all airport service needs and we are required to provide for the ongoing maintenance of the property. However, we have the right to grant Sub-concessions or otherwise allow third parties to use the real property, subject to the prior notification to the ORSNA. In the event of the destruction of all or part of the real property, we are responsible for the payment of all expenses related to the repair or replacement of the property except for damages that occur in connection with acts of God, a force majeure event or if the damaged property is not necessary for complying with our obligations under the Concession Agreement. If

any event occurs during the term of the Concession Agreement that makes the continued use of any property impossible, we are required to return such property to the Argentine National Government and will have no recourse against the Argentine National Government for the damages we suffer. We are also required under the terms of the Concession Agreement to grant to the Argentine Air Force free of charge the space necessary at each “Group A” airport to conduct its assigned duties under the Concession Agreement and Argentine law. The Argentine Aeronautical Authority is responsible for all costs and maintenance in connection with the space provided to it. At the end of the Concession Agreement, we are required to transfer all personal and real property, together with any improvements thereto, back to the Argentine National Government.

Under the Concession Agreement, we may suggest the substitution of one or more airports by building new airports during the term of the Concession Agreement, when such substitution is beneficial for customers in terms of price and service quality, subject to ORSNA’s prior authorization. In such cases, the airports being substituted shall be returned to the Argentine National Government simultaneously as the new airports commence operating. In addition, the ORSNA may include or remove airports from the “Group A” airports with our prior consent. Airports may be removed from the “Group A” airports when they are no longer in use.

Exclusivity

Under the Concession Agreement, the Argentine National Government cannot, under any circumstances, affect our exclusive rights and affect the economic equilibrium of the Concession Agreement.

Liabilities

Under the Concession Agreement, we are liable for all damages caused to the Argentine National Government and/or third parties as a consequence of our performance of the Concession Agreement and our failure to perform our obligations thereunder.

Penalties

Under the terms of the Concession Agreement, the ORSNA is required to approve a regulation regarding penalties applicable to us. On December 13, 2004 the ORSNA issued Resolution 88/2004, approving the Rules on Penalties for Infringements of the Concessionaire of the “Group A” Airports (*Régimen de Sanciones de Aplicación al Concesionario del Grupo “A” de Aeropuertos del Sistema Nacional de Aeropuertos*). In the event that we breach any of our obligations under the Concession Agreement, the ORSNA has the right to impose monetary fines as it deems appropriate. In addition, in accordance with the provisions of the Concession Agreement and the Memorandum of Agreement delays in implementing the investment plan according to the schedule would result in the ORSNA’s imposition of a penalty equal to 10% of the value of the work that is delayed, which could be collected directly by the ORSNA against the Performance Guarantee. Any monetary fines imposed by the ORSNA would only become due and payable after a final administrative ruling.

Service Standards

Under the Concession Agreement, we have agreed to adopt certain standards for our airports regarding design, construction, operation, administration, maintenance, renewal, improvement, development, equipment and systems as reasonably established by the ORSNA in accordance with guidelines developed by IATA and ICAO using similar airports as a reference based on their type, size and passenger traffic. In connection with monitoring our compliance with these standards, the ORSNA shall have the right to inspect all the airports managed by us. The ORSNA is not required to notify us in advance of its inspection. Such inspections are to be carried out at least annually for each airport with passenger traffic greater than 750,000 per year.

Performance Guarantee and Guarantee for the Performance of the Works Foreseen in the Concession Agreement

Under the terms of the Concession Agreement, we are required to maintain the Performance Guarantee in the amount of at least AR\$30 million as security for the timely fulfillment of all of our obligations under the

Concession Agreement. The amount of the guarantee is to be kept constant during the term of the Concession Agreement. In the event that the ORSNA collects part or all of the guarantee, we are required to restore the full amount of the guarantee within 30 days from the date of collection and to pay the Argentine National Government interest in an amount equal to LIBOR plus 2.0% from the fifth day following such collection until the date that the guarantee is restored. We may, with the approval of the ORSNA, pledge securities, assets, mortgages and surety bonds to satisfy our guarantee requirement. In this regard, we obtained a surety bond in the amount of AR\$52.1 million.

In addition, we are required to annually establish, prior to March 31 of each year, a guarantee in the amount of 50% of the annual investment plan required under the Concession Agreement in order to guarantee our compliance with the investment plan for such year. We may, with the approval of the ORSNA, pledge securities, assets, mortgages and surety bonds to satisfy our guarantee requirement. We obtained a surety bond in the amount of AR\$1,465.6 million to comply with our obligation for 2016.

Technical Expert Requirement

Under the Concession Agreement, we are required to maintain, at all times, a technical expert who has expertise in operating and managing airports. Under the Concession Agreement, any shareholder who has held at least 10.0% of our capital stock for a minimum of five years is considered a technical expert. Any substitution of a shareholder that qualifies as a technical expert must be previously approved by the ORSNA. Since CASA and CAS have owned at least 45.9%, and 27.75% of our common shares, respectively, for over five years, they are deemed technical experts.

Aeroparque

Under the terms of the Concession Agreement, we are required to maintain Aeroparque in its current location through the end of the Concession Agreement in accordance with an agreement entered into on August 23, 2004 between the Argentine National Government, through the former Ministry of Planning, and the City of Buenos Aires. The agreement provides for the joint study of several infrastructure concerns relating to the area surrounding Aeroparque by the parties. Under the Memorandum of Agreement, we undertook to construct the infrastructure agreed to by the Argentine National Government and the City of Buenos Aires. The related investments we make will count towards our investment plan, subject to the ORSNA's approval.

Transfer of Gobernador Dr. Horacio Guzmán Airport

Under the Concession Agreement, we agreed with the Argentine National Government that neither party was responsible for our not taking possession of the Gobernador Dr. Horacio Guzmán Airport, which is part of the "Group A" airports and is located in the Province of Jujuy, on the specified transfer date. Under the Concession Agreement, we waived the right to bring any administrative or judicial claim against the Argentine National Government with respect to Gobernador Dr. Horacio Guzmán Airport. Due to certain disagreements between the Argentine National Government and the Province of Jujuy, we were unable to take possession of such airport on the originally agreed upon date, February 23, 1999. The Argentine National Government and the Province of Jujuy reached an agreement regarding the delivery of the Gobernador Dr. Horacio Guzmán Airport to us. We took possession and control of the airport on April 24, 2008.

Maintenance of Insurance

The Concession Agreement requires us to maintain a civil insurance policy covering personal and property damages, loss or injury in an amount equal to at least AR\$300 million throughout the term of the Concession. We are also required to maintain worker's compensation insurance in accordance with Argentine law. We have taken out a civil liability insurance policy in our name as well as in the ORSNA's and the Argentine National Government's names for an amount of US\$500 million covering liabilities that may arise under civil law in connection to the management of our airports and the development of works in our airports.

Collateral Assignment of Revenue

We may collaterally assign revenue derived from the Concession in order to obtain the necessary resources for the fulfillment of our obligations. Such assignment cannot affect the Specific Allocation of Revenue, the resources foreseen for the financing of the investment plan detailed in the Memorandum of Agreement, nor the Allocated Revenues under the Mutual Claim Settlement Procedure. In addition, collateral assignment of revenue that is made into a trust may remain in effect even upon an early termination of the Concession Agreement, as long as the application of the funds thereunder is audited by the Argentine National Government and/or by a consulting firm hired for such purpose that is satisfactory to the Argentine National Government. Such collateral assignment must be previously authorized by a resolution of the ORSNA, which is responsible for the auditing of the application of the funds. On January 17, 2017, the ORSNA issued Resolution No. 1/2017, pursuant to which it authorized the collateral assignment of revenue under the Notes, up to an amount equal to US\$400,000,000.

Additionally, according to the Concession Agreement, a collateral assignment cannot, under any circumstances, decrease the quality of our services or affect the fulfillment of our contractual obligations. Moreover, the collateral assignment must recognize the powers and privileges of the Argentine National Government set forth in the Concession Agreement and must guarantee that no rights or actions that jeopardize the continuity of the aeronautical public services are exercised. According to the Concession Agreement, while a collateral assignment remains in place, we shall have no right to indemnification for the investments secured by the relevant collateral assignment. Once the collateral assignment is terminated, we shall be paid the relevant indemnification amount corresponding to such investment net of the amounts transferred to and applied by the trust.

Assignment of Concession Agreement

The Concession Agreement may not be assigned to any third party without the prior consent of the ORSNA and the Argentine National Government. We are authorized to grant concessions relating to commercial and non-aeronautical operation of the “Group A” airports to third parties during the term of the Concession Agreement, including the execution of subcontracts with, and the granting of permits to, third parties in order to exploit AA2000’s rights emerging from the provision of the non-aeronautical services under the Concession Agreement. We are required to inform the ORSNA of our intentions prior to the execution of subcontracts or the granting of the permits. The ORSNA may object to any assignment if it considers it to be insufficient or against the best interests of the management, operation or functioning of the airports.

Previous Sub-concessions

Pursuant to the Bidding Documentation, we were required to maintain in effect certain Sub-concessions granted by the Argentine National Government for the provision of commercial activities within our airports that were in effect at the time we commenced our activities at the airports until the expiration of such agreements’ terms. After the expiration of their terms, such Sub-concessions will belong to us. We may decide to continue such activities ourselves, continue with the existing providers or enter into new agreements with third parties to provide such services. We describe below the most important agreements that we were required to maintain in effect.

- *Agreement with Empresa de Cargas:* Pursuant to the direct hiring (*Contratación Directa*) 293/1988, approved by Decree No. 773/1989, the Argentine Air Force (*Fuerza Aérea Argentina*) granted Empresa de Cargas a 20-year concession for the exclusive use and management of storage services and operations related to air cargo in or out of international Argentine airports in the warehouses previously operated by the Argentine Customs on July 1, 1998. On June 30, 2009, upon the expiration of such concession, the Argentine National Government granted us a concession for the exclusive use, management and operation of “Group A” airports under the Concession Agreement and on July 1, 2009, we undertook direct management and use of warehouses located at Ezeiza, Aeroparque, Córdoba, Mendoza and Mar del Plata airports. We exclusively use and provide cargo storage, stowage and warehouse services and related international cargo services.

- *Agreement with Intercargo:* On November 20, 1990, the Argentine National Government granted a concession to Intercargo for a period of 20 years. Intercargo provides assistance with the connection of aircraft to terminals through passenger walkways, for arriving and departing passengers, in 16 of our airports. Intercargo also provides additional services such as ramp services, loading and unloading of luggage, mail, and cargo, among other services.

Intercargo had executed an agreement with the Argentine National Government under which monthly fees of US\$156,000 for ramp services and US\$8,000 for the use of space within our airports had been agreed to. Such agreements were assigned to us when we took over the operations of the airports. Following the Argentine peso devaluation and the pesification of certain foreign-currency denominated deposits and debts in 2001, Intercargo concluded that such amounts had been pesified at an exchange rate of AR\$1 per US\$1. Therefore, Intercargo started paying both monthly fees applying such exchange rate. As a result of certain negotiations, Intercargo currently pays to us a monthly fee of US\$156,000 (at an exchange rate of AR\$1 per US\$1) and, every six (6) months, pays us the difference between such amounts and the amount resulting from the calculation using the current market exchange rate. The monthly fee of US\$8,000 continues to be paid at an exchange rate of AR\$1 per US\$1. The agreement with Intercargo expired on November 19, 2010. In May 2011, through Resolution No. 421/2011, the National Administration of Civil Aviation (*Administración Nacional de Aviación Civil*, or the “ANAC”) approved a new fee structure for the services rendered by Intercargo, therefore tacitly renewing (*táctica reconducción*) this Sub-concession. In June 2011 we challenged such Resolution with the ANAC. On December 31, 2012 we entered into a new agreement with Intercargo which expired on September 31, 2015. In March 2016, we also challenged Resolution No. 421/2011 with the ORSNA. As of the date of this Offering Memorandum, the ANAC and the ORSNA have not issued resolutions to our challenges to Resolution No. 421/2011 and Intercargo continues making monthly payments to us as described herein. Furthermore, we are currently negotiating the terms of a new agreement with Intercargo regarding ramp services and the use of space within our airports.

- *Agreement with Interbaires:* On April 24, 1990, the Argentine National Government granted a 20-year concession to Interbaires, which may be automatically extended for an additional 10-year term. Interbaires operates the duty free shops at Ezeiza, Aeroparque and the airports of Córdoba, Bariloche, Mendoza, Mar del Plata and Iguazú. Since the concession previously granted to Interbaires is set to expire on November 10, 2010, Interbaires made an offer to us to continue providing such services in the same manner as currently provided. This concession term extension offer was accepted by the Company on May 4, 2010. The additional term under which Interbaires will continue providing services to us consists of an additional 17 years, two (2) months and 29 days, and expires on February 8, 2028. Interbaires pays us a monthly royalty fee equal to 11% of its total gross revenue.
- *Agreement with Gate Gourmet (previously Buenos Aires Catering):* On June 8, 1989, the Argentine National Government granted a concession to Buenos Aires Catering for an indefinite period of time. Such concession was terminated in 2000, when we granted them a commercial use permit. In 2005, we entered into an agreement with Gate Gourmet, which substituted the previous agreement, and granted such company an exploitation and commercial use permit for the provision of catering services in aircraft, laundry services, catering for third parties delivered outside the airports and training courses, among other services. Such agreement shall expire on February 29, 2028. Pursuant to such agreement, Gate Gourmet is required to pay us a monthly fee of 10% of the gross amounts invoiced by such company for the provision of catering services, 5% of the gross amounts invoiced for laundry services, 1.5% of the gross amounts invoiced for the renting of space for training courses and 1.5% of the gross amounts invoiced for catering to third parties delivered outside the airports.

Applicable Law and Jurisdiction

The Concession Agreement is governed and interpreted in accordance with the laws of Argentina. The parties to the Concession Agreement agreed to accept the jurisdiction of the competent federal courts of the City of Buenos Aires.

Miscellaneous Provisions

Under the terms of the Concession Agreement, the Argentine National Government and we have additional rights and obligations, including the following:

- We are permitted to use and manage airports other than the “Group A” airports with the prior authorization of the Argentine National Government;
- In order to encourage the performance of new works in the airports, we may stipulate in agreements with third parties aimed at rendering services which require the performance of new works, upon the prior authorization of the ORSNA, that these agreements shall continue in effect in the event of an early termination of the Concession Agreement. In such a case, the Argentine National Government or its assignee may subrogate our rights and obligations under such agreements; and
- The Argentine National Government, through the Secretary of Transportation, is required to establish a procedure for governing slot allocation at each apron.

Specific Allocation of Revenue

Under the terms of the Concession Agreement and the Memorandum of Agreement, we are required to, on a monthly basis, allocate an amount equal to 15% (in Argentine pesos) of the total revenue derived from the Concession (the “Specific Allocation of Revenue”), pursuant to the following percentages:

- 11.25% of total revenue to a trust for the development of the National Airport System to fund capital expenditures for the National Airport System. The Secretary of Transportation, following the ORSNA’s approval, will determine which construction projects within the National Airport System shall be implemented with such funds, whether at airports operated by us or not. We may file proposals with the ORSNA which, together with the ORSNA’s proposals, shall be communicated to the Secretary of Transportation, which shall decide the application of the trust funds.
- 1.25% of total revenue to a fund to study, control and regulate the Concession, which shall be administered and managed by the ORSNA.
- 2.5% of total revenue to a trust for investment commitments for the “Group A” airports of the National Airport System.

The Specific Allocation of Revenue is set forth in a trust agreement for the development of the National Airport System executed on December 29, 2009 between us, and Banco Nación, as trustee (the “Development Trust”). See “—Development Trust” below.

However, for the purpose of calculating the Specific Allocation of Revenue, we do not take into account our revenue derived from reimbursement of expenses by our Sub-concessionaires and the revenue resulting from our contributions to the Development Trust aimed at investments in our airports equivalent to 2.5% of the total revenue derived from the Concession.

Investment Plan and Master Plans

Investment Plan

Under the terms of the Concession Agreement, we are required to make capital expenditures in accordance with our investment plan submitted with the Memorandum of Agreement, which sets forth our required investment commitments for the period from 2006 through the end of the Concession Agreement in 2028. Under the Concession Agreement, our total required investment commitments from January 2006 until 2028 are AR\$2,158.4 million (calculated in December 2005 values). As of December 31, 2015, we have invested AR\$1,593.6 million (calculated in December 2005 values) under our investment plan. Our investments have thus far been financed by cash generated by our operations and the net proceeds from our issuance of indebtedness. We expect to finance the remainder of our investment commitments under the Concession principally with cash generated by our operations and the remaining proceeds from the issuance of the Notes.

Compliance with the investment plan was evaluated after the first five-year period following the effective date of the Memorandum of Agreement. The first five-year period ran from December 13, 2007 until December 31, 2012, while the second five-year period overlaps with the first five-year period and ran from January 1, 2011 to December 31, 2015. We are allowed to compute the amounts invested in 2012 in each five-year period. For the period from January 1, 2016 through the end of the Concession Agreement, the investment plan will be revised and approved by the ORSNA every five years, notwithstanding other adjustments that the ORSNA may apply within its annual review of the economic equilibrium. The investments contemplated in the five-year plans submitted to the ORSNA will be directed, in all cases, to cover operating needs and capacity and demand increases, as well as the fulfillment of international quality and safety standards within our airports. Each successive investment plan will take into account our revenue and expenses as they relate to the financial projections set forth in the Concession Agreement. We may not commence works that are not authorized by the ORSNA and included in the applicable investment plan. We are required to present, pursuant to the procedures established by the ORSNA, each five-year investment plan to the ORSNA by January 31 of the year prior to the year in which the investment plan will come into effect. If the ORSNA comments on the investment plan, we are required to modify the investment plan in accordance with the comments or we will be deemed to have breached the Concession Agreement. In addition, the ORSNA will specify the rules governing the authorization of our related construction.

Under the Concession Agreement, the ORSNA may revise the timing of the works contemplated in the applicable investment plan and may also modify the investment plan to require additional works, provided that such modifications may not require investment commitments in excess of those already contemplated for the relevant annual period.

In order to guarantee performance of the works under the investment plan, we are required to enter into a guarantee with a value equal to 50% of the works planned for the year before March 31 of each year. We may pledge securities, assets, mortgages and surety bonds to satisfy our guarantee requirements with the approval of the ORSNA. We may request from the ORSNA a reduction in the amount of the guarantee, which request must be responded to within 30 days after such request is made. For the period of 2016, we granted a surety bond in the amount of AR\$1,465.6 million to comply with the investment plan guarantee required by the Concession Agreement.

Works performed in accordance with the investment plan are entered in an investment registry maintained by the ORSNA, which catalogues both the physical progress and economic investments made under the investment plan. We are required to provide all the necessary documentation and any other data or reports requested by the ORSNA with respect to the investment registry.

Master Plan

Under the terms of the Concession Agreement, we are also required to establish a master plan for each of our airports, which shall be approved and can only be subsequently amended by the ORSNA. Each master plan sets forth the investment commitments to be received by each airport over the term of the Concession Agreement, taking into account the expected demand for aeronautical and non-aeronautical services.

Financial Projections

The Concession Agreement requires us to submit to the ORSNA financial projections, referred to as the Financial Projection of Income and Expenses, of our income, operational expenses, investment obligations and the procedure for paying balances and mutual claims during the term of the Concession Agreement. See “Regulatory Framework—The Concession Agreement—Withdrawal and Settlement of Claims.” The Concession Agreement contemplates annual revisions to the Financial Projection of Income and Expenses in order to preserve the stipulated economic equilibrium to be made during March of each year. All changes to the projections are contemplated to be effective as of April 1 of the same year, although as of September 30, 2016 the yearly adjustments for 2015 are not yet effective.

Under the Concession Agreement, the ORSNA must annually review the Financial Projection of Income and Expenses in order to verify and preserve the equilibrium of the variables on which it was originally based. During each annual review, amounts previously included in the Financial Projection of Income and Expenses as projections are replaced with our actual results of operations and investments for each relevant period. Our actual results of operations and investments for any year are adjusted to eliminate the effects of inflation for such year in accordance with a formula set forth in the Memorandum of Agreement, in order for the Financial Projection of Income and Expenses to be restated in December 2005 values. The ORSNA then determines a new set of projections through the term of the Concession which, together with our past results of operations, may result in an economic equilibrium. The three principal factors that determine economic equilibrium are the payments we make to the Argentine National Government, the fees we charge airlines and passengers for aeronautical services (such as aircraft landing charges and passenger use fees) and the investments that we are required to make under the Concession. The ORSNA then determines the adjustments to be made to these three factors that would be needed, if any, to achieve economic equilibrium through the term of the Concession. The only factor that has been adjusted in the past has been the fees that we are permitted to charge for aeronautical services and the additional investment commitments.

In addition, we may propose additional charges not included in the Concession Agreement whenever such charges are for technical and financial improvements to the rendering of services to users and air operators. In the event we engage in or offer new or additional services not expressly contemplated in the Concession Agreement, we may also request the ORSNA to approve such services and set additional fees for such services when the application of such additional fees results in better service for the airlines and the passengers using our airports.

As of 2012, the ORSNA has reviewed the Financial Projection of Income and Expenses four times through Resolution 115/12, dated November 7, 2012, Resolution 44/14 dated March 31, 2014, Resolution 167/15 dated November 20, 2015 and Resolution 100/2016 dated November 25, 2016. Pursuant to each of those Resolutions, the ORSNA has approved increases to the aeronautical fees.

Pursuant to Resolution No. 167/15, the ORSNA retroactively approved the Financial Projection of Income and Expenses for the 2013-2014 period, according to the following rules:

- (i) to re-establish the economic equilibrium of the Financial Projection of Income and Expenses through an increase in aeronautical fees; and
- (ii) to maintain the benefit airlines paying on time are entitled to under to Resolution 10/09, dated January 28, 2009, pursuant to which such airlines pay rates equivalent to 70% of the international aeronautical charges set forth in Annex II of the Memorandum of Agreement, instead of paying the rates established by ORSNA Resolution 168/15.

Pursuant to Resolution 168/15, dated November 20, 2015, the ORSNA approved a 29.8% increase to the international, regional and domestic passenger use fees.

Most recently, pursuant to Resolution No. 100/2016, the ORSNA retroactively approved the Financial Projection of Income and Expenses for the period of 2015, according to the following rules:

- (i) to re-establish the economic equilibrium of the Financial Projection of Income and Expenses through an adjustment in aeronautical fees; and
- (ii) to maintain the benefit airlines paying on time are entitled to under to Resolution 10/09, dated January 28, 2009, pursuant to which such airlines pay rates equivalent to 70% of the international aeronautical charges set forth in Annex II of the Memorandum of Agreement, instead of paying the rates established by ORSNA Resolution 101/2016, that will become effective as of January 1, 2017.

In addition, by means of Resolution No. 101/2016, the ORSNA approved a 14% decrease to the rate of the international passenger use fees and a 150% increase to the rate of the domestic passenger use fees. We filed a claim with the ORSNA regarding the adjustments to the rates approved by Resolution No. 101/2016 which, as of the date of this Offering Memorandum, has not been resolved.

Withdrawal and Settlement of Claims

As a consequence of certain circumstances affecting the Concession Agreement, including a delay in the effectiveness of the fee schedule thereunder, the Argentine economic and financial crisis and the reduction in air traffic as a result of the September 11th terrorist attacks, the SARS epidemic and, in Argentina, the bankruptcy filing (*concurso preventivo*) of Aerolíneas Argentinas S.A., among others, the Argentine National Government and we alleged the existence of certain breaches under the Concession Agreement against each other. In particular, the Argentine National Government alleged non-payment by us of the fee owed to them under the Concession Agreement. Concurrently, we submitted claims against the Argentine National Government in respect of compensation owed to us and other commitments by the Argentine National Government under the Concession Agreement. Pursuant to the Memorandum of Agreement, the Argentine National Government and we agreed upon a process for the settlement of such mutual claims.

Accordingly, we withdrew all claims and actions previously filed against the Argentine National Government arising under or in connection with the Concession Agreement and agreed not to file any actions or claims in foreign courts in connection with the settled claims. For its part, the ORSNA agreed to dismiss the summary proceedings brought against us pending resolution by a federal court.

As a result of the withdrawal of such claims, we and the Argentine National Government agreed that the total amount to be paid by us to the Argentine National Government was AR\$849.1 million, which we have reflected in our consolidated financial statements for the year ended December 31, 2006. We also agreed that this amount would be settled as follows:

- 22.96% (AR\$195 million) by depositing an amount equal to 7% of the revenue from international airport use fees collected from 2006 through 2013, or until such total has been fully deposited, whichever occurs first, into a trust set up by the Argentine National Government (the “Allocated Revenues under the Mutual Claim Settlement Procedure”). The Allocated Revenues under the Mutual Claim Settlement Procedure were fully cancelled in 2011; see “—Development Trust;”
- 18.61% (AR\$158 million) was settled by delivery of all of our peso denominated notes convertible into common shares of AA2000 of nominal value, one peso (AR\$1) each, due in 2019 (the “Convertible Notes”). The Convertible Notes were allocated to, and privately subscribed by, the Argentine National Government. On December 27, 2011, the Argentine National Government exercised its conversion right under the Convertible Notes and converted AR\$158,000,000 of Convertible Notes into 38,779,829 Class D shares, representing 15% of the Company’s ordinary capital stock; and
- 58.43% (AR\$496.1 million) was capitalized by the delivery to the Argentine National Government of 496,161,413 preferred shares which are convertible into common shares. Such preferred shares have a nominal value of AR\$1 each and are without voting rights, as approved at our shareholders’ meeting dated March 6, 2008. We may entirely redeem them at any time for

nominal value plus accrued interest. Beginning in 2020, the Argentine National Government will be able to convert all of the preferred shares into common shares with a nominal value of one peso each, up to a maximum amount of 12.5% per year of the total amount of the initial preferred shares issued to the Argentine National Government to the extent we have not previously redeemed such an annual percentage for that year. At the time of exercising any conversion, the Argentine National Government shall execute an agreement with other shareholders to secure and maintain the Argentine National Government's level of participation in common shares as a consequence of the conversion. The preferred shares will accrue an annual dividend of two percent of the nominal value of the preferred shares, which shall be paid in kind with delivery of additional preferred shares and will be accumulated in the event we do not have sufficient retained earnings during a given fiscal period. In addition, the preferred shares have a priority over common shares in the event of a liquidation.

The above decisions to increase our corporate capital, issue preferred shares and issue the Convertible Notes were authorized by the ORSNA under Resolution 26 dated April 25, 2008. In turn, these were authorized by the CNV on June 9, 2008 and registered before the RP on June 19, 2008 under No. 12,201, Corporations Book No. 40.

The preferred shares will be considered part of our shareholder's equity so long as they are not redeemed by us. The debts and commitments are reflected in our Consolidated Financial Statements. If we default in our payment obligations described above, the Argentine National Government may terminate the Concession Agreement and we will owe the Argentine National Government the unpaid balance of such liabilities plus interest and expenses.

Regulation of Rates

The Concession Agreement establishes the maximum rates that we may charge to aircraft operators and passengers for aeronautical services that principally consist of passenger use fees for the use of the airports, which are charged to each passenger and vary depending on whether the passenger's flight is an international, regional or domestic flight, and aircraft charges, which are charged for aircraft landing and aircraft parking and vary depending on whether the flight is international or domestic, among other factors. In accordance with its annual review of our financial projections, the ORSNA may adjust the maximum rates which we may charge, taking into account increases in air traffic, improvements in efficiency, increases in taxes, the level of services provided, projected investment levels under the master plan and the need to preserve the economic equilibrium of the Concession Agreement. See "—Financial Projections" above. In addition, from time to time as established by the ORSNA, we may set rates for arrangements not contemplated under the Concession Agreement when the implementation of such additional rates represents technical and financial improvements in the provision of services to airlines and passengers. Under Argentine law, we have the right to collect all use fees and aircraft charges.

Fees for the Use of the Airports (Passenger Use Fees)

The table below sets forth the maximum rates that, effective as of January 1, 2017, we may charge for passenger use fees by airport category under the Concession Agreement. The implementation of such rates generally occurs over different periods of time following effectiveness of the resolution authorizing such rates. We filed a claim with the ORSNA regarding the rate adjustments approved by Resolution No. 101/2016 that became effective as of January 1, 2017. As of the date of this Offering Memorandum, our claim has not been resolved by the ORSNA. See "Management's Discussion and Analysis of Financial Conditions and Results of Operations—Classification of Revenue—Maximum Rates.

Use Fees Per Departing Passenger	Airport category			
	I	II	III	IV
International flights.....	US\$49.00	US\$36.48	US\$32.34	US\$32.34
Domestic flights.....	AR\$74.33	AR\$52.00	AR\$45.50	AR\$45.50

Regional passenger use fees are a variation of the international flight passenger use fees and are applied only to international flights which cover a distance of less than 300 kilometers (187.5 miles), including international flights between the City of Buenos Aires and Uruguay. Regional passenger use fees are set at US\$25.16 and correspond to the following airports and destinations: Río Grande Airport and Río Gallegos Airport to all passengers flying to Punta Arenas, Chile; Bariloche to all passengers flying to Puerto Montt, Chile; Mendoza to all passengers flying to Santiago de Chile, Chile; and Resistencia, to all passengers flying to Paraguay.

Passenger use fees on international flights are not charged for: (i) children under the age of two, (ii) diplomats and (iii) transfer and transit passengers. Passenger fees on domestic flights are not charged for: (i) children under the age of three and (ii) transfer and transit passengers.

Aircraft Charges

Landing Charges

The table below sets forth the maximum amounts that, effective as of January 1, 2017, may collect from aircraft operators by airport category under the Concession Agreement in respect of international and domestic aircraft landing charges.

International Flights

Aircraft weight	Airport Category			
	I	II	III	IV
2 - 12 tons.....	29.32	17.39	9.99	9.99
Minimum fee	184.89	92.38	39.57	39.57
12 - 30 tons.....	6.27	3.73	2.24	2.24
31 - 80 tons.....	7.16	4.48	2.62	2.62
81 -170 tons.....	8.81	5.37	-	-
> 170 tons.....	9.76	-	-	-
Minimum fee	81.50	48.51	29.11	29.11
Surcharge for operation out of the normal timetable	352.82	255.12	162.84	162.84
Surcharge for night air field lighting	30%	30%	30%	30%

Domestic Flights

Aircraft weight	Airport Category			
	I	II	III	IV
2 - 12 tons	20.37	15.18	8.82	4.54
Minimum fee	142.73	108.34	62.15	31.53
12 - 30 tons	1.05	0.67	0.43	0.26
31 - 80 tons	1.14	0.76	0.52	-
81 -170 tons	1.26	0.88	-	-
> 170 tons	1.47	-	-	-
Minimum fee	13.65	8.71	5.59	3.38
Surcharge for operation out of the normal timetable	260.00	188.00	120.00	68.00
Surcharge for night air field lighting	30%	50%	30%	30%

Per ton aircraft charges are charged for international and domestic flights to all commercial and private aircraft, with the exception of aircraft that weigh less than two tons. Aircraft weighing between two and twelve tons pay the minimum fee set forth in the table above. A rush-hour landing surcharge, equal to 50% of the landing fee applicable to such aircraft, is charged to all domestic and international flights that land at Aeroparque between 6:00 a.m. and 10:00 am, and between 6:30 p.m. and 9:30 p.m., daily.

Pursuant to ORSNA Resolutions 10/09, 126/11, 45/14 and 168/15 and 101/2016, airlines that pay aircraft landing charges on time benefit from a discount pursuant to which such airlines pay rates equivalent to 70% of the international aeronautical rates set forth in Annex II of the Memorandum of Agreement, irrespective of the rates set forth in each of such resolutions. With respect to the rates set forth by ORSNA Resolution 101/2016, which are currently in place, the discount entails a 42.35% effective discount. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Classification of Revenue—Maximum Rates.”

Aircraft Parking Charges

The table below sets forth the maximum amounts that, effective as of January 1, 2017, we may collect from aircraft operators, by airport category, under the Concession Agreement with respect to international and domestic aircraft parking charges. The implementation of such rates generally occurs over different periods of time following effectiveness of the resolution authorizing such rates. We filed a claim with the ORSNA regarding the rate adjustments approved by Resolution No. 101/2016 that will become effective as of January 1, 2017. As of the date of this Offering Memorandum, our claim has not been resolved by the ORSNA. See “Management’s Discussion and Analysis of Financial Conditions and Results of Operations—Classification of Revenue—Maximum Rates

International Flights

Aircraft weight (tons)	Ezeiza/ Aeroparque	Airport Category			
		I	II	III	IV
(US\$ per ton per hour or fraction)					
5 - 12 tons.....	3.84	1.92	1.43	1.12	1.12
Minimum fee	55.46	36.99	13.18	13.18	13.18
12 - 80 tons.....	0.34	0.17	0.13	0.10	0.10
81 -170 tons.....	0.48	0.20	0.14	0.11	-
> 170 tons.....	0.98	0.22	0.14	-	-
Minimum fee	7.33	4.89	2.44	2.44	2.71

Domestic Flights

Aircraft weight (tons)	Ezeiza/ Aeroparque	Airport Category			
		I	II	III	IV
(US\$ per ton per hour or fraction)					
5 - 12 tons.....	4.45	2.65	2.1	1.6	1.05
Minimum fee	124.44	81.9	51.9	37.8	23.64
12 - 80 tons.....	0.15	0.65	0.50	0.40	0.20
81 -170 tons.....	1.15	0.65	0.50	0.40	-
> 170 tons.....	1.50	0.85	0.62	-	-
Minimum fee	39.50	26.00	16.50	12.00	7.50

Aircraft parking charges for international flights are charged to all commercial and private aircraft, with the exception of aircraft that weigh less than five tons. Aircraft parking charges for domestic flights are charged to all commercial and private aircraft, with the exception of aircraft that weigh less than five tons. Aircrafts that weigh less than five tons pay the minimum fee set forth above, only when parking time is greater than 15 days within a one month period. Aircraft parking charges for international and domestic flights for Ezeiza and Aeroparque are charged to aircrafts parked in an operative apron, aircraft parking charges for international and domestic flights for aircraft parked in a remote apron are charged the fees corresponding to Category I. Free parking time is not be applicable, irrespective of whether the flight is international or domestic, or commercial (whether in regular flight or not) or private.

Pursuant to ORSNA Resolutions 10/09, 126/11, 45/14, 168/15 and 101/2016, airlines that pay aircraft parking charges on time benefit from a 30% discount pursuant to which such airlines pay rates equivalent to 70% of the international aeronautical rates set forth in Annex II of the Memorandum of Agreement, regardless of the rates set forth in each of such resolutions. With respect to the rates set forth by ORSNA Resolution 101/2016, which are currently in place, the discount entails a 42.35% effective discount. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Classification of Revenue—Maximum Rates.”

Non-Aeronautical Revenue

The Concession Agreement defines “non-aeronautical services” as those services which are provided by us, either directly or indirectly by third parties, which are not contemplated in Annex II of the Concession Agreement. Those services include, among others, (i) commercial transportation services, including hangar services, maintenance of aircraft, training of pilots, aircraft fueling, leasing of space to airlines and catering, among others; (ii) commercial development services in the airport, including warehouse usage, duty free shops, car rentals, car parking facilities, retail stores, banks and exchange institutions, telecommunications, advertising and passenger

services, among others; and (iii) ancillary services performed at the airport, including cleaning services, private security and maintenance of buildings.

Fees for non-aeronautical services may be freely established by us. However, under the terms of the Concession Agreement, we are required to submit to the ORSNA any information it requests in connection with our agreements with third parties for the provision of non-aeronautical services within 30 days of the execution of such agreements. If the ORSNA objects to the terms of an agreement, it may request that the agreement be terminated. Either we or the third party may challenge such request in an administrative proceeding to be decided by the ORSNA, which is subject to further administrative proceedings and judicial review.

Termination and End of Concession

Termination by the Argentine National Government upon breach by the Company

The Argentine National Government may terminate the Concession Agreement upon the existence of the following conditions:

- if we repeatedly breach, as determined by the ORSNA, any of our obligations under the Concession Agreement and the breach is not cured within the time period specified by the ORSNA in its notice of the breach;
- if the cumulative amount of fines (affirmed by final administrative ruling) imposed on us exceeds 20% of our annual gross revenue, net of taxes and charges, as calculated by the ORSNA at the end of each fiscal year;
- if any of our shareholders encumber or allow to be encumbered in any manner our shares without the ORSNA's consent, and do not secure the discharge of the encumbrance within a time period specified by the ORSNA;
- if we fail to pay the fee in due manner and time;
- if our shareholders approve, without the ORSNA's consent, an amendment to our bylaws or a stock issuance that alters or permits alterations of the shareholdings existing at the time of incorporation, on the terms established under the Concession Agreement; or
- if our stock is transferred and no technical expert remains a shareholder without the prior approval from the ORSNA.

If the Argentine National Government elects to terminate the Concession Agreement (even due to our breach), it is required to pay us the value of the aeronautical investments we have made that have not been amortized as of the time the termination is ordered, after deducting the following percentages as compensation for damages incurred:

- 50% during the first 10 years of the Concession;
- 45% during the second 10-year period of the Concession; and
- 40% during the third 10-year period of the Concession.

Aeronautical investments include those investments that are contemplated under the Concession Agreement or that are specifically authorized by the ORSNA as aeronautical investments within our airports premises, but do not include investments not originally contemplated under the investment plan that are not expressly authorized by the ORSNA. In the event that the Argentine National Government elects to terminate the Concession Agreement for one of the reasons stated above, the Argentine National Government and the ORSNA may also foreclose on and collect the full amount of the Performance Guarantees.

Termination of the Concession Agreement shall be deemed a Default under the Notes. See “Description of Notes” and will result in all amounts in the Collection Accounts being applied as set forth in “Description of Notes—Payments from the Collections Accounts Following Default.”

Buyout of the Concession Agreement

Under Argentine public law, the Argentine National Government has the right to buyout or otherwise terminate concessions, including our Concession, at any time if such buyout or termination is made in the public interest. Under the terms of the Concession Agreement, the Argentine National Government has agreed not to buy out our concession rights until February 13, 2018. If the Argentine National Government elects to buy out the Concession Agreement, it is required to pay us the value of the amortized aeronautical investments we have made as of the time of the buyout, multiplied by 1.10. The Argentine National Government is also required to pay us the value of all other aeronautical investments we make in our airports that have not been amortized. The Argentine National Government will not pay us for investments not foreseen in our investment plan or that have not been authorized by the ORSNA. In addition, the Argentine National Government must assume in full any debts incurred by us to acquire goods or services for purposes of providing airport services, except for debts incurred in connection with the investment plan (such as the issuance of the Notes) for which we would be compensated as part of the payment made to us by the Argentine National Government (i.e. the Transferred Concession Indemnification Rights). However, in accordance with section 30.4 of the Memorandum of Agreement, while a collateral assignment of revenue that is made into a trust remains in effect, we will have no right to indemnification for the investments secured by the relevant collateral assignment.

The buyout of the Concession Agreement by the Argentine National Government will result in a Default under the Indenture and will result in all amounts in the Collection Accounts being applied as set forth under “Description of Notes—Payments from the Collections Accounts Following Default.”

Termination by the Company upon breach by the Argentine National Government

We may demand termination of the Concession Agreement if the Argentine National Government breaches its obligations in such a manner as to prevent us from providing the services required of us under the Concession Agreement or which permanently affects the same and if the Argentine National Government does not remedy the situation giving rise to such breach within 90 days following notice from us.

Upon our termination of the Concession Agreement, we shall be entitled to the following damages from the Argentine National Government:

- if terminated during the first 10 years of the Concession Agreement, the amount of our aeronautical investments that have not been amortized as of the time of the termination multiplied by 1.30;
- if terminated during the second 10-year period of the Concession Agreement, the amount of our aeronautical investments that have not been amortized as of the time of the termination multiplied by 1.20; and
- if terminated during the third 10-year period of the Concession Agreement, the amount of our aeronautical investments that have not been amortized as of the time of the termination multiplied by 1.10.

Additionally, if the Argentine National Government’s breach of the Concession Agreement that gives rise to our termination of the Concession Agreement is caused by the negligence, fault or willful misconduct of the individuals acting on behalf of the Argentine National Government, we shall have the right to demand compensation for all damages, with the exception of lost profits, that arise in connection with our obligations under the Concession Agreement.

Termination of the Concession Agreement shall be deemed a Default under the Notes. See “Description of Notes” and will result in all amounts in the Collection Accounts being applied as set forth in “Description of Notes—Payments from the Collections Accounts Following Default.”

End of Concession

Upon the termination of the Concession Agreement, we will be required to (i) turn over the “Group A” airports to the Argentine National Government and all property thereof, together with any improvements thereto, at no charge and in good condition, subject to normal wear and tear; (ii) undertake responsibility for payment of all of our debts, which cannot be transferred to the Argentine National Government; and (iii) transfer to the Argentine National Government or the new grantee of the concession the performance of all services in connection with the Concession, including developments and technological breakthroughs and other services related to the performance of the services under the Concession Agreement.

In addition, under the terms of the Concession Agreement, no agreement entered into by us and in effect as of such date will be transferred to the Argentine National Government upon the end of the Concession. We are required to include provisions in any such agreements whereby the providers of goods or services undertake to continue with the performance of the relevant agreements for at least 180 days following the end of the Concession. Such agreements shall also provide for the Argentine National Government’s right to terminate the same.

Notwithstanding the foregoing, pursuant to section 30 of the Memorandum of Agreement a collateral assignment of revenue that is made into a trust may remain in effect even upon an early termination of the Concession Agreement, as long as the application of funds thereunder is audited by the Argentine National Government and/or by a consulting firm, hired for such purpose and satisfactory to the Argentine National Government. The collateral assignment of revenue must be previously authorized by a resolution of the ORSNA. On January 17, 2017, the ORSNA issued Resolution No. 1/2017, pursuant to which it authorized the collateral assignment of revenue under the Notes, up to an amount equal to US\$400,000,000. While such a collateral assignment remains in place, we will have no right to indemnification for the investments secured by the relevant collateral assignment; see “Risk Factors—Risks Related to the Notes—We shall have no right to indemnification under the investments for which the proceeds of the offering of the Notes will be used while the Trust and the Existing Notes remain in place, which will reduce the amount of the Transferred Concession Indemnification Rights available to the Holders upon an acceleration of the Notes” and “—Collateral Assignment of Revenue.”

Development Trust

On December 29, 2009, we, as trustor, and Banco Nación, as trustee, entered into the Development Trust, aimed at managing and allocating the funds to be transferred by us under the Specific Allocation of Revenue and the Allocated Revenues under the Mutual Claim Settlement Procedure. The Secretary of Transportation and the ORSNA also executed the Development Trust acknowledging and providing their consent with the terms and conditions therein.

Under the Development Trust, the following trust funds (“Trust Funds”) were established:

- (i) “Trust Fund to Study, Control and Regulate the Concession,” consisting of the assignment in trust of 1.25% of our total revenues, which shall be designated to carry out studies on the control and regulation of the Concession as required by the ORSNA;
- (ii) “Trust Fund for the Payment of the Unpaid Amounts Arising from Mutual Claims,” consisting of Allocated Revenues under the Mutual Claim Settlement Procedure, which shall be designated to pay the amount of AR\$195 million plus interest at a two (2%) annual rate, owed to the Argentine National Government according to the provisions set forth in the Memorandum Agreement. See “—The Concession Agreement—Withdrawal and Settlement of Claims.” In turn, such funds shall be used in connection with infrastructure projects at airports of the National Airport System not operated by us;

- (iii) “Trust Fund for Funding Infrastructure works of the National Airport System,” consisting of the assignment in trust of 11.25% of our total revenues, 70% of which is to be contributed to finance infrastructure airport works and to improve the services provided in airports of the National Airport System and 30% of which is to be contributed directly to ANSES.
- (iv) “Trust Fund for Funding Infrastructure Works in “Group A” airports of the National Airports System,” consisting of the assignment in trust of 2.5% of our total revenues derived from services under the Concession, which shall be designated to finance works included in each five-year investment plan.
- (v) “Trust Fund for Infrastructure Airport Works Derived from Potential Charges and Tariff Increases for Specific Allocations,” consisting of the assignment in trust of 100% of the amounts deriving from specific charges and tariff increases that may be set in the future, net collection expenses, which shall be designated to finance airport infrastructure works as it shall be detailed in the regulations under which such specific tariff and charges are created. Pursuant to Resolutions No. 118/12, as amended, and 45/14, the ORSNA created two specific trust funds: (a) “Trust Fund for Works of 2012 Project” and (b) “Trust Fund for the Reinforcement of Significant Works in “Group A” Airports”. Under these trusts, after giving effect to the Specific Allocation of Revenue detailed in items (i), (iii) and (iv) above, we must assign: (1) 100% of the difference between the increase of the passenger use fee approved by the ORSNA for the 2011 – 2012 period, in comparison with the fees in effect as of 2010, for the “Trust Fund for Works of 2012 Project”, until we finished the works under 2012 investment plan or the expiration of a 30-year period, whichever occurs first; and (2) 10.72% of the passenger use fees approved by the ORSNA for the 2011 – 2012 period, for the “Trust Fund for the Reinforcement of Significant Works in “Group A” Airports” (which include works that were not previously specified in the Concession Agreement, nor in the Memorandum of Agreement), until the expiration of our Concession or the expiration of a 30-year period, whichever occurs first.

The term of the Trust Funds shall not exceed thirty (30) years and shall be terminated if the Concession is terminated for any cause, except for the “Trust Fund for the Payment of the Unpaid Amounts Arising from Mutual Claims,” which terminated in 2011, and the “Trust Fund for Infrastructure Airport Works Derived from Potential Charges and Tariff Increases for Specific Allocations,” which shall have the duration set forth under the regulations pursuant to which such tariff and charges are created.

The ORSNA shall calculate the amounts that we shall transfer on a monthly basis to Banco Nación pursuant to the proceeding for Specific Allocation of Revenues approved by ORSNA Resolution 64/2008, dated August 7, 2008. The amount calculated shall be communicated to us and to Banco Nación during the first 15 days of each month. We shall deposit the respective amounts during the following 48 business hours after being notified of the amount by the ORSNA. In the event of payment default, the amounts will accrue interest at a rate equal to one and a half (1.5) times the discount rate for commercial transactions of Banco Nación in pesos.

The Development Trust sets forth that we are not obligated to make any additional capital contributions to the Trust Funds. In the event Trust Funds are insufficient to meet their purpose due to a cause not related to us, the amounts required to fulfill the commitments undertaken shall be paid by the Argentine National Government.

Contributions to the Development Trust

Pursuant to the Development Trust, the Specific Allocation of Revenue and the Allocated Revenues under the Mutual Claim Settlement Procedure retroactively accrued from January 1, 2006 through the execution date of the Development Trust would be transferred to the Development Trust pursuant to the conditions and methodologies to be set forth by the ORSNA, with the approval of the Secretary of Transportation.

The Development Trust provides that we may pay the amounts in cash payable to the Development Trust through the assignment of credits owed to us originated in aeronautical services and/or non-aeronautical services within the Concession, subject to the ORSNA’s prior authorization.

Environmental Issues

We, our Sub-concessionaires and our airline customers are subject to various environmental laws, regulations and authorizations, including the terms of the Concession Agreement. These requirements are a significant consideration for us as our airport operations involve the use, storage and disposal of fuels and other hazardous materials, waste management, the maintenance of aircraft and related services. Failure to comply with these environmental requirements could result in our being subject to litigation, fines or other sanctions.

We have incurred and expect to continue to incur compliance costs relating to such requirements. In addition, we could be held responsible for contamination, human exposure to hazardous materials or other environmental damage at our airports or otherwise related to our operations, even if we were not at fault or if such matters were caused by a Sub-concessionaire, an airline customer or other third party. Pursuant to the Memorandum of Agreement, we are required to assess and remediate environmental damage at our airports. Following the expiration of the Concession Agreement, we could still be held liable for environmental damages that arise after such expiration, but which were caused while we were the concessionaire. Environmental claims have been asserted against us, and additional such claims may be asserted against us in the future. See “Business—Legal Proceedings—Environmental Proceedings.”

Pursuant to the Argentine Constitution, the Argentine Aeronautical Code and the Concession Agreement, our airports are considered national public utility establishments subject to the jurisdiction of national authorities. As such, with respect to environmental matters we are subject to the supervision of (i) the ORSNA and (ii) the National Secretary of the Environment and Sustainable Development (*Secretaría de Medio Ambiente y Desarrollo Sustentable de la Nación*). We are supervised and audited by each of these authorities, and the ORSNA has the right to access and review our airport facilities. In addition, we maintain an environmental management system, which is implemented by us as well as by certain contractors working at our airports in an effort to mitigate adverse environmental impacts. We also conduct periodic internal environmental audits on the Sub-concessionaires and, pursuant to the Memorandum of Agreement with prior approval by the ORSNA, we assess certain environmental impacts at our airports and take steps to remediate such impacts at our cost. The relevant expenses count towards our investment plan. Pursuant to a collaboration agreement (*Convenio de Colaboración*) executed on August 26, 2008 by the Water Department of the Province of Buenos Aires (*Autoridad del Agua de la Provincia de Buenos Aires*, or the “ADA”) and the ORSNA, we, our Sub-concessionaires and our airline customers are subject to regulation and control by the ADA with respect to certain matters at Ezeiza, San Fernando and Mar del Plata airports.

In accordance with section 22 of the Environmental Policies Law N. 25,675, we carry environmental insurance for Ezeiza, which cover the cost of repairing environmental damages. We are in the process of obtaining environmental insurance for Aeroparque. We are not required to have environmental insurances for the rest of our airports.

The ORSNA must authorize any enlargement or remodeling project undertaken at our airports. In connection with such projects, we may be required to prepare assessments of the projects’ potential environmental impacts.

MANAGEMENT

Board of Directors

Our board of directors is responsible for our management. According to our bylaws, the board of directors shall be made up of eight directors. Each director shall remain in office for a term of one year. At the shareholders' meeting, the shareholders may also designate up to an equal number of alternate directors.

Directors are appointed at a general shareholders' meeting. The Argentine National Government, as holder of Class D shares, has the right to appoint one director and one alternate director, and as holder of preferred shares, has the right to appoint one director and one alternate director.

Our legal representative is the Chairman of our board of directors and, in his absence, the Vice Chairman. The board of directors, at its first meeting, appointed a Chairman and a Vice Chairman.

The current members of the board of directors were appointed for a one-year term by our shareholders at the shareholders' meeting held on April 25, 2016. The Argentine National Government appointed two directors and two alternate directors, one for the Class D shares and one for the preferred shares. The alternate director appointed by the Argentine National Government as holder of Class D shares did not accept his appointment, and the alternate director appointed by the Argentine National Government as holder of preferred shares resigned to his appointment effective as of October 20, 2016. The following table provides information about our current board of directors:

Name	Date of Birth (mm/dd/yyyy)	Position Held	First appointment	Expiration of appointment	Independency status according to CNV criteria
Rafael Antonio Bielsa	02/15/1953	Chairman (Class C)	03/22/2013	12/31/2016	Non-independent
Máximo Luis Bomchil	05/13/1950	Director (Class A)	06/26/2008	12/31/2016	Non-independent
Antonio Matías Patanian	04/26/1969	Vice-Chairman (Class B)	04/21/2014	12/31/2016	Non-independent
Orlando Joaquín Ferreres	10/11/1944	Director (Class A)	04/25/2016	12/31/2016	Independent
Jorge González Galé	08/21/1948	Director (Class B)	04/25/2016	12/31/2016	Independent
Raúl Guillermo Francos	07/01/1947	Director (Class C)	03/22/2013	12/31/2016	Non-independent
Luis Ramón Freixas Pinto	09/02/1943	Director (Class D)	01/12/2016	12/31/2016	Independent
Eduardo Pablo Braun	06/25/1963	Director (preferred shares)	01/12/2016	12/31/2016	Independent
Gustavo Lupetti	05/30/1966	Alternate Director (Class A)	05/29/2008	12/31/2016	Non-independent

All of our directors reside in Argentina.

The directors currently in office were designated for a one-year term that expired on December 31, 2016. Notwithstanding the foregoing, pursuant to Section 257 of the Argentine Corporations Law, directors shall remain in office until new directors are appointed. The board of directors meetings may be called by the chairman or vice chairman, or at the supervisory committee's discretion. The board of directors will meet at least once quarterly.

The quorum required for the board of directors to hold a valid meeting is the majority of its members. The board of directors makes decisions by the majority vote of its members that are present. In the event of a tie, the chairman or, if applicable, the person who replaces him, casts the deciding vote.

The meetings of the board of directors may be held in the jurisdiction of the legal domicile where the corporate books are kept or abroad. In this event, the minutes shall be entered in the respective minute book and signed by the directors present at the meeting within five days following the meeting. In addition, meetings may be held with members present in person or by teleconference. The supervisory committee shall place on record the decisions that were adopted in a regular manner. To establish a quorum, both the directors present and those participating by video teleconference shall be counted. The minutes of the board of directors' meetings shall

expressly state which directors were present and the number and names of directors that attended via video teleconference.

The board of directors has all of the necessary powers to manage and dispose of property, including for those situations where the law requires special powers of attorney under Section 375 of the Argentine Civil and Commercial Code and Section 9 of Decree 5965/63. Therefore, the board of directors may execute, on our behalf, various types of legal acts designed to carry out our corporate purpose. These include operating with the following banks: Banco Nación, Banco de la Provincia de Buenos Aires, Banco Hipotecario S.A. and other official or private credit entities; setting up agencies, branches or other kinds of representation within Argentina and granting general and judicial powers of attorney (including to file criminal actions) for the purpose with the scope it deems advisable.

The following is a summary of the business experience of our current directors.

Rafael Antonio Bielsa. Mr. Bielsa has a law degree from the National University of Rosario (*Universidad Nacional de Rosario*). He is also a politician and a writer. He is the Executive President of AA2000 since 2013. On December 30, 2011 he was appointed as Secretary of SEDRONAR (*Secretaría de Programación para la Prevención de la Drogadicción y la Lucha Contra el Narcotráfico*), where he served until March 2013. In 2003 he was appointed Minister of Foreign Affairs, International Trade and Worship (*Ministro de Relaciones Exteriores, Comercio Internacional y Culto*), where he served until 2005. In 2005 he was elected as member of the parliament (*diputado nacional*) of the City of Buenos Aires. In December 1999 he was appointed General Trustee of the Nation (*Síndico General de la Nación*), where he served through 2001. He published numerous articles on politics and law, including “*Transformación del derecho en justicia, ideas para una reforma pendiente*”, “*Sombras nada más*” and “*¿Qué son las asambleas populares?*”.

Máximo Luis Bomchil. Mr. Bomchil has a law degree from the Catholic University of Argentina (*Universidad Católica Argentina*) (1973), a *Juris Doctor* from Ludwig Maximilian University of Munich, Germany (1976), and a Master of Laws from the University College of London University (1977). He is the Honorary President of the law firm M. & M. Bomchil and former head of the firm's tax department. His practice focuses on general commercial and corporate law matters, with particular emphasis on corporate and tax matters, corporate acquisition arrangements and corporate restructuring. He represented national and foreign clients in public utility privatization processes, such as telecommunications, water supply, sewage services, airports and power generation and participated in various company acquisitions and corporate reorganizations. Mr. Bomchil is a member of the board of the Buenos Aires Bar Association and is its representative at the International Bar Association Council. He is a fellow of the American Bar Foundation and the College of Law Firm Managers and a member of the American Bar Association and the International Bar Association. He is the current Vice Chairman of the Franco-Argentine Chamber of Commerce and Industry President of the Alliance Française of Buenos Aires and member of the supervisory board of the *Fondation Alliance Française*. Mr. Bomchil is also member of the International Court of Arbitration of the International Chamber of Commerce. In 1993, Mr. Bomchil was awarded the emblem of *Chevalier de l'Ordre Nationale du Mérit* by the Government of France. In 2015, he was condecorated *Officer of the Legion d'Honneur*. He has been recognized by publications such as Chambers Latin America and Best Lawyers. Mr. Bomchil is Chairman of HCA S.A. He is also a syndic of Central Vuelta de Obligado S.A., Central Costanera S.A. and Hidroeléctrica El Chocón S.A.

Antonio Matías Patanian. Mr. Patanian has an international trade degree from the Argentine Business University (*Universidad Argentina de la Empresa*). He is the Chief Executive Officer of AA2000 since 2013. From 2003 to 2010 he served as Director of Purchasing and Recruitment (*Director de Compras y Contrataciones*) of AA2000 and from 2010 until 2013 he served as President Coordinator and directed our New Businesses department. From 2001 to 2003, he served as commercial manager of LAN Airlines and was the vice director of the artistic department, director of the sports department and manager of special events on América Multimedia (1996 – 2001). He also served as Vice Director and Director of Purchases on América Multimedia (1991 – 1996).

Raúl Guillermo Francos. Mr. Francos has an industrial engineering degree from the Technological Institute of Buenos Aires (*Instituto Tecnológico de Buenos Aires*) and a Master in Business Administration from the Institute of Business Studies of Austral University (*Instituto de Estudios Empresariales de la Universidad Austral*). Prior to joining AA2000, he served as Executive Director of Interbaires. He also served for 11 years in different roles in the health insurance sector, including as Planning Manager and Deputy General Manager at HSBC Salud S.A.,

Executive Vice-Chairman at OSDO and as plant engineer, plant manager, production manager and manager of business units at Grupo Ferrum Consortium.

Jorge Gozález Galé. Mr. González Galé is a chartered accountant from the Carlos Pellegrini School of Buenos Aires. He also has a certified public accounting degree and an actuarial degree from the University of Buenos Aires (*Universidad de Buenos Aires*). Mr. González Galé also participated at the Chief Executive Officer's Management Program at J.L. Kellogg Graduate School of Management. Since July 2012, Mr. González Galé is chairman of Aon Risk Services Latin America Region. He was the manager of the firm González Galé & Asociados, director of Sud Atlántica Compañía de Seguros S.A., president and general manager of Rimaco S.A., president and chief executive officer of Aon Risk Services Argentina S.A., chief executive officer of Aon Risk Services Latin America Region, and member of the executive committee of ARS Corporation.

Gustavo P. Lupetti. Mr. Lupetti has a law degree, with honors, and a master's degree in administrative law from the University of Buenos Aires. Prior to joining AA2000, he was an associate at the law firm M. & M. Bomchil and was Legal Manager of Coviares S.A. and Covimet S.A. He is a professor of Administrative Law at the University of Buenos Aires, a professor of concession arrangements for the postgraduate program in public contracts at the University of San Martín and an instructor of legal matters at the ICAI (*Instituto de Capacitación Aeronáutica Internacional*). He is also the author of various publications of administrative law. He is a member of the Argentine Association of Administrative Law (*Asociación Argentina de Derecho Administrativo*, or AADA) and of the Latin American Association of Aeronautical and Space Law (*Asociación Latinoamericana de Derecho Aeronáutico y Espacial*).

Luis Ramón Freixas Pinto. Mr. Freixas has a civil engineering degree from the University of Buenos Aires. He is a member of the board of directors of AA2000 since April 2016. He is also a partner of Marilauquen Sur SRL. From 1993 to 2001 and from 2001 to 2009, he was the general manager and president, respectively, of Autopistas del Sol. Additionally, from 1985 to 1993 he was the vice-president of Dycasa and manager – site manager of the same company from 1969 to 1985. He previously worked as an engineer for Dragados and Construcciones España and Polledo Construcciones. He was the head director of Dycasa (1985 – 2012), Telefónica de Argentina (2000 – 2010) and Semacar (1993 – 1996). He is a member of numerous chambers and non-governmental organizations, including Adespa, the Argentine Chamber of Commerce, ESADE, San Isidro Diocese and Educar Project 2050.

Orlando Joaquín Ferreres. Mr. Ferreres has a political economics degree from the University of Buenos Aires and attended to the Advanced Management Program of Harvard Business School. He is also a Doctor of Economics from the Catholic University of Argentina. He worked at Guillette de Argentina S.A., Grafa S.A. and the Bunge Group. He was Executive Vice President and General Manager of Compañía Química S.A. In 1989 he was in charge of the Secretary of Economic Coordination of the Ministry of Economy. In 1991, he founded Orlando J. Ferreres & Asociados S.A., a firm that provides economic and investment banking consulting services. He advises companies which sales represent 28% of the Argentine Gross Product (PBI) on macroeconomic matters. He was a professor of Micro Economy II at the University of Buenos Aires and gave conferences in the *Instituto de Altos Estudios Empresariales* (IAE). He is the president of the North and South Foundation (*Fundación Norte y Sur* – an entity devoted to the analysis of economic and social realities), was a member of the promoting group of the Austral University (*Universidad Austral*) and founder and current member of the Administrative Board of the Centro of Macroeconomic Studies of Argentina (CEMA). He is the Second Vice President of the Christian Association of Enterprises Managers (*Asociación Cristiana de Dirigentes de Empresa*) and a member of the *Academia del Plata*. He was president of PROSALUD, a non-governmental organization that provides medical services to people without financial resources. He is a member of the sponsoring group of *Colegio del Buen Consejo de Integración Social Villa-C Media* in Barracas. Mr. Ferreres published “*Dos Siglos de Economía Argentina*” (2nd Edition, 2010) and “*Recrear el humanismo cristiano*” (in collaboration, 2005). His articles have been published in La Nación and TN, among others.

Eduardo Pablo Braun. Mr. Braun has an industrial engineering degree from the University of Buenos Aires and a finance and marketing degree from the University of Pennsylvania (1990). He has served as a director of AA2000 since January 2016. He is an international lecturer on leadership and innovation and a business consultant. In recent years he was a guest professor at the University of California Berkeley and the Yale School of Management. He also is a member of the board of directors of Cuvelier los Andes and Aislantes Celulósicos, among others. From 1999 to 2011 he was a director of the HSM Group. He was one of the founding partners of the

management consulting firm MIG and in 1990 he worked as a management consultant in the Paris offices of the Booz Allen & Hamilton. He also served as Planning and Sales Manager of OMINT. He is the author of the book “People First: Chief Emotions Officers” and participates in several non-governmental organizations such as the Clinton Global Initiative, Libertad y Progreso and ICANA.

Our employment relationship with our directors is governed by Employment Law 20,744, except for Messrs. Freixas Pinto and Braun (both of whom were appointed as directors by the Argentine National Government, as holder of Class D shares and preferred shares) and Messrs. Bomchil, Ferreres and Gonzalez Gale. No family relationships exist among the members of our board of directors or among our senior management.

Senior Management

Our senior management oversees our day-to-day operations to ensure that our overall strategic objectives are implemented and reports to our Chief Executive Officer and our Chief Financial and Administrative Officer.

The following table sets forth certain relevant information about our current executive officers and senior management:

Name	Date of Birth (mm/dd/yyyy)	Position Held	First Appointment
Antonio Matías Patanian	04/26/1969	Chief Executive Officer (CEO)	08/26/2013
Raúl Guillermo Francos	07/01/1947	Chief Financial and Administrative Officer (CFO)	10/01/2003
Martín Esteban Leal	02/18/1970	Commercial Manager	04/16/2013
Gustavo P. Lupetti	05/30/1966	Legal Manager	08/01/1998
Camilo Roberto Armando Alujas	01/13/1957	Human Resources Manager	02/26/2014
Marcelo Minoliti	01/16/1966	Infrastructure Manager	11/01/2005
Guillermo Pedace	08/30/1973	Purchasing Manager	09/15/2010
Mariano Andrés Mobilia	11/26/1971	Operations, Maintenance, and Environmental Manager	04/19/2016
Lorena Leonor Furlan	05/05/1975	Customer Care Manager	04/19/2016
Carlos P. Touceda	03/09/1948	Corporate Security Manager	12/04/1998
José Luis Caroprese	08/20/1965	Air Cargo Manager	02/26/2014
Javier Estanislao Alemán	08/18/1973	IT Manager	04/16/2013
Jorge Alberto Lukowski	01/02/1974	Corporate image, institutional relationships and publicity manager	03/15/2001

Set forth below is a summary of the business experience of our senior management, except for the members of our senior management who are also directors, whose business experience is set forth above.

Antonio Matías Patanian. See “Management—Board of Directors” above.

Raúl Guillermo Francos. See “Management—Board of Directors” above.

Martín Esteban Leal. Mr. Leal completed courses on accounting, finance and administration. He is the Commercial Manager of AA2000 since 2011. From 2009 until 2011 he served as General Manager of Duty Free Argentina and between 2003 and 2009 he served as General Manager of Duty Free Uruguay. Previously, he was the General Manager of Compañía de Servicios Aeroportuarios S.A., and was in charge of a commercial unit of LAPA.

Gustavo P. Lupetti. See “Management—Board of Directors” above.

Camilo Roberto Armando Alujas. Mr. Alujas is the Human Resources Manager of AA2000 since 2014. From 1994 until 2001, he was the Manager of Human Resources of Banco de la Provincia de Buenos Aires. In 2001 he was appointed Sub-General Manager of the Human Resources department at the same bank, where he served until 2011. He completed various courses abroad Argentina, served as Vice President of the Human Resources Commission of the Latin American Banks Federation (FELABAN) and received provincial and national distinctions.

Marcelo Minoliti. Mr. Minoliti has an architecture degree from the University of Buenos Aires, a master's degree in design management from the Pratt Institute of New York and a master's degree in industrial design and design management from the Domus Academy of Milan. From 1990 to 1995, he was Architecture and Corporation Designer Manager of Multimedios América and Chief of the Stage Design Department of América T.V. Between 1988 and 1990, he held several positions at Cablevisión S.A., including Designer to the Chief of the Architecture Department. He was a professor of sustainable design in postgraduate studies of strategic design management at the Architecture Faculty of the University of Buenos Aires. He has presented seminars about the reuse of materials and sustainable design organized by the Metropolitan Center of Design of the City of Buenos Aires, Argentina, a seminar about airport design in the Architecture University of Yerevan, Armenia and other seminars about the reuse of materials in the Domus Academy, Italy. He completed various courses on Industrial Design and Advanced Airport Design in Argentina, Canada and the United States, and has given presentations about the Aeroparque and Ezeiza projects in Germany and France, respectively. He won prizes for the architectural design of Aeroparque and was honored in Argentina and Italy. He is an advisor of the Professional Committee of Architecture and Urbanism of Argentina.

Guillermo E. Pedace. Mr. Pedace studied accounting at the Argentine University del Salvador. From 1996 to 2001 he was the purchasing manager at Unitec Agro. Previously, he was the purchasing chief at Cablevisión S.A., and prior to that he worked in several other positions at the same company. Since September 15, 2010, Mr. Pedace has been in charge of purchases management at AA2000.

Mariano Andrés Mobilia. Mr. Mobilia has a mechanic aeronautical engineering degree from the Aeronautical Institute of the Province of Córdoba (*Instituto Universitario Aeronáutico Provincia de Córdoba*) (1998) with a specialization on Aerodynamic and Structural Design. He is the Operations, Maintenance and Environmental Manager of AA2000. From 2004 until 2011 he was the General Manager of Terminal de Cargas de Uruguay. He also worked in Puerta del Sur S.A. (Airport of Carrasco) until 2015 and then in the department of Operations and Maintenance of *Inframérica Concesionária Do Aeroporto de Brasília S.A. (Brasilia)* and of *Inframérica Concesionária Do Aeroporto de São Gonçalo do Amarante S.A. (Natal)*. He rendered services to Kuntur Wasi – a consortium integrated by Corporación América S.A. and Andino Investment Holding, which won the concession to build and operate the new International Airport of Chincheró in Cusco (AICC), and manages the airports of Arequipa, Juliaca, Puerto Maldonado, Tacna and Ayacucho. Between 2000 and 2002, he was assistant of New Businesses and Warehouse Direction and then of the American Courier Management of LAPA.

Lorena Leonor Furlan. Ms. Furlan has a public relations bachelor's degree. She completed capacitation courses on the Airports of AENA (Madrid, Spain) and SEA (Milan, Italy). She is the Customer Care Manager of AA2000. In June 2012, she received the International Diamond Prize for Customer Satisfaction, in Rome, Italy, from the European Society for Quality Research (ESQR). From October 2012 until April 2016, she worked in the VIP Area of AA2000, serving as Manager of Aeropuertos VipClub. She worked for the airports of Yerevan, Armenia and Guayaquil, Ecuador. She led the start-up of the Customer Care service and Vip Service of the airport of Montevideo, Uruguay. She was the instructor of the seminar of *ACI-LAC – Gestión del Servicio al Cliente* in the airport of Cuenca, Ecuador. In 1999 she started working on AA2000 as Chief of the Customer Care division of Ezeiza Airport.

Carlos P. Touceda. Mr. Touceda has an administration and public safety law degree from Salvador University – Carlos III of Madrid, Spain. Mr. Touceda is AA2000's Corporate Security Manager. He completed various specialized courses and seminars on security issues. Mr. Touceda was a police inspector of the Argentine Federal Police of the Buenos Aires Metropolitan Area. He previously served in the police department of the Buenos Aires Metropolitan Area and was in charge of several police headquarters and districts under the Superintendence of Metropolitan Security (*Superintendencia de Seguridad Metropolitana*). He is also the Safety Auditor-Inspector for OACI.

José Luis Caroprese. Mr. Caroprese has a degree on public accounting from the University of Lomas de Zamora. He is the Air Cargo Manager of AA2000. Until 1991 he served in EDCADASSA – currently TCA, the Air Cargo division of AA2000. In 1996 he participated in the restructuring of Aerolíneas Argentinas Carga. He was part of the first ISO 9000 certification and participated in the construction of EDCADASSA in Uruguay. From 1988 until 1991, he worked in the area of international commerce of Román Marítima S.A., the company which performed logistic activities on the Buenos Aires Pier. Until 1988, he worked on Atanor S.A.

Javier Estanislao Alemán. Mr. Alemán has a bachelor's degree on Information Technology (IT) from Belgrano University. He is AA2000's IT Manager since 2013 and he is responsible for the systems and provision of technology of 33 "Group A" airports. From 1996 to 1998, he served as the IT Chief in Multimedios América. From 1998 to 2007 he served as Chief of Technology in AA2000 and from 2007 to 2013 in Corporación América S.A.

Jorge Alberto Lukowski. Mr. Lukowski has an international relations bachelor's degree from the Salvador University. He has worked at AA2000 since 2001 and is currently our Corporate Image, Institutional Relationships and Publicity Manager. In 2014 he won the grant for the Entrepreneur Talent from the San Andrés University, where he graduated as Master in Business and Administration (2015). From 2001 to 2002 he served as Senior Analyst on the Press and Communication Area of AA2000. In 2002 he was appointed chief of the area and in 2004 he was appointed as Corporate Image, Institutional Relationships and Publicity Manager. In 2004 he also was elected as vice-president of the International Council of Airports for Latin America and the Caribbean (*Consejo Internacional de Aeropuertos para América Latina y el Caribe*) (ACI-LAC) and remained in that position for more than ten years, where he is currently an adviser member. In 2007 he was appointed executive director of the Private Sector of the Americas of the Organization of American States (SPA), where he served for the period of five years. In 2008 he was promoted to director of Institutional Relations. Since 2015, he is the president of the Bureau of the City of Buenos Aires. Since 2014 he participates in the Argentine Chamber of Tourism (*Cámara Argentina de Turismo*) and since 2015, he participates in the Argentine Chamber of Tourism of the City of Buenos Aires. Also, since 2013 he participates in the Argentine Marketing Association and since 2014, in the Argentine Publicity Council. As social entrepreneur, he has developed activities related to environment, education and culture in organizations of the third sector.

All of the executive officers and senior managers are Company employees.

Supervisory Committee

The current members of our supervisory committee were appointed for a one-year term each at the shareholders' meeting held on April 25, 2016, where it was established that there would be three statutory auditors, or syndics, and three alternate syndics. The Argentine National Government (as long as it holds preferred shares) has the right to appoint one syndic and one alternate syndic. All of the appointments will expire on December 31, 2016.

The following table provides information on the current members of our supervisory committee:

Name	Date of Birth (mm/dd/yyyy)	Position Held	First Appointment	Expiration of Appointment	Independency status according to the CNV criteria
Tomás Miguel Araya	12/26/1970	Syndic (Class B)	04/25/2016	12/31/2016	Independent
Patricio A. Martín	08/25/1967	Syndic (Class A)	06/26/2008	12/31/2016	Independent
Orlando Francisco Pelaya	05/20/1947	Syndic (preferred shares)	05/29/2008	12/31/2016	Independent
Alejandro Esteban Messineo...	01/23/1967	Alternate Syndic (Class B)	03/19/2010	12/31/2016	Independent
Francisco Martín Gutiérrez	07/22/1966	Alternate Syndic (Class A)	12/17/1999	12/31/2016	Independent
Marcelo Eduardo Couvin	08/14/1956	Alternate Syndic (preferred shares)	04/25/2016	12/31/2016	Independent

All of the syndics have met the independence and professional requirements under the CNV Rules necessary for serving on the supervisory committee.

Powers and Duties

Our bylaws provide that the supervision of AA2000 will be handled by a supervisory committee made up of three syndics and three alternate syndics, who shall serve for a one year term. Class A and Class B shareholders and the Argentine National Government, as long as it is a holder of preferred shares, have a right to appoint one regular statutory auditor and one alternate. The statutory auditor appointed by Class B shareholders shall act as president.

The main responsibilities of the supervisory committee are to monitor the board's compliance with Argentine corporate law, our bylaws and the resolutions adopted at shareholders' meetings, as well as to review our corporate books and records and our financial statements and to report its findings to the shareholders.

Under our bylaws, the supervisory committee may meet when two members are present and the affirmative vote of two of its members shall be sufficient to make binding decisions, without prejudice to the powers corresponding to each individual statutory auditor. The bylaws establish that the committee shall meet whenever any of the regular syndics requests a meeting.

The following is a summary of the business experience of the members of our supervisory committee.

Tomás Miguel Araya. Mr. Araya has a law degree from the National University of Rosario (1994), a Master in Business Law from Austral University (1996) and a Master of Laws from New York University (2001). He is a partner at the law firm M. & M. Bomchil in Financial Services, Capital Markets and Corporate department. Mr. Araya acted as legal counsel in different types of domestic and international transactions, such as capital market transactions, financing, debt restructuring, M&A, project finance and real estate projects. Mr. Araya specializes in financial restructuring transactions, representing debtors and creditors – including domestic and foreign banks – in several debt restructuring proceedings. Mr. Araya is an interim adjunct professor at the Law School of the University of Buenos Aires, professor of Masters in Business Law (Austral University), Masters in Law and Economics (*Torcuato di Tella University*) and in Masters in Economic Business Law (UCA). He has been recognized by publications such as Chambers Latin America, The Legal 500 and Best Lawyers.

Patricio Alberto Martín. Mr. Martín has a law degree from the University of Buenos Aires (1990) and a Master of Laws from the University of Illinois, USA (1995). He is a Partner at the law firm M. & M. Bomchil in the Financial Services, Capital Markets and Corporate department. He was head of the Enforcement Division of the CNV and has been the legal affairs manager of the Investment and Foreign Trade Bank (*Banco de Inversión y Comercio Exterior S.A.*) arranging long-term loans, guarantee trusts and foreign trade operations. In 1993, he received an award from the Inter-American Institute of Copyright (*Instituto Interamericano de Derechos de Autor*) for a paper he co-authored on legal responsibility in copyright issues, and also received a scholarship from the Catholic University of Argentina in 2000 to do research on “insider trading” and the transparency of the capital markets. He is a member of the Committee of Bank Solicitors of Argentina. He is also a member of the Banking Lawyers’ Committee of Argentina. Mr. Martín is the general manager of Manbel S.R.L. He is also a member of the board of directors of de C.H. Robinson Worldwide Argentina S.A., and Sandvik Argentina S.A., among others. In addition, he is a syndic of Central Vuelta de Obligado S.A., Kenyer S.A., CNP Assurances Cía de Seguros S.A. and Hidroeléctrica El Chocón S.A. Mr. Martín is a professor of Master of Business Law at Austral University and Master of Corporate Law at the Catholic University of Argentina.

Orlando Francisco Pelaya. Mr. Pelaya has a public accounting degree from the National University of Lomas de Zamora. He is a regular syndic for Educ.ar (an educational web page and cable channel *Encuentro*), INDeR S.E. (e.1.) (*Instituto Nacional de Reaseguros Sociedad del Estado*), Intercargo S.A. and Empresa Argentina de Navegación Aérea S.A. (EANA). He also is an alternate statutory auditor for Austral Líneas del Sur S.A., EDCADASSA, Aerohandling S.A., Jet Paq S.A., Optar S.A., Banco Nación Seguros and Banco Nación Seguros de Retiro. He is also an auditing coordinator for state companies.

Alejandro Esteban Messineo. Mr. Messineo has a law degree from the University of La Plata (1989). He is partner at the law firm M. & M. Bomchil, specifically being in charge of the firm's Tax department since 1997. He worked in all areas of national and international tax law, providing general tax advice and tax planning. He has a wide experience on the problems of international taxation as well as safeguarding taxpayers in tax disputes with

national, provincial and municipal tax authorities. He handled tax planning of different businesses and transactions, such as international financing operations and corporate acquisition and reorganization schemes. He also represented clients in tax assessment claims by the national, provincial and municipal tax authorities, including the National Tax Court, Appeals Chambers and the Argentine Supreme Court. As a specialist in national and international taxation law, he was recognized on numerous occasions by publications such as Chambers Latin America, Best Lawyers and Who's Who Legal. He is a professor of Masters in Tax Law at the Law School of Austral University and Director of the Intensive Course on International Tax Law of Austral University. He is a member of the Argentine Association of Fiscal Studies (former member of the board of directors) and of the International Fiscal Association (IFA). He is member of the Board of Directors of the Bar Association of the City of Buenos Aires. He was also the Argentine National Rapporteur of the IFA (EILAT 1999), where he was a panelist (Boston 2012). He regularly addresses conferences on different issues of tax law and he is author of various publications.

Francisco Martín Gutiérrez. Mr. Gutiérrez has a law degree from the University of Córdoba (1991) and a Master in Administrative Laws from Austral University (1994). He is partner at the law firm M. & M. Bomchil, specifically in charge of the Telecommunications and Media Law department and a member of the Arbitration and Economic Regulation and Administrative Law departments. His practice focuses on regulatory matters, administrative law, anticorruption laws, litigation and international arbitration. He worked for the telecommunications regulation body for four years until 1996, when he left his position as Legal and Regulatory Affairs Manager to join M. & M. Bomchil. The professional experience he gained during his employment in the public and private sectors enables him to offer clients effective solutions with a comprehensive overview of the matters at issue. He is the former President of the Argentine Association of Telecommunications Law and is currently a member of its governing board. He was a speaker at various seminars and events linked with telecommunications. He is also a professor of graduate and post-graduate courses at Austral University and at UCA. As a specialist in telecommunications, public law and arbitration, he has been recognized by publications such as Chambers Latin America, The Legal 500 Latin America, Practical Law Company and Latin Lawyer.

Marcelo Eduardo Couvin. Mr. Couvin has an accounting degree from the University of Buenos Aires (1980), a postgraduate degree in Financial Management from the Argentine Association of Public Budget (1987) and a master's degree in Health Services Management from the University of Alcalá de Henares (2008). He has been an assistant professor at the University of Buenos Aires and the National Administration of Civil Aviation, among others. Since 2016 he has served as an auditor in the Audit Committee of Intercargo, Empresa Argentina de Navegación Aérea S.E. and Dirección General de Fabricaciones Militares, and as Alternate Auditor of AA2000. For the period from 2010 through 2015 he served in different managerial positions at the National Administration of Civil Aviation. Previously, he served as the General Auditor of the National Institute of Social Services for Retirement and Pensions (INSSJP) and was a public official of the National Auditing Office (SIGEN). He also served in governmental organizations such as the Ministry of Internal Affairs, Ministry of Defense and the Industry, Commerce and Mining Secretariat. Additionally, he has participated in trainings and courses taught by the National Auditing Office (SIGEN), the International Air Transport Association and the National Transportation Safety Board of the United States, relating to ethics and responsibility in public service, strategic planning in management, regulation of financial information and management communication and aviation accidents.

Audit Committee

At the shareholders' meeting held on July 18, 2016, our shareholders approved the creation of an Audit Committee (*comité de auditoría*) composed of at least three members of our board of directors with expertise in business, financial or accounting matters. A majority of the members of the audit committee must be independent, as per the criteria set by CNV regulations. The Audit Committee held its first meeting on August 8, 2016.

Our audit committee shall have the following duties: (i) to evaluate the board of directors' proposals regarding the designation of independent external auditors and ensure their independence; (ii) to supervise the Company's internal control mechanisms and administrative and accounting procedures, as well as its compliance with the applicable reporting obligations and its reliability, including all financial or other material information to be filed with the CNV and other entities; (iii) to supervise the Company's reporting policies regarding risk management; (iv) to provide the market with full information on transactions where a conflict of interest may exist with members of the Company's corporate bodies or controlling shareholders; (v) to give an opinion on the reasonableness of fees or stock option plans of the Company's directors and managers, as proposed by the board of

directors; (vi) to give an opinion on the Company’s compliance with legal requirements and the reasonableness of any terms governing the issuance of shares or other securities convertible into shares upon a capital increase, excluding or restricting pre-emptive rights; (vii) to verify compliance with applicable ethical rules; and (viii) to give grounded opinions on transactions with related parties in certain circumstances, and submit such opinions to any regulatory authorities, as may be requested by the CNV in case of potential conflicts of interests. As of the date of this Offering Memorandum, our Audit Committee has not issued any reports in connection with our existing financial statements. See “Risk Factors—Risks Related to our Operations—Our Audit Committee has not issued any reports regarding our financial statements.”

We currently outsource our internal audit function and control systems to Proden S.A. (“Proden”). Proden also provides us with information technology, accounting computer systems and related staffing and services. While our finance and accounting staff work with Proden in connection with the performance of these services, we currently rely primarily on Proden for our internal audit function. See “Certain Relationships and Related Party Transactions—Other Services Rendered to Us.”

The following table provides information on the current members of our audit committee, as resolved at the board of directors’ meeting held on August 1, 2016. All members of the audit committee were appointed to hold office for one fiscal year, until December 31, 2016:

Name	Position
Orlando Ferreres	President
Máximo Luis Bomchil	Member and Secretary
Luis Freixas	Member

PwC is our external auditor and has been so for the last three years. PwC is located at Bouchard 557, Piso 8, City of Buenos Aires, Argentina.

Compensation of Directors, Senior Management, and Supervisory Committee Members

During the year ended December 31, 2015, the aggregate compensation paid to our senior management (excluding those who are also employee-directors) and to employee-directors was AR\$21,212,499 million (US\$2.3 million) and AR\$13,057,171 million (US\$1.4 million) respectively. The directors and members of the supervisory committee have waived their fees for the year ended 2015. We do not pay or set aside any amounts for pension, retirement, or other similar benefits for our directors and senior management. In addition, at the shareholders meeting held on April 25, 2016, our shareholders approved advanced payments to the members of our board of directors for their expected compensation for the year ended December 31, 2016. As of September 30, 2016, we made advanced compensation payments to certain members of our board of directors in an aggregate amount equal to AR\$6.7 million. Such advanced compensation payments shall be subject to approval by our shareholders at the annual shareholders’ meeting in which our financial statements for the year ended December 31, 2016 will be submitted for our shareholders’ approval.

Share Ownership

None of the members of our board of directors, supervisory committee or senior management directly hold shares of our capital stock.

PRINCIPAL SHAREHOLDERS AND GROUP STRUCTURE

Main Shareholders

As of September 30, 2016, the nominal value of our capital stock was AR\$863,335,292 (US\$56.4 million) and was represented by:

- (i) 79,105,489 Class “A” common shares of nominal value of one peso (AR\$1) and one (1) vote per share;
- (ii) 79,105,489 Class “B” common shares of nominal value of one peso (AR\$1) and one (1) vote per share;
- (iii) 61,526,492 Class “C” common shares of nominal value of one peso (AR\$1) and one (1) vote per share;
- (iv) 38,779,829 Class “D” common shares of nominal value of one peso (AR\$1) and one (1) vote per share; and
- (v) 604,817,993 preferred shares of nominal value of one peso (AR\$1) and no voting rights. All shares have been subscribed and paid for.

The following table provides information concerning our common shares.

Shareholder Name	Number of Common Shares Owned					Percentage
	Class A	Class B	Class C	Class D	Total	
Societá per Azioni Esercizi Aeroportuali S.p.A. ⁽¹⁾	21,973,747				21,973,747	8.499%
Corporación América Sudamericana S.A		76,908,114			76,908,114	29.749%
Riva SAIICyFA ⁽²⁾		2,197,375				0.849%
Corporación América S.A	57,131,742		61,526,492		118,658,243	45.899%
Argentine National Government				38,779,829	38,779,829	15.00%
Total	79,105,489	79,105,489	61,526,492	38,779,829		100.0%

- (1) On June 30, 2011, Societá per Azioni Esercizi Aeroportuali S.p.A. transferred its 8.5% interest in our common stock to Cedcor S.A., the controlling shareholder of Corporación América S.A. This sale must be approved by the ORSNA pursuant to section 7.2 of the Concession Agreement. As of the date of this Offering Memorandum, this sale has not been approved by the ORSNA.
- (2) On July 13, 2011, Riva SAIICyFA transferred its 0.85% interest in our common stock to Cedcor S.A., the controlling shareholder of Corporación América S.A. This sale must be approved by the ORSNA pursuant to section 7.2 of the Concession Agreement. As of the date of this Offering Memorandum, this sale has not been approved by the ORSNA.

The following table provides information concerning our common and preferred shares.

Shareholder Name	Number of Common Shares Owned				Number of Preferred Shares Owned
	Class A	Class B	Class C	Class D	
Societá per Azioni Esercizi Aeroportuali S.p.A. ⁽¹⁾	21,973,747				
Corporación América Sudamericana S.A		76,908,114			
Riva SAIICyFA ⁽²⁾		2,197,375			
Corporación América S.A	57,131,742		61,526,492		
Argentine National Government				38,779,829	604,817,993
Total	79,105,489	79,105,489	61,526,492	38,779,829	604,817,993

- (1) On June 30, 2011, Societá per Azioni Esercizi Aeroportuali S.p.A. transferred its 8.5% interest in our common stock to Cedcor S.A., the controlling shareholder of Corporación América S.A. This sale must be approved by the ORSNA pursuant to section 7.2 of the Concession Agreement. As of the date of this Offering Memorandum, this sale has not been approved by the ORSNA.
- (2) On July 13, 2011, Riva SAIICyFA transferred its 0.85% interest in our common stock to Cedcor S.A., the controlling shareholder of Corporación América S.A. This sale must be approved by the ORSNA pursuant to section 7.2 of the Concession Agreement. As of the date of this Offering Memorandum, this sale has not been approved by the ORSNA.

CASA

CASA, our controlling shareholder, is a diversified holding company incorporated in Argentina that primarily invests in companies involved in the airport business. CASA is controlled by Cedicor S.A. (“Cedicor”), a company incorporated in Uruguay, which holds 95.36% of CASA’s capital stock. Cedicor is 100% controlled by American International Airports LLC, a limited liability company organized in Delaware, United States of America.

American International Airports LLC is a holding company whose portfolio companies primarily engage in activities related to airport concessions. American International Airports LLC is 100% controlled by ACI Airports International S.à r.l., a holding company incorporated in Luxembourg, 100% controlled by ACI Airports S.à r.l., which is 100% controlled by ACI Holding S.à r.l.

ACI Holding S.à r.l. is holding company that is 85% controlled by Corporación América International S.à.r.l. and 15% controlled by Catania S.à r.l., both of which are holding companies incorporated in Luxembourg. Corporación América International S.à r.l and Catania S.à r.l. are controlled by Liska Investments Corporation, a corporation incorporated under the laws of the British Virgin Islands

Liska Investments Corporation is controlled by Southern Cone Foundation, a foundation created under the laws of Liechtenstein, which manages assets for the benefit of the foundation’s beneficiaries. The potential beneficiaries of this foundation are certain members of the Eurnekian family as well as religious, charitable and educational institutions designated by the foundation’s board of directors. The board of directors of the foundation is currently composed of five individuals and decisions are taken by majority vote. The board of directors has broad authority to manage the affairs of the foundation and to designate its beneficiaries and additional board members.

Most decisions relating to matters that affect the Company are taken by CASA. Mr. Eduardo Eurnekian is the chairman of the board of directors of CASA. Mr. Eurnekian has, and is expected to continue having, significant influence on our business.

Other Shareholders

Societá per Azioni Esercizi Aeroportuali S.p.A. (“SEA”), a company incorporated in Italy and controlled by the Municipality of Milan, holds 8.5% of our common shares. SEA manages the Linate and Malpensa airports in Italy. It provides centralized airport services such as airports coordination, information systems, surveillance and retails services. SEA sold its 8.5% interest in our capital stock to Cedicor, the controlling shareholder of CASA. This sale must be approved by the ORSNA pursuant to section 7.2 of the Concession Agreement. As of the date of this Offering Memorandum, this sale has not been approved by ORSNA.

Riva SAIICFyA, a company incorporated in Argentina, holds 0.85% of our common shares, Riva SAIICFyA is one of the largest construction companies in Argentina focusing on construction, management and technical assistance of civil works, industrial plants and real estate projects, and is owned by members of the Riva family. Riva SAIICFyA sold its 0.85% interest in our capital stock to Cedicor, the controlling shareholder of CASA. This sale must be approved by the ORSNA pursuant to section 7.2 of the Concession Agreement. As of the date of this Offering Memorandum, this sale has not been approved by ORSNA.

Principal Investments and Divestitures during the Last Three Years

AA2000 has maintained its participation in its subsidiaries during the last three years and as of the date of this Offering Memorandum. AA2000 has not acquired any participation in new companies and has not sold any of its investments.

On December 2014, AA2000 capitalized capital contributions made in Servicios y Tecnología Aeroportuarios, S.A. for an amount equal to AR\$2,500,000 in order to fulfill operative, net worth and financial needs of that subsidiary.

Authorization for a Public Offering of Our Shares

At the general shareholders' meeting held on August 7, 2008, our shareholders approved the possibility of making public offerings of our common shares, subjected to the ORSNA's approval.

The *Memorandum of Agreement* authorized the offering of our shares to the public in the Argentine capital markets and/or in a foreign market up to an amount representing 30% of our capital stock. Considering the transfer restrictions on our existing shares (Class A, B and C) as of 2008, our shareholders approved the division of such share classes into two subclasses of shares, one of which shall keep the current transfer restrictions (the Subclass "R" shares) and the other (the Subclass "L" shares) which shall be freely transferable and will be publicly offered.

In this regard, our *shareholders* approved a capital increase of AR\$65,000,000 in order to issue 65,000,000 Class A, B and C common shares Subclass "L." The proposed capital stock increase is approximately 30% of our capital stock and has been authorized by ORSNA.

As a consequence of the decisions approved at a shareholders' meeting, subject to the ORSNA's approval, the shareholders *proposed* to amend our by-laws to reflect the above-mentioned terms and conditions as required under the Corporations Law 19,550, the Argentine Capital Markets Law and the CNV Rules for companies making public offering of their shares. As ORSNA approval has been obtained, our new by-laws set forth as follows:

- Class A Subclass "R," Class B Subclass "R" and Class C Subclass "R" shares will neither be pledged nor encumbered without the prior authorization of our board of directors and the ORSNA;
- Class A Subclass "R," Class B Subclass "R" and Class C Subclass "R" shareholders will only be able to alter their holding or sell their shares with the ORSNA's prior authorization;
- Class A Subclass "L," Class B Subclass "L" and Class C Subclass "L" shares may be freely transferred and would be issued within the public offer regime; and
- We have an audit committee which supports the board of directors in its functions of inside supervision. The audit committee is composed of three (3) members and one (1) alternate member appointed by and from our board of directors. At least a majority of its members shall be "independent" according to related criteria established by the CNV.

On December 23, 2008, the ORSNA passed Resolution 106/2008 that authorized the amendment of our by-laws resolved in the shareholders' meeting held on August 7, 2008, the public offering of our shares and share listing, and the capital stock increase for up to AR\$65,000,000, through the issuance of 65,000,000 common shares Subclass "L" which may be freely transferred and publicly offered. As of the date of this Offering Memorandum, the shares have not been issued.

Nominal Value of our Shares

Our common shares and preferred shares have a nominal value of one peso (AR\$1) each.

Equity Paid in with Assets Other Than Cash in the Last Five (5) Years.

The general and special class A, B and C shareholders' meeting held on March 6, 2008 approved an increase of the capital stock from AR\$100,000,000 to AR\$219,737,470 through the capitalization of an "adjusted capital" account. Due to the variations in peso purchasing power in 2002 and 2003 and in accordance with the accounting rules in force in Argentina and the CNV regulations, the effects of inflation are reflected in our financial statements as from January 1, 2002 through March 1, 2003. Consequently, our capital was adjusted for inflation. In the respective financial statements we included the item "capital stock" for an amount of AR\$100,000,000 and the item "adjusted capital" for an amount of AR\$119,737,470. In accordance with the CNV regulations, both items comprise the capital stock; therefore, the shareholders' meeting held on March 6, 2008 capitalized the item "adjusted capital" and new common shares representing the capital increase were issued. At that moment, the

following shares were issued: (a) 43,105,489 Class A registered and non-negotiable common shares, with a par value of one peso (AR\$1) each and with one (1) vote per share; (b) 43,105,489 Class B registered and non-negotiable common shares, with a par value of one peso (AR\$1) each and with one (1) vote per share; and (c) 33,526,492 Class C registered and non-negotiable common shares, with a par value of one peso (AR\$1) each and with one (1) vote per share. Such capital increase was assigned to the shareholders in proportion to their respective equity holdings.

Due to the renegotiation of the Concession Agreement, our shareholders agreed to set the amount of the mutual claims existing between the parties, which resulted in a credit in favor of the Argentine National Government of AR\$849.1 million. In addition, the shareholders' meeting agreed to set the terms under which such credit was to be paid. Among said terms, the parties agreed on: (i) the issuance of preferred shares; and (ii) the issuance of the Convertible Notes.

Such preferred shares were issued for a total subscription price of AR\$496,161,413 (US\$125.3 million) and they were entirely subscribed by the Argentine National Government. The subscription price was paid in with the partial capitalization of the credit that the Argentine National Government had against us, *i.e.* the capitalization of the amount of AR\$496.1 million (US\$125.3 million), equivalent to 58.43% of the AR\$849.1 million (US\$214.4 million) credit that the Argentine National Government had against us for "mutual claims."

The preferred shares have the right to a preferential dividend in an amount equal to two percent (2%) of the total amount of the preferred shares, which shall be paid in preferred shares each year. As of September 30, 2016, the Argentine National Government holds 604,817,993 preferred shares.

On December 27, 2011, the Argentine National Government converted AR\$158,000,000 of Convertible Notes into 38,779,829 Class D shares, representing 15% of the Company's capital stock.

Holding of Own Shares

Neither we nor our subsidiaries hold any of our own capital stock.

Our Dividend Distribution Policy

As of the date of this Offering Memorandum, we have not established a dividend distribution policy. Out of our results for the year ended on December 31, 2015 (of AR\$456.2 million), we distributed dividends for a total of AR\$11.9 million corresponding to the preferred shares held by the Argentine National Government through the issuance of 11,859,176 preferred shares issued to the Argentine National Government. The general shareholders' meeting held on April 25, 2016 approved the distribution of dividends for such amounts.

Out of our results for the year ended on December 31, 2014 (AR\$546.7 million), we distributed dividends for a total of AR\$11.6 million corresponding to the preferred shares held by the Argentine National Government through the issuance of 11,398,670 preferred shares issued to the Argentine National Government. The general shareholders' meeting held on April 28, 2015 approved the distribution of dividends for such amounts.

Out of our results for the year ended on December 31, 2013 (AR\$144 million), we distributed dividends for a total of AR\$11.4 million corresponding to the preferred shares held by the Argentine National Government through the issuance of 11,175,167 preferred shares issued to the Argentine National Government. The general shareholders' meeting held on April 21, 2014 approved the distribution of dividends for such amounts.

According to the terms and conditions of the Indenture, we will only distribute dividends according to the terms set forth in "Description of Notes—Negative Covenants."

Our Group Structure

The following tables provide information concerning our main subsidiaries. The holding percentage indicated below refers to common shares.

Our direct subsidiaries

Name	Jurisdiction	Class of Issued Shares	Number of Common Shares	Shareholders	% of Capital and Votes
Servicios y Tecnología Aeroportuarios S.A. ⁽¹⁾	Autonomous City of Buenos Aires	Registered and non-negotiable, AR\$1 and 1 vote per share	14,398,848	Aeropuertos Argentina 2000	99.3%
Cargo & Logistics S.A. ⁽²⁾	Autonomous City of Buenos Aires	Registered and non-negotiable, AR\$1 and 1 vote per share	5,566,259	Corporación América S.A.	98.63%
Paoletti América S.A. ⁽³⁾	Autonomous City of Buenos Aires	Shares of nominal value AR\$1 and 1 vote per share divided into Class A and B	6,000	Aeropuertos Argentina 2000	50.0%
Texelrio S.A. ⁽⁴⁾	Autonomous City of Buenos Aires	Registered and non-negotiable, AR\$1 and 1 vote per share	8,400	Corporación América S.A.	70.0%

- (1) Servicios y Tecnología Aeroportuarios S.A. covers a wide range of activities including, among others, activities related to duty free zones, import and export operations, international trade, port services, consulting activities, waste management, and postal and telecommunication services.
- (2) Cargo & Logistics S.A. holds shares in other companies.
- (3) Paoletti America S.A. conducts environmental matters, including construction and other works in such field, and the preparation of studies and reports regarding pollution and mitigation of environmental damages.
- (4) Texelrio S.A. is dedicated to providing services related to road construction, and maintenance and repair of parks, airports, freeways, bus stations, fuel stations, ports, aircrafts and ships.

Our indirect subsidiaries

Name	Jurisdiction	Class of Issued Shares	Number of Shares	Shareholders	% of Capital and Votes	% of Indirect Control
Villalonga Furlong S.A.	Autonomous City of Buenos Aires	Registered and non-negotiable, AR\$1	8,499,631	Cargo & Logistics S.A.	98.42%	100%
				Aeropuertos Argentina 2000	1.46%	
				Corporación América S.A.	0.12%	
Empresa de Cargas ⁽¹⁾	Autonomous City of Buenos Aires	Registered and non-negotiable Class A and B, AR\$1	300,000	Ministry of Defense	55.00%	45%
				Villalonga Furlong S.A.	45.00%	

(1) Empresa de Cargas Aéreas del Atlántico Sud S.A. is currently under liquidation.

Considerations Regarding the Economic Group

Corporación América S.A. (“CASA”) is a diversified holding company incorporated in Argentina that primarily invests in companies involved in the airport business.

CASA directly holds 45.90% of our common shares, which gives it direct control of the Company. In addition, CASA indirectly holds 29.75% of our common shares through Corporación América Sudamericana S.A. (“CAS”).

CASA is controlled by Cedicor, a company incorporated in the Republic of Uruguay, domiciled at 1145 Plaza Cagancha, 4th floor, Montevideo, Republic of Uruguay, which holds 95.37% of CASA's capital stock. Cedicor is 100% controlled by American International Airports LLC, a limited liability company organized in Delaware, United States of America.

American International Airports LLC is controlled by ACI Airports International S.à r.l., a holding company incorporated in Luxembourg, 100% controlled by ACI Airports S.à.r.l., which is 100% controlled by ACI Holding S.à r.l.

ACI Holding S.à r.l. is a holding company that is 85% controlled by Corporación América International S.à.r.l. and 15% controlled by Catania S.à r.l., both of which are holding companies incorporated in Luxembourg. Corporación América International S.à r.l and Catania S.à.r.l. are controlled by Liska Investments Corporation, a corporation incorporated under the laws of the British Virgin Islands.

Liska Investments Corporation is controlled by Southern Cone Foundation, a foundation created under the laws of the Principality of Liechtenstein, having its corporate domicile in Vaduz. The foundation's purpose is to manage assets through the decisions adopted by its independent board of directors. The potential beneficiaries of this foundation are members of the Eurnekian family and religious, charitable or educational institutions.

Mr. Eduardo Eurnekian has had and continues to have significant influence on our business.

SEA holds 8.5% interest in our capital stock, which it sold to Cedicor, the controlling shareholder of CASA. This sale must be approved by the ORSNA pursuant to section 7.2 of the Concession Agreement. As of the date of this Offering Memorandum, this sale has not been approved by ORSNA

Riva SAIICFyA holds 0.85% interest in our capital stock, which it sold to Cedicor, the controlling shareholder of CASA. This sale must be approved by the ORSNA pursuant to section 7.2 of the Concession Agreement. As of the date of this Offering Memorandum, this sale has not been approved by ORSNA.

Articles of Incorporation and By-laws

Public Registry and Registration Number

Our articles of incorporation and by-laws were registered with the RP on February 18, 1998 under number 1,815 of Corporations Book No. 123, Volume A.

Amendments to the by-laws

Our by-laws state that any amendment thereof must be previously authorized by the ORSNA.

Corporate Purpose

Pursuant to Article 1.03 of our by-laws, our corporate purpose is as follows: “ *The exclusive corporate purpose is the rendering of airport exploitation, administration and functioning services under the terms of the concession agreement, as amended, entered into between the company and the Argentine National Government (the “Concession Agreement”) in accordance with the terms and conditions of the national and international public bid for the concession for consideration for the administration, exploitation and functioning of Group A Airports (the “Bid” and the “Bid Terms and Conditions”) and compliance of all principal and accessory obligations arising from the Bid Terms and Conditions and annexes. In addition, the company may participate as airport operator in airport projects other than Group A Airports, with the prior authorization of the enforcement authority regarding those projects where the company participates in such capacity. To such end, the company has legal capacity to acquire rights, incur obligations and perform all acts not prohibited by law or these by-laws, including borrowing money in public or private form, by the issuance of debentures, notes or any other instrument.”*”

Provisions regarding Directors

Personal interest: In accordance with the provisions of Article 4.06 of our by-laws, “*The director who has a personal interest in any issue to be dealt with by the board of directors shall so inform the board of directors before such issue is dealt with and shall refrain from voting on the corresponding decision.*”

Vote on compensation in the absence of independent quorum: The by-laws do not provide for the power of directors, in the absence of independent quorum, to vote on compensation for themselves or for any member of the board of directors.

Loan Agreements: In respect of the power to borrow money allowed to directors and how such powers can be modified, our by-laws empower the board of directors and such power may be delegated to any of its members. Article 4.09 of our by-laws states that “*The board of directors has all the powers to administer and dispose of the assets, even those powers for which the law requires special powers in accordance with Section 375 of the Civil and Commercial Code and Section 9 of Decree Law 5965/63. Consequently, the board of directors may perform, on behalf of the company, any legal act necessary to comply with the corporate purpose; among them, doing business with banks of Argentina, of the province of Buenos Aires, Hipotecario S.A. and other official or private credit institutions; setting up agencies, branches or any other kind of representation, in the country; granting to a person general and legal powers – even the power to file a criminal complaint – with the purpose and scope it deems convenient.*”

Retirement Age: The by-laws do not provide for the retirement or not of directors upon a certain age.

Capacity as shareholder: Directors are not required to be shareholders.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

We have engaged in, and we expect that we will continue to engage in, transactions with our principal shareholders and other related parties, including, without limitation, the transactions described below. Except as described below, we believe that these arrangements generally are on terms at least as favorable as those which we could obtain from an unaffiliated third party, to the extent there are third parties which could provide comparable services. For more information regarding our relationships and transactions with related parties, see Note 7 to our Audited Consolidated Financial Statements and Note 7 to our Unaudited Interim Financial Statements included elsewhere in this Offering Memorandum.

Management Support Agreement

Management Support Agreement with CAS

On June 8, 1999, we entered into a management support agreement with our parent company, CAS, pursuant to which CAS provided us with certain technical and operational assistance (as amended, the “CAS Management Support Agreement”). Under the CAS Management Support Agreement we paid CAS a fee equal to 3% of our total annual revenue, excluding VAT. On May 5, 2010, CAS proposed to continue rendering services to us under the CAS Management Support Agreement through December 31, 2014 for a fee equal to 1.0% of our total annual revenue, plus VAT.

On October 28, 2010, CAS assigned its rights and obligations under the CAS Management Support Agreement to Proden. Therefore, as of November 1, 2010, the services rendered to us pursuant to the CAS Management Support Agreement are provided by Proden. Proden is an Argentine corporation organized in March 1990. Its shareholders are members of the Eurnekian family. On April 3, 2013, we requested Proden to suspend the provision of services rendered to us under the CAS Management Support Agreement. As of the date of this Offering Memorandum, such suspension remains in effect and we do not owe any amounts to Proden under the CAS Management Support Agreement.

Other Services Rendered to Us

We currently outsource our internal audit function and control systems to Proden. As of September 30, 2016, the amounts accrued for such services were AR\$50.8 million. As of December 31, 2015, 2014 and 2013 the amounts accrued for such services were AR\$44.1 million, AR\$35.0 million and AR\$21.6 million, respectively.

In May 2011, CASA acquired Helpport S.A. (“Helpport”), an Argentine construction company, currently controlled by Corporación Constructora S.A., which is indirectly controlled by Southern Cone Foundation. Helpport provides a broad range of construction services at our airports. For the nine-month period ended September 30, 2016, the amount accrued for such services was equal to AR\$192.1 million. For the years ended December 31, 2015, 2014 and 2013, the amounts accrued for such services was equal to AR\$205.9 million, AR\$293.1 million and AR\$375.4 million, respectively.

In addition, as of September 30, 2016, AR\$241.6 million accrued in favor of José Cartellone Construcciones Civiles S.A. – Helpport S.A. UTE for services rendered at our airports.

Loan Agreement

On October 20, 2015, we entered into a securities credit agreement with Corporación América S.A., for a loan of securities in an amount equal to AR\$17.5 million. The loan accrued annual interest at a rate of 8%. As of September 30, 2016 this loan has been repaid in full. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Funding.”

Lease Agreement

Proden leases to us the building located in Honduras 5663, City of Buenos Aires, where we have our principal office. Pursuant to the lease agreement entered into on March 1, 2008, as amended, we pay Proden a monthly rental fee of US\$30.00 plus VAT per square meter (the “Lease Agreement with Proden”). Currently, we rent approximately 6,900 square meters from Proden. The Lease Agreement with Proden will expire on February 28, 2017.

Transactions with the Argentine National Government

As of September 30, 2016 we owed to the Argentine National Government AR\$137.5 million, corresponding to the Specific Allocation of revenue accrued during September 2016, which was cancelled on October 2016. In addition we recorded a credit (recognized as “intangible assets”) of AR\$1,331.8 million corresponding to the Development Trust to finance our investment commitments provided by the Concession Agreement.

Employment Agreements with our Directors

Our employment relationship with our directors is governed by Employment Law 20,744, except for Messrs. Freixas Pinto and Braun (both of whom were appointed as directors by the Argentine National Government, as holder of Class D shares and preferred shares) and Messrs. Bomchil, Ferreres and Gonzalez Gale.

Pursuant to Employment Law 20,744, the employment contract does not require a specific form and does not need to be written to be valid. The general principle thereunder is that the duration of an employment relationship is undetermined, unless otherwise agreed to in writing and subject to certain legal requirements. In addition, if there is sufficient and just cause for the termination of an employment relationship, no indemnification shall be due to the employee, other than in respect of indemnification for the payment of accrued and untaken vacation time. If the relationship is terminated without cause, the employee will be entitled to indemnification equal to one monthly salary per year (or in respect of a period greater than three months) worked, indemnification equal to the salary that the employee would have accrued from the date of termination through the end of the month of termination, indemnification equal to one or two months of salary depending on the duration of the employment relationship (in the event the employee was terminated without prior notice as required by law) and indemnification corresponding to untaken vacation time. The monthly salary to be considered for the calculation of the first indemnification is the highest ordinary monthly salary received by the employee during the final year of employment, while the monthly salary considered for the calculation of all other indemnification is the monthly salary paid immediately prior to termination.

DESCRIPTION OF NOTES

The following summary of certain provisions of the Notes and the other Transaction Documents is not complete and is qualified in its entirety by reference to the provisions of the Transaction Documents. The Noteholders will (as applicable) be entitled to the benefits of, be bound by and be deemed to have notice of all of the provisions of the Transaction Documents, including the protections and rights of the Indenture Trustee and the Argentine Collateral Trustee. Copies of the Transaction Documents will be on file at the corporate trust office of the Indenture Trustee (initially at 388 Greenwich Street, 14th Floor, New York, New York 10013) and may be inspected by prospective Noteholders during the Indenture Trustee's normal business hours upon reasonable prior written request.

General

The Notes will be issued under an indenture (the “*Indenture*”), to be dated as of the Issuance Date, by and among the Company, the Indenture Trustee and the Argentine Collateral Trustee.

The issuance of the Notes was approved by the Company’s board of directors on December 2, 2016, which delegated the definition and decision of certain conditions to certain members of the board of directors and officers of the Company, pursuant to the resolution of the extraordinary meeting of shareholders dated November 30, 2016.

The Notes will qualify as *obligaciones negociables simples no convertibles en acciones* (non-convertible negotiable obligations) under the Negotiable Obligations Law and will be entitled to the benefits set forth therein and subject to the procedural requirements thereof. The Notes will be offered, issued and placed pursuant to and in compliance with the Argentine Capital Markets Law. The Notes will constitute unconditional and unsubordinated obligations of the Company, that are senior secured indebtedness as described below under “*Collateral*,” the security for which will be effected through the Company’s establishment of the Trust under Argentine law. It is expected that payments to Noteholders of principal and Interest on the Notes will be made from funds on deposit in the Dollar Collection Account or, should such funds be insufficient for such purposes, from funds in the other Transaction Accounts, subject to the rights of the Company, if a Default has occurred and is continuing, to instruct the Argentine Collateral Trustee and the Indenture Trustee to deliver to the Company Collections sufficient to pay its Basic Concession Operating Costs, as described below under “—Payments from the Collection Accounts Following Default”; *it being understood* that, should the amounts in the Transaction Accounts be insufficient for any payment to Noteholders, then the Company will be fully obligated to make such payments as and when due. The Notes will be payable on each Payment Date, with the final payments thereof being required to be made on the Maturity Date.

According to Article 29 of the Negotiable Obligations Law, notes constituting *obligaciones negociables* grant their holders access to summary executive proceedings. Subject to certain limitations set forth in the Indenture, any Argentine depositary of a Global Note (or acting as a holder of a beneficial interest in a Global Note) will, in accordance with the Argentine Capital Markets Law, be able to deliver to a Beneficial Owner holding through such depositary a *comprobante del saldo de cuenta* (account balance certificate) in respect of such Noteholder’s beneficial interests in such Global Note. These certificates enable such Noteholders to institute suit before any competent court in Argentina, including summary executive proceedings, to obtain any amount payable to them under the Notes. To the extent that any Noteholder holds its interest in the Notes through an Argentine depositary, then it may be able to obtain such a certificate from such depositary.

Reserve Account and Redemption of the Existing Notes

Pursuant to the Indenture, the Indenture Trustee will maintain in the United States, a segregated trust account (the “*Reserve Account*”) for the benefit of the Beneficiaries and the holders of the Existing Notes that, *inter alia*, will receive on the Issuance Date the net proceeds of the offering of the Notes, as described under “Use of Proceeds.” On the Business Day preceding the Existing Notes Redemption Date, the Indenture Trustee will disburse to the Existing Notes Indenture Trustee from the Reserve Account an amount equal to the sum of (i) the Existing Notes Redemption Principal Amount and (ii) accrued and unpaid interest on the Existing Notes to the Existing Notes Redemption Date and the applicable prepayment premiums for the Existing Notes. Upon the satisfaction and discharge of the Existing Indenture, the Existing Trust and the release of the liens on the Transferred Rights assigned

and transferred to the Existing Trust, the Indenture Trustee will disburse all amounts remaining in the Reserve Account as directed by the Company.

Issuance of Additional Notes

The Indenture will provide that the Company may from time to time, without the consent of the Noteholders (but subject to the approval of the CNV to the extent required under applicable law), issue additional Notes that (other than the issuance date, dates on which principal is payable, interest rate, redemption prices thereof, the issue price thereof, and (at least for a period) trading restrictions and CUSIP and/or other securities numbers) are identical to the then-existing Notes (including with respect to voting, the receipt of payments and the sharing of collateral); *provided* that:

- (a) the remaining Quarterly Amortization Amounts are increased on a *pro rata* basis to reflect such additional issuance, which increase will occur automatically upon the issuance of such additional Notes,
- (b) the Company and the Indenture Trustee shall have received evidence that, immediately after such issuance, the Notes will be rated by each Rating Agency no less than the lower of such Rating Agency's initial and then-current (*i.e.*, before such additional issuance) ratings on the Notes,
- (c) such issuance complies with the requirements of clause (a)(x) of "—Negative Covenants" below,
- (d) the Collection Ratio for the most recent Reporting Period (if the first Reporting Period has not yet been completed, determined as if the Transaction Documents had been in effect for the previous 12 months) would be at least 1.00:1x if determined on the date of the issuance of such additional Notes (determined on a *pro forma* basis using the assumption that such additional Notes had already been issued and outstanding for the entirety of the applicable Interest Period),
- (e) the proceeds of such issuance are used by the Company to repay the Company's existing Debt, to finance capital expenditures of the Company's "Group A" airports, for general working capital purposes and/or to pay fees and expenses related to such issuance,
- (f) the Company shall have delivered to the Indenture Trustee and the Argentine Collateral Trustee an Opinion of Counsel from Argentine counsel that the payment of Interest and principal on the Notes (including such additional Notes) may continue to be made in the manner provided for in the Transaction Documents, including the retention and application of funds in the Transaction Accounts as provided for in the Indenture,
- (g) such additional Notes will be deemed to have been issued on the previous Payment Date (or, with respect to issuances during the initial Interest Period, the Issuance Date) and the purchase price therefor thus will include the amount of Interest that will be deemed to have accrued on such additional Notes since their deemed issuance date,
- (h) no Default or Unmatured Default exists and no Default Payment is required to be paid, and
- (i) the Indenture Trustee shall have received an officer's certificate of the Company that the conditions precedent to such issuance described in clauses (c), (d), (e) and (h) have been fulfilled (or, with respect to clause (e), will be fulfilled); *it being understood* that the Indenture Trustee will be entitled to rely upon such officer's certificate, will have no obligation or responsibility to confirm the satisfaction of such conditions precedent and will have no liability with respect thereto.

Each of the Company, the Indenture Trustee and the Argentine Collateral Trustee are (without the need for any approvals, consents or instructions from any Noteholders, but in accordance with all other provisions applicable thereto) authorized to join in the execution of any amendment (including amendment and restatement) of any Transaction Document(s) to the extent required to provide for such increase in the Principal Balance of the Notes. Promptly after any such issuance, the Indenture Trustee will provide notice thereof to each of the Noteholders.

In the event that any additional Notes are not fungible with any Notes previously issued for U.S. federal income tax purposes, such non-fungible additional Notes shall be issued with a separate ISIN, Common Code, CUSIP or other securities identification number, as applicable, so that they are distinguishable from such previously issued Notes.

Payments on the Notes

Payments of Interest, principal and Redemption/tender Premium (if applicable) on the Notes will be paid to each Noteholder on a *pro rata* basis; *it being understood that*, with respect to any tenders described in “—Redemption of the Notes” below, the Company’s purchase of any Notes (or beneficial interests therein) participating in such tender will be made on a *pro rata* basis only among such participating Notes (or beneficial interests therein). All payments by (or on behalf of) the Company under the Transaction Documents (other than payments to the Argentine Collateral Trustee) will be required to be delivered to the Indenture Trustee in the United States in dollars by no later than 12:00 noon (New York City time) on the New York Business Day before the date on which such amounts are due to be distributed to the Noteholders; *provided* that (a) funds available for application in the Collection Accounts at such time will be considered to have been timely delivered to the Indenture Trustee and (b) such payments relating to the Company’s purchase of any Notes (or beneficial interests therein) pursuant to any tender offer described in “—Redemption of the Notes” below will be delivered to the participating Noteholders in the manner described in such tender offer. Any such payment received by the Indenture Trustee after such time will be considered to have been paid on the following New York Business Day and, with respect to any payment of principal on the Notes, additional Interest will be immediately payable by the Company with respect thereto.

Interest. Interest on the Notes will accrue at the Interest Rate and will be payable quarterly in arrears on each Payment Date commencing on the first Payment Date after the Issuance Date. The Interest with respect to each Note will be payable on each Payment Date to the applicable Noteholder of record in the Register at 5:00 p.m. (New York City time) on the New York Business Day that is immediately prior to such Payment Date (the “*Record Date*”). The “*Interest*” payable on the Notes on a Payment Date will be equal to the sum of: (a) the product of: (i) the Interest Rate, (ii) the average daily Principal Balance during the period from and including the preceding Payment Date (or, in the case of the first Payment Date, the Issuance Date) (but not including any principal amount repaid on such beginning date) to but excluding such Payment Date and (iii) the actual number of days (based upon a month of 30 days) in the related Interest Period *divided by 360*; *it being understood* that should any Redemption Price that is paid for a redemption of the Notes include any accrued and unpaid Interest, then the calculation of the amount of Interest payable on the next Payment Date will be adjusted to reflect such previous payment of accrued Interest, (b) the amount of any Interest accrued and payable on the Notes but not paid on any prior Payment Date and (c) to the extent permitted by Applicable Law, the product of: (i) the Interest Rate, (ii) the amount determined pursuant to clause (b) and (iii) the actual number of days in the related Interest Period (based upon a month of 30 days) *divided by 360*.

Principal. On each Payment Date, the Noteholders of record as of the preceding Record Date will be entitled to receive a principal payment equal to the quarterly amortization amount corresponding to such Payment Date set forth in the table below (for each Payment Date, as such may be decreased as a result of a redemption or cancellation or partial payment of a Default Payment as described in “—Redemption of the Notes” or “—Purchase of Notes by the Company” below or increased as a result of the issuance of additional Notes as described in “—Issuance of Additional Notes” above, its “*Quarterly Amortization Amount*”; *it being understood* that any Payment Date’s amortization amount resulting from such decrease or increase for any Payment Date will be rounded upwards to the next US\$0.01). The first principal payment will be made on the first Payment Date after the second anniversary of the Issuance Date. The final such payment is scheduled (and required) to be paid on the Maturity Date.

Payment Dates	Quarterly Amortization Amount
From May 1, 2019 through February 1, 2027	US\$12,500,000 (3.125% of the initial Principal Balance)

Prior to Default, principal payments will be paid as described under “—Payments from the Dollar Collection Account Prior to Default” and following Default, principal payments will be paid as described under “—Payments from the Collection Accounts Following Default”.

Additional Amounts. All payments to be made by (or on behalf of) the Company to (or for the benefit of) a Beneficial Owner under the Transaction Documents (including for any tender offer described in “—Redemption of the Notes” below), whether in respect of principal, Interest, Redemption/tender Premium or otherwise, are to be made free and clear of, and without any deduction or withholding for or on account of, any Taxes on or after the Issuance Date imposed, assessed, levied or collected by (or on behalf of) any taxing authority unless such Taxes are required by any Applicable Law to be deducted or withheld. As the Notes will qualify as “*obligaciones negociables*” under the Negotiable Obligations Law, as of the Issuance Date no income tax will be applicable in Argentina with respect to payments of Interest on the Notes to foreign beneficiaries (i.e., individuals, undivided estates or entities that are foreign fiscal residents that obtain income from an Argentine source). See “Certain Argentine Tax Considerations.”

If any such Taxes are required by Applicable Law to be deducted or withheld with respect to any such payment, then the Company, subject to the exceptions described below, will be required to pay to the Indenture Trustee (for the benefit of the applicable Beneficial Owner of such payment) (or, with respect to any tender offer as described in “—Redemption of the Notes” below, in the manner described in such tender offer) such additional amounts (the “*Additional Amounts*”) as may be necessary (together with such payment instruction as shall be necessary) so that such Beneficial Owner will receive the full amount otherwise payable in respect of such payment had no such Taxes (including any Taxes payable in respect of Additional Amounts) been required to be so deducted or withheld. Notwithstanding the preceding sentence, no such Additional Amounts will be payable with respect to any payment under the Transaction Documents:

- (a) in the case of any Tax assessed or imposed by any taxing authority of any jurisdiction to the extent that such Tax would not have been assessed or imposed but for any present or former connection between the applicable Beneficial Owner of such payment (or between a fiduciary, settlor, beneficiary, member or shareholder of such Beneficial Owner, if such Beneficial Owner is an estate, a trust, a partnership or a corporation) and such jurisdiction, including such Beneficial Owner (or such fiduciary, settlor, beneficiary, member or shareholder) being or having been a citizen or resident thereof or being or having been engaged in a trade or business or present therein or having, or having had, a permanent establishment therein other than its participation in the transactions effected by the Transaction Documents and the receipt of payments thereunder,
- (b) for any estate, inheritance, gift, personal property, sales, transfer or other similar Tax,
- (c) to the extent that any such Taxes would not have been imposed but for the failure of the applicable Beneficial Owner of such payment to (x) make a declaration of non-residence, or any other claim or filing for exemption, to which it is entitled or (y) comply with any certification, identification, information, documentation or other reporting requirement to the extent in each case: (i) such declaration, claim, filing or compliance is required by Applicable Law as a precondition to exemption from, or reduction in the rate of deduction or withholding of, such Taxes (including Internal Revenue Service Forms W-8BEN, W-8BEN-E, W-8IMY, W-8ECI, W-8EXP, 6166 and W-9 or any successor form, as applicable) and (ii) at least 30 days before the first Payment Date with respect to which the Company shall apply this clause (c), the Company shall have notified such Beneficial Owner in writing that such Beneficial Owner will be required to comply with such requirement,
- (d) where such withholding or deduction is imposed upon a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any other Directive implementing the conclusions of the ECOFIN Council meetings of November 26-27, 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive,
- (e) in respect of any Taxes that are payable other than by deduction or withholding from payment of principal of, premium, if any, or interest on the Notes,
- (f) in respect of any Taxes that would not have been so imposed if the holder had presented the Note for payment (where presentation is required and the Company has given the holders at least 30 days prior notice that they will be required to comply with such presentation) to another paying agent,

(g) in respect of any such Taxes that would not have been so withheld or deducted if the Note had been presented for payment (where presentation is required) within 30 days after the later of (x) the date on which such payment became due and payable and (y) the date on which payment thereof is duly provided for, except to the extent that such Beneficial Owner would have been entitled to such Additional Amounts on presenting such Note for payment on the last date of such period of 30 days, or

(h) due to any combination of the circumstances described in clauses (a) through (g),

nor will any Additional Amounts be paid with respect to any payment to a recipient that is a fiduciary or partnership or other than the Beneficial Owner of such payment to the extent that such payment would be required to be included in the income, for tax purposes, of a Beneficial Owner who would not have been entitled to such Additional Amounts had such Beneficial Owner been in the place of such recipient.

Notwithstanding the foregoing paragraph, the limitations on the obligation of the Company to pay Additional Amounts as set forth in clause(c) above will not apply if a certification, identification, information, documentation or other reporting requirement described in such clause (c) would be materially more onerous (in form, in procedure or in the substance of information disclosed) to the applicable Beneficial Owner than comparable information or other reporting requirements imposed under United States tax law, regulation and administrative practice (such as IRS Forms W-8BEN, W-8BEN-E, W-8IMY, W-8ECI, W-8EXP, 6166 and W-9 or any successor form).

Upon request of a Beneficial Owner, the Company will provide to such applicable Beneficial Owner evidence of the payment of Taxes in respect of which the Company has paid any Additional Amounts.

In addition, the Company will pay any stamp, issue, registration, documentary or other similar taxes and duties, including interest and penalties, in respect of the creation, issuance and offering of the Notes, excluding any such taxes and duties imposed by any jurisdiction outside Argentina, except those resulting from, or required to be paid in connection with, the enforcement of such Notes after the occurrence and during the continuance of a Default with respect to the Notes in default. The Company will also indemnify the Beneficiaries from and against all court taxes or other taxes and duties, including interest and penalties, paid by any of them in any jurisdiction in connection with any action permitted to be taken by the Beneficiaries to enforce the Company's obligations under the Transaction Documents.

In the event that the Company pays any personal asset tax in respect of outstanding Notes, the Company has agreed to waive any right it may have under Argentine law to seek reimbursement from the holders or direct owners of the Notes of any such amounts paid. See "Taxation—Certain Argentine Tax Considerations."

The Company's obligation to pay Additional Amounts will survive the final payment of principal and Interest on the Notes and the sale or transfer of the Notes by any Noteholder.

Currency Indemnity and Foreign Exchange Restrictions. Except with respect to the payment of certain fees and expenses to the Argentine Collateral Trustee, dollars are the sole currency of account and payment for all sums payable under or in connection with the Transaction Documents, including with respect to indemnities. Any amount received or recovered in a currency other than the applicable currency (whether as a result of, or in the enforcement of, a judgment, decree or order of a court of any jurisdiction, in the winding-up or dissolution of the Company or otherwise) by any Beneficiary in respect of any sum expressed to be due to it under the Transaction Documents will only constitute a discharge by the Company of the applicable obligation to the extent of the amount of the applicable currency that such Beneficiary evidences that it is able to purchase with the amount so received or recovered in such other currency on the date of receipt or recovery (or, if it is not practicable for such Beneficiary to make such purchase on such date, on the first date on which it is practicable for such Beneficiary to do so). If such amount of the applicable currency is less than the amount payable to such Beneficiary, then the Company will indemnify such Beneficiary against any loss sustained by it as a result. In any event, the Company will indemnify such Beneficiary against the cost of making any such purchase. For the purposes of this indemnity, it will be sufficient for such Beneficiary to certify in a reasonable manner (indicating the sources of information used) that it would have suffered a loss had an actual purchase of the applicable currency been made with the amount so received in such other currency on the date of receipt or recovery (or, if a purchase of the applicable currency on such date had not been

practicable for such Beneficiary, on the first date on which it would have been practicable for such Beneficiary, it being required that the need for a change of date be certified in the manner mentioned above). Promptly (and in any event within 10 Business Days) after its receipt of such a certification, the Company will pay the indicated amount (*plus* any applicable Additional Amounts) to such Beneficiary in the location requested by such Beneficiary in such certification. These indemnities will constitute a separate and independent obligation from the Company's other obligations under the Transaction Documents, will give rise to a separate and independent cause of action, will apply irrespective of any indulgence granted by the applicable payee and will continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under the Transaction Documents.

In the event that any restrictions or prohibition of access to the Argentine foreign exchange market exists, the Company will seek to pay all amounts payable under the Notes either (i) by purchasing at market price securities of any series of U.S. dollar denominated Argentine sovereign bonds or any other securities or private or public bonds issued in Argentina, and transferring and selling such instruments outside Argentina, to the extent permitted by applicable law, or (ii) by means of any other reasonable means permitted by law in Argentina, in each case, on such payment date. All costs and taxes payable in connection with the procedures referred to in clauses (i) and (ii) above shall be borne by the Company. The Company agrees that, notwithstanding any restriction or prohibition on access to the foreign exchange market (*Mercado Único y Libre de Cambios*) in Argentina, any and all payments to be made under the Notes and the Indenture will be made in U.S. dollars. Nothing in the Notes and the Indenture shall impair any of the rights of the holders of the Notes or the Indenture Trustee or justify the Company in refusing to make payments under the Notes and the Indenture in U.S. dollars for any reason whatsoever, including, without limitation, any of the following: (i) the purchase of U.S. dollars in Argentina by any means becoming more onerous or burdensome for the Company than as of the date hereof and (ii) the exchange rate in force in Argentina increasing significantly from that in effect as of the date hereof. The Company waives the right to invoke any defense of payment impossibility (including any defense under Section 1091 of the Argentine Civil and Commercial Code), impossibility of paying in U.S. dollars (assuming liability for any force majeure or act of God), or similar defenses or principles (including, without limitation, equity or sharing of efforts principles).

In addition, the Company acknowledges that Section 765 of the Argentine Civil and Commercial Code is not applicable with respect to any payments to be performed in connection with the Notes and forever and irrevocably waives any right that might assist it to allege that any payments in connection with the Notes could be payable in any currency other than in U.S. dollars, and therefore waives and renounces to applicability thereof to any payments in connection with the Notes.

Redemption of the Notes

Upon the redemption of the Notes (or any portion thereof) (whether such redemption is a voluntary redemption permitted by or a mandatory redemption required by the terms of the Indenture, including a redemption upon acceleration as a result of a Default), the Company will pay all accrued Interest, Additional Amounts (if any), Redemption/tender Premium (if applicable) and all amounts then due and payable to Beneficiaries by the Company under the Transaction Documents (including any fees, expenses, indemnities or other amounts payable to the Indenture Trustee and/or the Argentine Collateral Trustee). In addition, under certain circumstances described below the Company will be required to make a tender offer with respect to some or all of the Notes.

Should any Redemption Price that is paid for a redemption of the Notes include any accrued and unpaid Interest, then the calculation of the amount of Interest payable on the next Payment Date will be adjusted to reflect such previous payment of accrued Interest.

Default. As described in “—Defaults” below, during the occurrence and continuance of a Default the Company may be obligated to pay to the Indenture Trustee the Default Payment for the full redemption of the Notes. If such Default Payment have not been paid in full by the date required, then the Indenture Trustee will have a direct cause of action against the Company to collect such unpaid amount for the benefit of the applicable Beneficiaries entitled to such payments and will be entitled to use any legally available remedies in connection therewith. No right or remedy conferred or reserved to the Indenture Trustee or to the holders of the Notes under the Indenture is intended to be exclusive of any other right or remedy, and all such rights and remedies are, to the extent permitted by law, cumulative and in addition to every other right and remedy hereunder or now or hereafter existing at law or

in equity or otherwise. The assertion or exercise of any right or remedy hereunder, or otherwise, will not prevent the concurrent assertion or exercise of any other right or remedy. From the Default Payment: (a) the Noteholders will be entitled to receive an amount in U.S. dollars equal to the sum of: (i) the Principal Balance of the Notes, (ii) all accrued and unpaid Interest (if any) on the Notes to but excluding the Redemption Date, (iii) all unpaid Additional Amounts and (iv) all other amounts (if any) then due and payable to the Noteholders under the Transaction Documents, and (b) each other Beneficiary (including the Indenture Trustee and the Argentine Collateral Trustee) will be entitled to receive all fees, expenses, indemnities and other amounts then due and payable to them by the Company under the Transaction Documents. No Redemption/tender Premium would be payable by the Company with respect to any such redemption.

In connection with any requirement for the Company to pay the Default Payment, the amounts on deposit from time to time in the Dollar Collection Account (other than such amounts required to be distributed pursuant to clause (c) of the waterfall in “—Collateral—Transaction Accounts—Dollar Collection Account” below) will as promptly as possible be applied by the Indenture Trustee to the extent necessary to satisfy payment, in whole or in part, of such Default Payment. In addition, the amounts on deposit from time to time in the Peso Collection Account (including funds transferred thereto from the Dollar Collection Account in the manner described in clause (c)(ii) of the waterfall in “—Collateral—Transaction Accounts—Dollar Collection Account” below), the Local Dollar Collection Account (including funds transferred thereto from the Dollar Collection Account in the manner described in clause (c)(ii) of the waterfall in “—Collateral—Transaction Accounts—Dollar Collection Account” below), and the Expense Payment Account will as promptly as possible be transferred by the Argentine Collateral Trustee to the Indenture Trustee (to the extent in Pesos, for conversion into dollars first) for the Indenture Trustee for application pursuant to the preceding sentence; *provided* that: (a) for any fees, expenses and indemnities payable to the Argentine Collateral Trustee included in the calculation of the Default Payment, Pesos (including, for any payments to be made thereto in dollars, the Peso-equivalent amount thereof based upon the Exchange Rate then in effect) will be retained in the Expense Payment Account and paid to the Argentine Collateral Trustee as promptly as possible and (b) any funds in the Expense Payment Account will first be applied to the payment of any Taxes payable by the Trust and then (on a *pro rata* basis) to the payment of fees, expenses and indemnities (if any) payable to the Indenture Trustee and the Argentine Collateral Trustee (including, with respect to any payments to the Indenture Trustee to be paid outside of Argentina, after converting such amounts into dollars and transferring such amounts to the Indenture Trustee in accordance with Argentine applicable law).

Any payment of the Principal Balance of the Notes as a result of a Default Payment will, to the extent that the Principal Balance of the Notes has not been paid in full, be applied to reduce the remaining scheduled Quarterly Amortization Amounts in inverse order of maturity.

Optional Redemption. At any time and from time to time, the Company may, by delivery of an irrevocable notice to the Indenture Trustee at least 35 days (but no earlier than 90 days) before the selected Redemption Date and by delivery of the Redemption Price (including the Optional Redemption Premium) to the Indenture Trustee on or before such Redemption Date, redeem the Notes (or a portion thereof) in whole or in part at any time on such selected Redemption Date; *provided* that such Redemption Date must be a New York Business Day. If any such redemption is for less than the entire amount of the Notes, then the reduction in the Principal Balance of the Notes will be applied to reduce the remaining scheduled Quarterly Amortization Amounts on a *pro rata* basis. Upon the request of the Company, delivered at least 5 Business Days prior to the date set for delivery of such notice of redemption, the Indenture Trustee will provide a copy of such notice, prepared by and at the expense of the Company, to the Noteholders. The notice prepared by the Company will specify the Redemption Date, the portion and components of the Redemption Price to be payable to the Noteholders and the place(s) of payment of such amounts.

The “*Optional Redemption Premium*” means, with respect to any optional redemption described in the preceding paragraph for which payment of the applicable Redemption Price is made: (a) before the fifth anniversary of the Issuance Date, an amount equal to the Make-whole Premium, and (b) thereafter, an amount equal to: (i) the Principal Balance of the Notes (or beneficial interests therein) being so redeemed multiplied by the following percentage *minus* (ii) such Principal Balance:

Date of Payment	Multiplier
On or after the fifth anniversary of the Issuance Date to but excluding the sixth anniversary of the Issuance Date	103.438%
Thereafter to but excluding the seventh anniversary of the Issuance Date	102.578%
Thereafter to but excluding the eighth anniversary of the Issuance Date	101.719%
Thereafter to but excluding the ninth anniversary of the Issuance Date	100.859%
Thereafter	100.00%

On or before the New York Business Day before the indicated Redemption Date, the Company will deliver to the Indenture Trustee the applicable Redemption Price. Following receipt by the Indenture Trustee of the Redemption Price in connection with such an optional redemption of the Notes (in whole or in part), the Noteholders will be entitled to receive on the selected Redemption Date an amount in U.S. dollars equal to the sum of: (a) the Principal Balance of the Notes (or, in the case of a partial redemption, the portion thereof to be redeemed), (b) all accrued and unpaid Interest (if any) on such redeemed principal amount to but excluding the Redemption Date, (c) all unpaid Additional Amounts, (d) the Optional Redemption Premium on the Notes (or, in the case of a partial redemption, the portion thereof to be redeemed) and (e) all other amounts (if any) then due and payable to the Noteholders under the Transaction Documents. If such Redemption Price (or a portion thereof) is made by (or on behalf of) the Company, then the Indenture Trustee will apply such amounts to make such payment to the applicable Noteholders; *it being understood* that such payments to the applicable Noteholders might not occur until the Indenture Trustee's Business Day after the Redemption Date and no additional Interest or other amounts will accrue as a result of any such delay.

Optional Redemption Following Concession Extension. If, prior to the second anniversary of the Issuance Date, the Company obtains an extension of the term of the Concession through at least February 13, 2038, then the Company may, at its option, solely for the purpose of refinancing the Notes, elect to redeem all, but not less than all, of the Notes by giving at least 35 days' but not more than 60 days' (or such additional time as may be required by Applicable Law) irrevocable notice thereof (including the selected Redemption Date, which must be a New York Business Day); provided that such notice must be given within 120 days after obtaining such extension of the Concession.

On or before the New York Business Day before the indicated Redemption Date, the Company will deliver to the Indenture Trustee the Concession Extension Redemption Price for the full redemption of the Notes. Following receipt by the Indenture Trustee of such Concession Extension Redemption Price, the Noteholders will be entitled to receive on the selected Redemption Date an amount in U.S. dollars equal to the Concession Extension Redemption Price. If such Concession Extension Redemption Price is made by (or on behalf of) the Company, then the Indenture Trustee will apply such amounts to make such payment to the applicable Beneficiaries; *it being understood* that such payments to the applicable Beneficiaries might not occur until the Indenture Trustee's Business Day after the Redemption Date and no additional Interest or other amounts will accrue as a result of any such delay.

Optional Redemption for Changes in Taxes. If, as a result of any amendment to or other change in (or change in the official interpretation of) the Applicable Laws of Argentina or any taxing authority thereof or therein, which amendment or other change becomes effective on or after the Issuance Date (or, if additional Notes have been issued pursuant to “—Issuance of Additional Notes” above, on or after the latest date of such issuance), the Company is required, after taking all reasonable measures to avoid this requirement, to pay Additional Amounts in excess of 10% of the scheduled payments of Interest on the Notes, then the Company may elect to redeem all, but not less than all, of the Notes at any time by giving at least 35 days' but not more than 60 days' (or such additional time as may be required by Applicable Law) irrevocable notice thereof (including the selected Redemption Date, which must be a New York Business Day); *provided* that no such notice may be given before the date that is 90 days before the earliest date on which such Additional Amounts would first begin to accrue. Concurrently with the delivery of any such notice of redemption, the Company will be required to deliver to the Indenture Trustee an Opinion of Counsel from Argentina (or a letter from an internationally recognized accounting firm, which letter is in form and substance

reasonably acceptable to the Indenture Trustee) to the effect that the Company is or will be required to pay such Additional Amounts as a result of such amendment or other change; *it being understood* that the failure to deliver such an Opinion of Counsel or letter will make such notice of redemption void *ab initio*. Upon the request of the Company, delivered at least 5 Business Days prior to the date set for delivery of such notice of redemption, the Indenture Trustee will provide a copy of such notice, prepared by and at the expense of the Company. The notice prepared by the Company will specify the Redemption Date, the portion and components of the Redemption Price to be payable to the Noteholders and the place(s) of payment of such amounts.

On or before the New York Business Day before the indicated Redemption Date, the Company will deliver to the Indenture Trustee the Redemption Price for the full redemption of the Notes. Following receipt by the Indenture Trustee of such Redemption Price, the Noteholders will be entitled to receive on the selected Redemption Date an amount in U.S. dollars equal to the sum of: (a) the Principal Balance of the Notes, (b) all accrued and unpaid Interest (if any) on the Notes to but excluding the Redemption Date, (c) all unpaid Additional Amounts and (d) all other amounts (if any) then due and payable to the Noteholders under the Transaction Documents. No Redemption/tender Premium would be payable by the Company with respect to any such redemption. If such Redemption Price (or a portion thereof) is made by (or on behalf of) the Company, then the Indenture Trustee will apply such amounts to make such payment to the applicable Noteholders; *it being understood* that such payments to the applicable Noteholders might not occur until the Indenture Trustee's Business Day after the Redemption Date and no additional Interest or other amounts will accrue as a result of any such delay.

Optional Redemption for Equity Offerings. At any time and from time to time before the fifth anniversary of the Issuance Date, the Company may, by delivery of an irrevocable notice to the Indenture Trustee at least 35 days (but no earlier than 90 days) before the selected Redemption Date and by delivery of the Redemption Price (with respect to the portion of the Principal Balance of the Notes so redeemed, such amount to be calculated using the assumption that such had an outstanding principal amount of 106.875% of their actual portion of the Principal Balance) to the Indenture Trustee on or before such Redemption Date, redeem the Notes (or a portion thereof) in whole or in part at any time on such selected Redemption Date (which must be a New York Business Day); *provided* that: (a) the aggregate portion of the Principal Balance of the Notes so redeemed in all such redemptions may not exceed US\$140,000,000 (*i.e.*, 35% of the initial Principal Balance of the Notes), (b) any such notice of redemption must be delivered to the Indenture Trustee by no later than the 90th day after an Equity Offering and (c) the portion of the Principal Balance of the Notes so redeemed may not exceed the Net Cash Proceeds of such Equity Offering (after excluding therefrom any such Net Cash Proceeds that have been included in any calculation made pursuant to clause (b)(iv)(B) of “—Negative Covenants” below). If any such redemption is for less than the entire amount of the Notes, then the reduction in the Principal Balance of the Notes will be applied to reduce the remaining scheduled Quarterly Amortization Amounts on a *pro rata* basis. Upon the request of the Company, delivered at least 5 Business Days prior to the date set for delivery of such notice of redemption, the Indenture Trustee will provide a copy of such notice, prepared by and at the expense of the Company, to the Noteholders. The notice prepared by the Company will specify the Redemption Date, the portion and components of the Redemption Price to be payable to the Noteholders and the place(s) of payment of such amounts.

On or before the New York Business Day before the indicated Redemption Date, the Company will deliver to the Indenture Trustee the applicable Redemption Price. Following receipt by the Indenture Trustee of the Redemption Price in connection with such an optional redemption of the Notes (in whole or in part), the Noteholders will be entitled to receive on the selected Redemption Date an amount in U.S. dollars equal to the sum of: (a) 106.875% of the Principal Balance of the Notes (or, in the case of a partial redemption, the portion thereof to be redeemed), (b) all accrued and unpaid Interest (if any) on such redeemed principal amount to but excluding the Redemption Date, (c) all unpaid Additional Amounts and (d) all other amounts (if any) then due and payable to the Noteholders under the Transaction Documents. The amount by which clause (a) exceeds the Principal Balance of the Notes (or portion thereof) so redeemed is the Redemption/tender Premium with respect to any such redemption. If such Redemption Price (or a portion thereof) is made by (or on behalf of) the Company, then the Indenture Trustee will apply such amounts to make such payment to the applicable Beneficiaries; *it being understood* that such payments to the applicable Beneficiaries might not occur until the Indenture Trustee's Business Day after the Redemption Date and no additional Interest or other amounts will accrue as a result of any such delay.

Change of Control. Except to the extent that such would violate Applicable Law, by no later than 30 days after the date on which a Change of Control occurs, the Company will (unless, before the end of such period, it has

delivered to the Indenture Trustee a notice of optional redemption with respect to the redemption of all of the Notes as described in “—Optional Redemption,” “—Optional Redemption Following Concession Extension,” “—Optional Redemption for Changes in Taxes,” or “—Optional Redemption for Equity Offerings” above or if, immediately after the closing of such tender offer, there would be fewer than three months remaining until the Maturity Date) send to the Indenture Trustee (for the Indenture Trustee to deliver to each Noteholder) a notice (a *“Change of Control Notice”*) offering to purchase the Notes (and/or beneficial interests therein) on a selected date that is no earlier than 35 days and no later than 60 days (or such additional time as may be required by Applicable Law) after the date of such notice, which selected date must be a New York Business Day (a *“Change of Control Offer”*). The Change of Control Notice must advise each Noteholder in sufficient detail as to how to tender its Notes (or beneficial interests therein) should it elect to accept such offer. In connection with any such purchase offer, the Company will hold such offer open for at least 20 (but no more than 30) New York Business Days (or such additional time as may be required by Applicable Law) and will comply with Rule 14e-1 under the Exchange Act and any other Applicable Laws.

Upon the Company’s delivery to the Indenture Trustee of a Change of Control Notice, each Noteholder will have the right to tender in the offer all or any portion of such Noteholder’s Notes (or beneficial interests therein); *provided* that, unless such Noteholder tenders all of its Notes (or beneficial interests therein), a Noteholder may not so tender its Notes (or beneficial interests therein) if such would leave it holding Notes (or beneficial interests therein) with an original face value of less than the Minimum Denomination. On the selected purchase date, the Company will: (a) subject to the next paragraph, accept (except to the extent such would violate Applicable Law) for purchase all of the Notes (and/or beneficial interests therein) that have been tendered in (but not withdrawn from) such offer, and (b) pay (such payment to be made in dollars in the United States) each applicable Noteholder for its Notes (and/or beneficial interests therein) a purchase price equal to 101% of the portion of the Principal Balance represented thereby plus all accrued and unpaid Interest (if any) thereon to but excluding the purchase date plus any applicable Additional Amounts. Any such Notes (and/or beneficial interests therein) so purchased by the Company will be immediately cancelled by the Indenture Trustee in the manner described in “—Cancellation” below.

As may be permitted under the applicable rules of DTC, in any such tender offer, a Noteholder may elect to condition its tender of the Notes (or beneficial interests therein) subject to the condition that a minimum percentage (selected by such Noteholder) of the outstanding Principal Balance of the Notes has been tendered in (but not withdrawn from) the offer; *it being understood* that, in determining whether such percentage has been achieved, the Notes (or beneficial interests therein) of such Noteholder and other Noteholders that have so conditioned their tenders with the same or a higher percentage will not be considered to have been tendered.

There is no assurance that the Company would be able to make payments for all Notes (or beneficial interests therein) tendered and accepted in such a Change of Control Offer, whether due to the lack of sufficient funds, the inability to convert pesos into dollars and/or transfer them outside Argentina or otherwise. While the Company 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 a Default.

One of the events that may result in a Change of Control is the disposition of “all or substantially all” of the Company’s Property under certain circumstances. The meaning of this term is subjective, is based upon the facts and circumstances of the subject transaction and has not been interpreted under New York State law (which will be the governing law of the Indenture) to represent a specific quantitative test. As a consequence, in certain circumstances there may be uncertainty in ascertaining whether a particular transaction involved a disposition of “all or substantially all” of the Property of the Company. In the event that Noteholders believe that such a Change of Control has occurred and the Company contests such election, there can be no assurance as to how a court interpreting New York State law would interpret the phrase under certain circumstances.

Asset Disposal Offer. If an Asset Disposal occurs, then under certain circumstances the Company will be required to make an offer to purchase some or all of the Notes (or beneficial interests therein). See clause (d) of “—Negative Covenants” below.

There is no assurance that the Company would be able to make payments for all Notes (or beneficial interests therein) tendered and accepted in such an offer, whether due to the lack of sufficient funds, the inability to convert pesos into dollars and/or transfer them outside Argentina or otherwise. While the Company 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 a Default.

Insurance Proceeds and Insurance Payment Offer. Should any Property of the Company or any of its Subsidiaries be lost, damaged, destroyed or otherwise affected and the Company or such Subsidiary receives payment (whether in one or a series of payments) with respect thereto under any insurance that it or any other person maintains (an “*Insurance Payment*”), then (if such Insurance Payment, after deducting any amounts thereof required to be paid to (or reserved for the purpose of making payment to) parties other than the Company and its Subsidiaries in connection with such loss or other event, is at least US\$20,000,000 (or its equivalent in any other currency)) the amount of such Insurance Payment must (by no later than the 270th day after the receipt of such Insurance Payment) be applied by the Company or its applicable Subsidiary (as applicable) to either: (a) repay Debt (other than Subordinated Debt and Contingent Obligations) of the Company or such Subsidiary without refinancing (and, with respect to any such Debt under an arrangement that permits future disbursements or other incurrences of Debt thereunder, with a corresponding permanent reduction in the amount of Debt available to be incurred thereunder), (b) invest in the business (including expenditures for Improvements) of the Company or such Subsidiary or (c) except to the extent that such would violate Applicable Law, be used to purchase Notes (or beneficial interests therein) as provided below in this paragraph; *provided* that such Insurance Payment will be maintained in cash or Cash Equivalents pending such application. To the extent that at least US\$5,000,000 (or its equivalent in any other currency) of such Insurance Payment has not been so applied within the indicated period (any such unapplied amount at the end of such period, the “*Remaining Insurance Payment Amount*”), then by no later than such 270th day the Company will (unless, before the end of such period, it has delivered to the Indenture Trustee a notice of optional redemption with respect to the redemption of all of the Notes as described in “—Optional Redemption,” “—Optional Redemption Following Concession Extension,” “—Optional Redemption for Changes in Taxes” or “—Optional Redemption for Equity Offerings” above or if, immediately after the closing of such tender offer, there would be fewer than three months remaining until the Maturity Date) send to the Indenture Trustee (for the Indenture Trustee to deliver to each Noteholder) a notice (an “*Insurance Payment Notice*”) offering to purchase Notes (and/or beneficial interests therein) having an outstanding Principal Balance of the Remaining Insurance Payment Amount (an “*Insurance Payment Offer*”); *it being understood* that such tender offer may not be for an outstanding Principal Balance of more or less than the Remaining Insurance Payment Amount. Such Insurance Payment Notice must also indicate a selected date for such purchase that is no earlier than 35 days and no later than 60 days (or such additional time as may be required by Applicable Law) after the date of such notice, which selected date must be a New York Business Day. The Insurance Payment Notice must advise each Noteholder in sufficient detail as to how to tender its Notes (or beneficial interests therein) should it elect to accept such offer. In connection with any such purchase offer, the Company will hold such offer open for at least 20 (but no more than 30) New York Business Days (or such additional time as may be required by Applicable Law) and will comply with Rule 14e-1 under the Exchange Act and any other Applicable Laws.

Upon the Company’s delivery to the Indenture Trustee of an Insurance Payment Notice, each Noteholder will have the right to tender in the offer all or any portion of such Noteholder’s Notes (or beneficial interests therein); *provided* that, unless such Noteholder tenders all of its Notes (or beneficial interests therein), an Noteholder may not so tender its Notes (or beneficial interests therein) if such would leave it holding Notes (or beneficial interests therein) with an original face value of less than the Minimum Denomination. On the selected purchase date, the Company will: (a) from the Notes (and/or beneficial interests therein) that have been tendered in (but not withdrawn from) such offer, accept (except to the extent such would violate Applicable Law) an amount representing a portion of the Principal Balance at least equal to the Remaining Insurance Payment Amount (or such lesser amount as has been so accepted); *provided* that the Notes (or beneficial interests therein) so tendered will be so accepted on a *pro rata* basis (based upon the amounts tendered and not withdrawn) or otherwise in accordance with the applicable procedures of DTC, and (b) pay (such payment to be made in dollars in the United States) each applicable Noteholder for its accepted Notes (and/or beneficial interests therein) a purchase price equal to 100% of such portion of the Principal Balance plus all accrued and unpaid Interest (if any) thereon to but excluding the payment date plus any applicable Additional Amounts. No Redemption/tender Premium would be payable by the Company with respect to any such purchase. Any such Notes (and/or beneficial interests therein) so purchased by the Company will be immediately cancelled by the Indenture Trustee in the manner described in “—Cancellation” below.

As may be permitted by the applicable rules of DTC, in any such tender offer, an Noteholder may elect to condition its tender of the Notes (or beneficial interests therein) subject to the condition that a minimum percentage (selected by such Noteholder) of the outstanding Principal Balance of the Notes has been tendered in (but not withdrawn from) the offer; *it being understood* that, in determining whether such percentage has been achieved, the Notes (or beneficial interests therein) of such Noteholder and other Noteholders that have so conditioned their tenders with the same or a higher percentage will not be considered to have been tendered.

There is no assurance that the Company would be able to make payments for all Notes (or beneficial interests therein) tendered and accepted in such an offer, whether due to the lack of sufficient funds, the inability to convert pesos into dollars and/or transfer them outside Argentina or otherwise. While the Company 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 a Default.

Cancellation. Any Notes (or beneficial interests therein) that are acquired by the Company will be canceled. In order to effect such cancellation, the Company will, by no later than 30 days after its acquisition of such Notes (or beneficial interests therein), send to the Indenture Trustee a notice that it owns such Notes (or beneficial interests therein) (including, to the extent applicable, indicating the amounts of each Global Note so acquired) and that the indicated principal amount thereof is to be canceled (which ownership the Company will evidence to the satisfaction of the Indenture Trustee). In addition, if the Company holds any definitive Notes, then (with such notice) such will be required to be delivered to the Indenture Trustee for cancellation. Upon receipt of any such notice and satisfactory evidence, the Indenture Trustee will promptly cause such principal amount to be canceled (including, if applicable, to notify DTC and/or any other applicable clearing system; *it being understood* that the Company will also notify such clearing system, through any applicable participants or members therein, of such cancellation and (to the extent required) arrange for its interests in a Global Note to be delivered “free for cancellation”) in accordance with its standard procedures. Upon any such cancellation, the remaining scheduled Quarterly Amortization Amounts of the Notes will be reduced on a *pro rata* basis and the calculation of Interest (and other calculations under the Transaction Documents) will take into effect such cancellation. None of the Subsidiaries of the Company will (and the Company will ensure that none of its Subsidiaries will) acquire any of the Notes (or beneficial interests therein).

Notwithstanding the preceding paragraph, any Notes (or beneficial interests therein) that are acquired by the Company in the manner described in “—Change of Control Offer,” “—Asset Disposal Offer” or “—Insurance Proceeds” above will be immediately cancelled by the Indenture Trustee in accordance with its standard procedures. By no later than the selected purchase date, the Company will notify the Indenture Trustee of the portion of the Principal Balance of the Notes that it will be so purchasing (and, to the extent applicable, the amounts of each Global Note being so purchased) and immediately after such purchase: (a) will confirm to the Indenture Trustee (or revise) such notice and (b) provide the Indenture Trustee detailed evidence of the consummation of such purchase. Upon receipt of evidence satisfactory to the Indenture Trustee as to the consummation of such purchase, the Indenture Trustee will promptly cause the applicable amount of the Principal Balance to be canceled (including, if applicable, to notify DTC and/or any other applicable clearing system; *it being understood* that the Company will also notify such clearing system, through any applicable participants or members therein, of such cancellation) in accordance with its standard procedures. Upon any such cancellation, the remaining scheduled Quarterly Amortization Amounts of the Notes will be reduced on a *pro rata* basis and the calculation of Interest (and other calculations under the Transaction Documents) will take into effect such cancellation.

Form, Denomination, Subscription Amounts and Registration

The Notes (and beneficial interests therein) will be issued in registered form only without interest coupons, which Notes (and beneficial interests therein) will be in original principal denominations of US\$150,000 (the “*Minimum Denomination*”) and integral multiples of US\$1,000 in excess thereof, and will have a minimum subscription amount of US\$150,000. Any transfer of a Note (or beneficial interests therein) will be required to be in such authorized denominations. No Notes will be issued in bearer form. Investment in the Notes will be represented by beneficial interests in the related Global Note, with beneficial interests in the Notes offered and sold in reliance upon: (a) Rule 144A being issued in the form of a single Rule 144A Global Note and (b) Regulation S being issued in the form of a single Regulation S Global Note. Each of the Global Notes will be registered in the name of DTC or its nominee and will be deposited with the Trustee as custodian for DTC (or such nominee).

Beneficial interest in the Notes will be shown on, and transfers thereof will be effected only through, the book-entry records maintained by DTC and its direct and indirect participants (including Euroclear and Clearstream). Noteholders may elect to hold interests in the Global Notes directly through such clearing systems, if they are participants therein, or indirectly through organizations that are participants therein. See “Clearing and Settlement.” Except as described in this Offering Memorandum, owners of beneficial interests in the Global Notes will not be entitled to have the Notes registered in their names, will not receive or be entitled to receive physical delivery of a Note in definitive form and will not be considered holders of the Notes under the Notes or the Indenture.

The Notes (and beneficial interests therein) will be subject to certain restrictions on transfer set forth therein and described under “Notice to Investors.” In addition, transfers of beneficial interests in the Notes will be subject to the applicable rules and procedures of the applicable clearing system(s), which rules and procedures may change from time to time. See “Clearing and Settlement.” No service charge will be made for any registration of transfer or exchange of the Notes, but the Indenture Trustee and any other transfer agent may require payment of a sum sufficient to cover any Tax or other government charge payable in connection therewith. The Notes (or beneficial interests therein) may not be transferred unless the original principal amount of the Note (or beneficial interest therein) so transferred is in an authorized denomination.

With respect to any Note held through DTC or another clearing system (or a nominee thereof), each Beneficial Owner holding a beneficial interest in such Global Note may be considered to be a “Noteholder” of its portion of the Notes for purposes of voting the vote relating thereto (including in determining the Controlling Party) (for example, such Beneficial Owner may consent to any waiver or amendment directly without requiring the participation of the applicable clearing system or its nominee and may attend and vote at meetings of Noteholders); *it being understood* that the Indenture Trustee shall have received evidence satisfactory to it in its sole discretion that such Beneficial Owner holds the beneficial interests in such Global Note that it purports to vote, and such evidence of ownership may include a securities position, participant list, proxy statement or other information obtained from the applicable clearing system.

Definitive Notes. If DTC (or a successor thereto) notifies the Indenture Trustee in writing (with a copy to the Company) that it is unwilling or unable to continue as depositary for a Global Note or that it ceases to be a “clearing agency” registered under the Exchange Act and the Company is unable to locate a qualified successor as a clearing agency within 90 days of the Indenture Trustee’s receipt of such notice, then the Company will send a notice to DTC (or such successor) for further delivery by DTC (or such successor) to the Beneficial Owners holding interests in the Notes through DTC (or such successor) of the occurrence of any such event and of the availability of definitive Notes to such Beneficial Owners. Upon the giving of such notice and the surrender of the Global Notes by DTC (or its replacement(s) pursuant to this paragraph) accompanied by registration instructions, the Company will issue and the Indenture Trustee will authenticate definitive Notes (which will be in definitive, fully registered, non-global form without interest coupons) to replace such Global Note. In all cases, definitive Notes delivered in exchange for any Global Notes or beneficial interests therein will be registered in the names, and issued in any approved denominations, requested by the applicable clearing system (whether DTC or a successor thereto).

In the case of definitive Notes issued in exchange for a Global Note, such definitive Notes will bear the legend described in “Notice to Investors” unless counsel to the Company and the Indenture Trustee determine otherwise in accordance with Applicable Law. The holder of a definitive Note may transfer such Note, subject to compliance with the provisions of such legend, by surrendering it at the office or agency maintained by the Indenture Trustee for such purpose in New York City, New York. Upon the transfer, exchange or replacement of definitive Notes bearing such legend, or upon specific request for removal of such legend on a definitive Note, the Indenture Trustee will deliver only Notes that bear such legend or will refuse to remove such legend, as the case may be, unless there is delivered to the Company and the Indenture Trustee such satisfactory evidence, which may include an Opinion of Counsel, as may reasonably be required by the Company and/or the Indenture Trustee that neither such legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act. Before any definitive Note may be transferred to a person who takes delivery in the form of an interest in any Global Note, the transferor may be required to provide the Indenture Trustee with a transfer certificate (forms of which will be attached to the Indenture).

In addition to the above, at any time during the existence of a Default, any Beneficial Owner may, by delivery of direction to the Indenture Trustee through the applicable clearing system(s), request the delivery of a definitive Note with respect to all or any portion of the beneficial interests in the Notes owned by such Beneficial Owner. Any such direction must be accompanied by related registration instructions and the surrender of the applicable Global Note. Upon receipt of such direction and Global Note: (a) the Indenture Trustee will request the Company to issue definitive Notes (which will be in definitive, fully registered, non-global form without interest coupons) to such Beneficial Owner in an amount equal to such beneficial interests in the Notes (which Notes the Company will promptly deliver to the Indenture Trustee for authentication and delivery to the applicable Beneficial Owner), (b) to the extent that any principal will still be held by a clearing system (or its nominee), the Indenture Trustee will authenticate and deliver a new Global Note to such clearing system (or such nominee) for such amount, and (c) the Indenture Trustee will instruct the Argentine Collateral Trustee to revise the Register accordingly.

In the event of a transfer of a definitive Note, new Notes will be obtainable at the office of the Indenture Trustee in connection with such transfer. The Company will deliver to the Indenture Trustee promptly upon its request additional blank Notes executed by the Company but not yet authenticated or otherwise completed.

Destroyed, Lost, Stolen and Mutilated Notes

In case any Note shall become destroyed, lost, stolen, mutilated or defaced, the Company will execute and the Indenture Trustee will authenticate and deliver (and instruct the Argentine Collateral Trustee to register) a new Note of like tenor (and dated the date of such destroyed, lost, stolen, mutilated or defaced Note) and equal original principal amount registered in the same manner in lieu of and in substitution for such destroyed, lost or stolen Note or (upon surrender and cancellation thereof) in exchange and substitution for such mutilated or defaced Note. In case a Note is destroyed, lost or stolen, the applicant for a substitute Note will be required to furnish the Company and the Indenture Trustee: (a) satisfactory evidence of the destruction, loss or theft of such Note and of the ownership thereof and (b) such security or indemnity as may be required by the Company and/or the Indenture Trustee to save each of them harmless (*provided* that if the applicable Noteholder has a net worth of at least US\$50,000,000 (or its equivalent in any other currency) or its long-term unsecured foreign currency obligations have a rating from either S&P or Moody's of at least "A" or at least "A2" (as applicable), then such Noteholder's own unsecured agreement of indemnity will be deemed satisfactory; *it being understood* that the Indenture Trustee may reasonably request information necessary to establish that any such Noteholder has such net worth or rating for purposes thereof). Upon the issuance of any substituted Note, the Indenture Trustee may require the payment by the Noteholder thereof of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any fees and expenses (including those of the Indenture Trustee) connected therewith.

Notwithstanding any statement herein, the Company and the Indenture Trustee reserve the right to impose such transfer, certificate, exchange or other requirements, and to require such restrictive legends, on Notes as they may determine are necessary to ensure compliance with the securities laws of the United States and the states therein and any other Applicable Laws (upon which, any further sales or other dispositions thereof shall be subject to the requirements indicated in such legends).

Payments; Registration of Transfer

The Company will appoint the Indenture Trustee as co-registrar, a paying agent and a transfer agent for the Notes, and the Argentine Collateral Trustee will be appointed as the Argentine representative of the Indenture Trustee (and, in such capacity, as the registrar, a paying agent and a transfer agent in Argentina).

The Indenture Trustee will be responsible for (among other things): (a) accepting Notes for exchange and registration of transfer, (b) ensuring that payments in respect of the Notes are duly paid to the applicable Noteholders to the extent that funds are available to the Indenture Trustee therefor and (c) transmitting notices to the Noteholders and from the Noteholders to the Company (in each case, solely as required by the Indenture).

The entity acting as the Argentine Collateral Trustee (in its individual capacity as the Argentine representative of the Indenture Trustee) will be responsible for (among other things): (a) maintaining at its office a register (the "*Register*") in which, subject to such reasonable requirements as it may prescribe, it will provide for the registration of the Notes and registration of transfers and exchanges of the Notes, (b) accepting Notes for

exchange and registration of transfer and (c) acting as a paying agent in Argentina (in each case, solely as required by the Indenture). With respect to the Register, a copy thereof will be provided by the Argentine Collateral Trustee (as representative of the Indenture Trustee) to the Indenture Trustee promptly after each change therein. Each of the Argentine Collateral Trustee and the Indenture Trustee will, upon at least two of its Business Days' prior written notice and during its regular business hours, permit any Noteholder to inspect and copy the Register (or the copy thereof) maintained by it. In its capacity as a transfer agent, the Indenture Trustee will notify the Argentine Collateral Trustee promptly after each transfer or exchange of a Note effected by the Indenture Trustee.

Payments and Paying Agents

Payments on a Note are payable only to the person in whose name such Note is registered at the applicable Record Date; *provided* that the final payment of principal in respect of any Note will be made only against surrender of such Note at the corporate trust office of the Indenture Trustee (or such other location as the Indenture Trustee will notify the Noteholders). Payments to a Noteholder 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 or, if such valid transfer instructions have not been provided by a Noteholder to the Indenture Trustee by the New York Business Day before the applicable date of payment, 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 with respect to a Note will remain in effect with respect to any future payments in respect of such Note. The Company will pay any wiring or similar administrative costs that are imposed in connection with making payments by wire transfer.

Each of the Indenture Trustee and the Argentine Collateral Trustee will initially be designated as a co-paying agent for payments with respect to the Notes. The Company may at any time designate additional co-paying agents or rescind the designation of any co-paying agent.

The Indenture will provide that all money or other amounts received by the Indenture Trustee, the Argentine Collateral Trustee or any other co-paying agent under or in connection with the Transaction Documents will, until used or applied as provided in the Indenture, be held in trust for the purposes for which they were received.

Upon the written request of a Noteholder (or a person that was a Noteholder but no longer is), the Indenture Trustee will deliver to such person any information reasonably requested by such person (and freely deliverable and available to the Indenture Trustee) to enable such person to prepare its tax return.

As set forth in the Indenture and subject to Applicable Laws, (i) claims against funds held at the Indenture Trustee or the Argentine Collateral Trustee in respect of the Transaction Documents will become void unless made within three years (or such lesser time as the Indenture Trustee shall be satisfied, after notice from the Company, that is one month before the escheat period provided under Applicable Law) from the relevant due date in respect thereof, (ii) the Indenture Trustee will (including, with respect to clauses (b) and (c), instruct the Argentine Collateral Trustee to), at the expense of the Company, cause to be published once each: (a) in a newspaper published in the English language and of general circulation in New York City, (b) in a newspaper published in the Spanish language and of wide circulation in Argentina and (c) in the Buenos Aires Stock Exchange Bulletin, notice that such money remains unclaimed and that, after a date specified therein (which will be required to be not less than 30 days nor more than 90 days from the date of such publication), any unclaimed balance of such money then remaining will (to the extent not required to escheat to any Governmental Authority) be repaid by the Indenture Trustee and the Argentine Collateral Trustee (as applicable) to or for the account of the Company, the receipt of such repayment to be confirmed promptly in writing by or on behalf of the Company and (iii) thereafter, the applicable Beneficiaries may (subject to any applicable statute of limitations) look only to the Company for any payment that they may be entitled to collect under the Transaction Documents, and all liability of the Indenture Trustee and the Argentine Collateral Trustee with respect to such monies will thereupon cease.

Notices; Meetings of Noteholders

Notices. Any notice or other communication under the Transaction Documents to the Indenture Trustee, the Argentine Collateral Trustee or a Noteholder will be in English and in writing; *provided* that: (a) any public filing

delivered by the Company pursuant to the last paragraph of clause (i) of “—Affirmative Covenants” may be delivered in Spanish and Financial Statements shall be delivered in Spanish and English as described in clause (i) of “—Affirmative Covenants” below and (b) any communication to Noteholders will be in both English and, as required by the Negotiable Obligations Law, provided by the Company in Spanish. With respect to communications to Noteholders, any such communication will be deemed to have been duly given upon the mailing of such communication by first class mail to such Noteholder at its registered address as recorded in the Register not later than the latest date (if any), and not earlier than the earliest date (if any), prescribed in the Indenture for the giving of such notice or other communication unless such Notes are held through DTC, in which case all notices will be given in accordance with DTC’s applicable procedures. Notices to Noteholders will be deemed to be validly given, for as long as such Notes are listed on Merval and traded on MAE, upon publication by the Company in the City of Buenos Aires as indicated by Merval in the bulletin of the BCBA, or the bulletin of MAE and, to the extent required by applicable law, in the Official Gazette of Argentina, and in any other manner required by the provisions of the Negotiable Obligations Law.

In addition, the Company will be required to cause all such other publications of such notices as may be required from time to time by applicable Argentine law. Neither the failure to give notice nor any defect in any notice given to any particular Noteholder will affect the sufficiency of any notice with respect to any other Notes.

Any notice or other communication (such as a Collection Report or the Company’s Financial Statements delivered pursuant to clause (i) of “—Affirmative Covenants” below) that the Indenture Trustee is requested by the Company or which the Trustee is otherwise required by the Transaction Documents to deliver to Noteholders may be so delivered by making such communication available via password-protected access to the Indenture Trustee’s internet website; *it being understood* that with respect to any Note held through DTC or another clearing system (or a nominee thereof), each Beneficial Owner holding a beneficial interest in such Global Note will be permitted to have access to such website so long as the Indenture Trustee has received evidence satisfactory to it in its sole discretion that such person is a Beneficial Owner (which evidence of ownership may include a securities position, participant list or other information obtained from the applicable clearing system or a certification or other statement of such person); *provided* that such Beneficial Owner will notify the Indenture Trustee promptly after ceasing to be a Beneficial Owner and will thereafter cease to access such website. With respect to the initial Indenture Trustee, such website will initially be located at “www.sf.citidirect.com” and assistance in using that website can be obtained by calling 1 (800) 422-2066. The Indenture Trustee may change the way such communications are distributed in order to make such distribution more convenient and/or more accessible to the Noteholders and will provide timely and adequate notification to the Noteholders regarding any such change. As a condition to accessing such a website, the Indenture Trustee may require registration and/or the acceptance of a disclaimer. The Indenture Trustee will be entitled to rely upon (and will not be responsible for) the content or accuracy of any information provided in any such communications provided to it by the Company for delivery to Noteholders and may affix thereto any disclaimer that it deems appropriate in its reasonable discretion.

Meetings of Noteholders. A meeting of the Noteholders may be called by the Company’s board of directors, the Company’s supervisory committee, the Indenture Trustee, or upon the request of the holders of at least 5% in Principal Balance of the outstanding Notes (at the expense of the Company). If a meeting is held pursuant to the written requests of the holders, such written request will include the specific matters to be addressed in the meeting, and such meeting will be convened within 40 days from the date such written request is received by the Company.

Meetings of Noteholders will be convened and held in accordance with the provisions of the Negotiable Obligations Law and the Argentine Corporations Law. Meetings may be ordinary meetings or extraordinary meetings. Any proposed amendment to the terms and conditions of the Notes shall be dealt with at an extraordinary meeting. Any such meetings will be held in the City of Buenos Aires; *provided however*, that as long as it is permitted under Argentine law, the Company or the Indenture Trustee may elect to hold any such meeting in New York City and the Indenture Trustee may elect to hold any such meeting simultaneously in New York City by means or telecommunications which permit the meeting’s participants to hear and speak to each other and such simultaneous meeting shall be deemed to constitute a simple meeting for the purposes of the quorum and voting percentages applicable to such meeting. In any case, meetings will be held at such time and at such place in any city as the Company or the Indenture Trustee (as applicable) determine. Any resolution passed at a meeting convened outside of Argentina will be binding upon all Noteholders (whether present or not at such meeting) only upon

ratification by a meeting of Noteholders held in the City of Buenos Aires in accordance with the Negotiable Obligations Law. With respect to any meetings of Noteholders to be held in the City of Buenos Aires, any one or more Noteholder(s) may grant a power-of-attorney to one or more attorney(s)-in-fact for purposes of attending and voting the Notes (or beneficial interests therein) of such Noteholder(s), including with respect to any ratification of any actions approved at a meeting of Noteholders held outside of Argentina. Subject to the above, any resolution duly passed at a meeting of Noteholders will be binding upon all Noteholders (whether or not they were present at the meeting at which the decision was adopted and/or ratified). Pursuant to the Negotiable Obligations Law, any such meeting will be presided over by the Indenture Trustee (or by the Argentine representative of the Indenture Trustee acting on its behalf) and in the absence of such Indenture Trustee by a member of the Company's supervisory committee or, otherwise, by a representative of the regulatory authority or by such other person as may be appointed by a court of competent jurisdiction for such purpose. If a meeting is being held pursuant to a request of Noteholders, then the agenda for the meeting will be as determined in the request and such meeting will be held within 40 days from the date such request is received by the Indenture Trustee or the Company, as the case may be. Notice of any meeting of Noteholders will include the date, place and time for the meeting, the agenda therefor and the requirements to attend, will be given as set forth under "—Notices" and will be given not less than 10 days nor more than 30 days prior to the date fixed for the meeting and will be published at the Company's expense in each of: (a) for five Business Days in Argentina in the Argentine Official Gazette, (b) a newspaper published in the Spanish language and of wide circulation in Argentina and in the bulletin of the BCBA (as long as the Notes are listed on Merval), in the bulletin of MAE (as long as the Notes are traded on MAE), or such other informative systems of the markets in which the Notes are listed, as is applicable, and (c) a newspaper published in the English language of general circulation in New York City, and any such publication will be for at least five consecutive Business Days in each place of publication. Noteholder meetings may be simultaneously convened for two dates, in case the initial meeting were to be adjourned for lack of quorum. However, for meetings that include in the agenda items requiring unanimous approval by the Noteholders or the amendment of any of the terms and conditions of the Notes, notice of a new meeting resulting from adjournment of the initial meeting for lack of quorum will be given not less than eight days prior to the date fixed for such new meeting and will be published for three Business Days in the Official Gazette of Argentina, a newspaper of general circulation in Argentina and the bulletin of the BCBA (as long as the Notes are listed on Merval), the bulletin of MAE (as long as the Notes are traded on MAE), or such other informative systems of the markets in which the Notes are listed, as is applicable.

The quorum at any meeting called to adopt a resolution will be persons holding or representing greater than 50% of the Principal Balance; *provided* that if any meeting is adjourned for lack of the requisite quorum, then a second meeting may be convened at which persons holding or representing greater than 25% of the Principal Balance will constitute a quorum. The quorum at any extraordinary meeting called to adopt a resolution will be persons holding or representing at least 60% in the aggregate of the Principal Balance of the Notes and at any reconvened adjourned extraordinary meeting will be persons holding or representing at least 30% in aggregate of the Principal Balance. Any modifications, amendments or waivers to the terms and conditions of the Notes will be conclusive and binding upon all Noteholders whether or not they have given such consent or were present at any meeting, and whether or not notation of such modifications, amendments or waivers is made upon the Notes, if approved by the affirmative vote of a majority in aggregate of the Principal Balance of the Notes present or represented at such meeting and duly passed at such meeting convened and at which a quorum is present, held in accordance with the provisions of the Negotiable Obligations Law and the Argentine Corporations Law; *provided* that, notwithstanding the amount of the Principal Balance of the Notes present at any such meeting, no modifications, amendments or waivers of any of the Transaction Documents, or any other actions, made by any such meeting will be valid unless they otherwise comply with the voting and other requirements of the Transaction Documents (including, notwithstanding that quorum might have been obtained at a meeting, the minimum voting requirements set forth in "—Amendments of the Transaction Documents" below being complied with during such vote at such meeting).

Any Noteholder may attend any such meeting either personally or by proxy. To be entitled to vote at a meeting of Noteholders, a person shall be (i) a holder of one or more Notes as of the relevant record date or (ii) a person appointed by an instrument in writing as proxy by such a Noteholder of one or more Notes. Other than clearing systems (and their representatives), each Noteholder who intends to attend any such meeting must notify the Indenture Trustee in writing of its intention to do so at least three Business Days before the date of such meeting. The Indenture Trustee will promptly thereafter notify the Argentine Collateral Trustee (in its capacity as registrar of

the Notes) in writing of all notifications of attendance received from the Noteholders planning to attend such meeting. Such notification to the Indenture Trustee will entitle the applicable Noteholder to attend such meeting.

The Company will designate or the Indenture Trustee may designate the record date for determining the Noteholders entitled to vote at any meeting and the Company will provide notice to Noteholders in the manner set forth in the Indenture, *provided* that such record date will be fixed on a date at least three Business Days prior to the date of such meeting, as provided by Argentine law. The holder of a Note may, at any meeting of Noteholders at which such Noteholder is entitled to vote, cast one vote for each U.S. dollar of Principal Balance of the Notes held by such Noteholder.

For purposes of the above, any Note authenticated and delivered pursuant to the Indenture will, as of any date of determination, be deemed to be “outstanding,” except:

- (a) Notes theretofore canceled by the Indenture Trustee or delivered to the Company or the Indenture Trustee for cancellation;
- (b) Notes that have been called for redemption or tendered for repurchase in accordance with their terms or which have become due and payable at maturity or otherwise and with respect to which monies sufficient to pay the principal thereof and any premium, interest, Additional Amounts or other amount thereon have been deposited with the Company or with the Trustee; or
- (c) Notes in lieu of or in substitution for which other Notes have been authenticated and delivered;

provided, however, that in determining whether the Noteholders of the requisite Principal Balance of outstanding Notes are present at a meeting of Noteholders for quorum purposes or have consented to or voted in favor of any notice, consent, waiver, amendment, modification or supplement under the Indenture, Notes owned directly or indirectly by the Company or any of its Affiliates, including any Subsidiary, will be disregarded and deemed not to be outstanding.

For the purpose of clarification, a meeting is not the exclusive manner in which the Noteholders may take any such actions outside of Argentina, which may be taken in any other manner permitted by New York law (such as via written consent); however, no such action will be valid under Argentine law until it has been ratified by a meeting of Noteholders (or their representatives) held in the City of Buenos Aires in accordance with the Negotiable Obligations Law as described above. As a result, the ability of Noteholders to take actions under the Transaction Documents, including to take actions after the occurrence of a Default, will be affected by these requirements.

Purchase of Notes by the Company

To the extent permitted under Applicable Law, the Company and its Affiliates (but, as provided in “—Redemption of the Notes—Cancellation” above, none of the Company’s Subsidiaries) may at any time and from time to time purchase any Note (or a beneficial interest therein) in the open market or otherwise at any price that may be agreed with the seller thereof; *provided* that if a Default or Unmatured Default exists or a Default Payment is payable, then the Company will not purchase any Notes (or beneficial interests therein) unless such purchase is made on a *pro rata* basis among all of the Noteholders. With respect to any Note (or beneficial interest therein) owned by the Company, the Company will, as noted in “—Redemption of the Notes— Cancellation” above, have such Note (or beneficial interest therein) cancelled.

The Notes held by the Company or any Affiliate will not be counted and will not be considered outstanding. Notwithstanding anything in the Transaction Documents to the contrary, should any Notes (or beneficial interests therein) be owned by the Company or any of its Affiliates, then any vote participated in by Noteholders will exclude, and any determination of the “Controlling Party” will exclude, the vote relating to (and, in both the numerator and denominator of such calculation, the Principal Balance 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 Company or any Affiliate

thereof acquires or disposes of any Notes (or beneficial interests therein), it will so notify the Indenture Trustee, and the Indenture Trustee will be fully protected in relying upon any such notices received or not received.

Collateral

To secure its obligations under the Transaction Documents, pursuant to the Argentine Collateral Trust Agreement, the Company will (under Argentine law) transfer and assign to the Argentine Collateral Trustee, acting on behalf of an Argentine trust to be created in accordance with Articles 1666 to 1707 of the Argentine Commercial and Civil Code (the “*Trust*”), for the benefit of the Beneficiaries, all of: (a) the Transferred Use Fees and the Transferred Concession Indemnification Rights and (b) its rights in, to and under (but none of its obligations under or relating to) the Concession Agreement, other contractual agreements and Applicable Laws to the extent necessary in order to receive and pursue payments thereunder (the Property described in clauses (a) and (b) collectively being the “*Transferred Rights*”). On January 17, 2017, the ORSNA issued Resolution No. 1/2017, pursuant to which it authorized the collateral assignment of revenue under the Notes, up to an amount equal to US\$400,000,000. During the Existing Notes Pre-Redemption Period, the transfer of the Transferred Rights to the Argentine Collateral Trustee (under Argentine law) will be limited to an amount equal to the Existing Notes Redemption Principal Amount. Pursuant to the Argentine Collateral Trust Agreement, the Argentine Collateral Trustee will acknowledge that during the Existing Notes Pre-Redemption Period, the transfer of the Transferred Rights to the Existing Notes Trustee under the Existing Trust is a prior assignment and thus will be senior to, and have priority over, the assignment of the Argentine Collateral Trustee with respect to the Existing Notes Redemption Principal Amount. The Transferred Rights have previously been assigned and transferred to the Existing Notes Trustee under the Existing Trust securing the Company’s obligations under the Existing Notes. Thus, payments in respect of the Transferred Rights will flow into the Trust only after the Existing Notes Indenture Trustee has received sufficient funds to redeem the Existing Notes. Upon the satisfaction and discharge of the Existing Indenture and the Existing Trust, automatically and without any further action by the Company or the Argentine Collateral Trustee, the transfer of the Transferred Rights to the Argentine Collateral Trustee will not be limited to the Existing Notes Redemption Principal Amount, but will apply with respect to all of the Transferred Rights. As a result of such transfer, the Trust will own all of the Collections.

The Argentine Collateral Trustee, acting on behalf of the Trust, will pursuant to the Indenture, grant to the Indenture Trustee under New York law a first priority security interest in its rights, title and interest (if any) in, to and under all Property held on behalf of the Trust, including any rights, title and interest that it may have in, to and under the Transaction Accounts (including funds credited thereto and investments made with funds therein). As a consequence, Use Fees in US Dollars deposited in the Dollar Collection Account will be applied exclusively by the Indenture Trustee pursuant to the Indenture. Use Fees on deposit in the Dollar Collection Account will be released by the Indenture Trustee to the Company on a weekly basis, unless (i) the Indenture Trustee has actual knowledge that a Default has occurred and is continuing, in which case all amounts on deposit in the Dollar Collection Account will be retained in the Dollar Collection Account and applied to pay Interest and principal on the Notes and other amounts payable to the Beneficiaries under the Transaction Documents in the manner provided in “—Payments from the Collection Accounts Following Default” below or (ii) the Company, at its option, instructs the Indenture Trustee in writing to retain payments in the Dollar Collection Account for the period of time and in the amounts designated by the Company.

In addition, the Argentine Collateral Trustee will maintain the Peso Accounts and the Local Dollar Collection Account, each of which (and the funds credited thereto) will be security for the Company’s obligations under the Transaction Documents. Upon the Indenture Trustee’s actual knowledge that a Default has occurred and is continuing, the allocations of payments on the Use Fees in pesos will cease to be payable by the Payors directly to the Company in the manner described in clauses (b)(ii)(B) and (b)(iii)(B) of “— Allocation of Use Fees and Concession Indemnification Rights” below.

Under the Concession Agreement, the transfer of the Transferred Rights, the Collections, the Trust, the Reserve Account and the Transaction Accounts cannot, under any circumstance, decrease the quality of the Company’s services or affect the fulfillment of the Company’s obligations. Therefore, the Argentine Collateral Trustee and the Indenture Trustee will be required to acknowledge (i) the powers and privileges of the Argentine National Government set forth in the Concession Agreement, and (ii) that they are prohibited from exercising any

rights or taking any actions that may jeopardize the continuity of the aeronautical public services provided by the Company.

While it is expected that the Concession Indemnification Rights will be payable in Pesos and that the Use Fees will be payable in both dollars or pesos, should any other currency be used for any such payment then the Company, the Indenture Trustee and/or the Argentine Collateral Trustee (as applicable) will convert (with respect to payments) or notionally convert (with respect to calculations, such as of the Collection Ratio) such amount into dollars at the rate most recently (but no earlier than five New York Business Days before) published in the New York edition of the *Wall Street Journal* or, if such does not exist, in such other publication as shall be reasonably selected thereby.

Allocation of Use Fees and Concession Indemnification Rights. Use Fees and Concession Indemnification Rights of the Trust will be allocated as follows:

(a) with respect to each payment of Concession Indemnification Rights to (or for the benefit of) the Company, 100% of such payment (regardless of currency, location or manner of payment or otherwise) will be delivered to the Argentine Collateral Trustee,

(b) with respect to Use Fees:

(i) each such payment from a Payor that is an OFAC-Restricted Person will be delivered to (and retained by) the Company; *it being understood* that: (A) no such Payor will receive a Notice but the Company will instruct each such Payor to make payment in the manner described in this clause (b) and (B) as a result, no portion of such payment will be delivered to or be for the benefit of the Indenture Trustee, the Argentine Collateral Trustee or the Trust,

(ii) each such payment from IATA or any other clearinghouse Payor of Use Fees (a “*Clearinghouse Payment*”) will be allocated on a *pari passu* basis as follows (*it being understood* that the Notice received by each such Payor will instruct it that payments to be made by it will be made only in the manner and amounts notified to it from time to time by: (x) until its receipt of a Change Notice, the Company, and (y) thereafter, the Argentine Collateral Trustee):

(A) the greater of: (1) the Specific Allocation of Revenue Percentage of such Clearinghouse Payment at the time thereof plus the Specific Allocation of Tariff Increase Amount of such Clearinghouse Payment at the time thereof and (2) the percentage of such Clearinghouse Payment that relates to payments from OFAC-Restricted Persons (e.g., a payment by a Cuban airline through IATA) will be delivered to (and retained by) the Company; to the extent applicable (such as a payment from IATA that is made in both dollars and pesos), such percentage will first be covered from such payments from OFAC-Restricted Persons in: (x) pesos; *it being understood* that to the extent that such portion relating to OFAC-Restricted Persons was paid in dollars, then (to the extent of the amount of pesos included in such Clearinghouse Payment that remain available for application) such dollars will be deemed to have been exchanged for such Pesos, then (to the extent necessary), (y) dollars paid in Argentina and then (to the extent necessary) and (z) dollars paid outside Argentina (in each case, applying the Exchange Rate in effect as of the close of business on the preceding Buenos Aires Business Day)) it being further understood that, as a result of the allocations pursuant to this clause (A), no portion of a Clearinghouse Payment that relates to OFAC-Restricted Persons will be delivered to or be for the benefit of the Trust, and

(B) with respect to the remainder of such Clearinghouse Payment, the Argentine Collateral Trustee will have the right to receive all such payments (such to be paid into the Dollar Collection Account or the Peso Collection Account, as applicable); *provided* that (1) with respect to payments of Use Fees made in Pesos, if the Argentine Collateral Trustee does not have actual knowledge that a Default has occurred and is continuing, then such Payor will be instructed to deliver to the Company directly all such payments unless and until notified otherwise by the Argentine Collateral Trustee and (2) with respect to payments of Use Fees in U.S. Dollars, such Payor will be instructed to deposit the

relevant funds in the Dollar Collection Account (such U.S. Dollar deposits to be released or retained by the Indenture Trustee as described in “—Dollar Collection Account” below), and

(iii) with respect to each such payment from another Payor of Use Fees (*it being understood* that the Notice received by each such Payor will instruct it to make each such payment in the manner described in this clause (iii); *provided* that, as set forth in the first paragraph of “— Notices” below, no such Notice will be required to be delivered to certain smaller Payors and, if not so delivered, the Company will instruct such Payors to make their payments of Use Fees in the manner described in this clause (iii)):

(A) the Specific Allocation of Revenue Percentage of such payment at the time thereof plus the Specific Allocation of Tariff Increase Amount of such payment at the time thereof will be delivered to (and retained by) the Company (with respect to any such payment that is made in both dollars and Pesos, such amount will first be covered from the portion of such payment in: (x) Pesos, then (to the extent necessary), (y) dollars paid in Argentina and then (to the extent necessary) (z) dollars paid outside Argentina (in each case, applying the Exchange Rate in effect as of the close of business on the preceding Buenos Aires Business Day)), and

(B) with respect to the remainder thereof, the Argentine Collateral Trustee will have the right to receive all such payments (such to be paid into the Dollar Collection Account or the Peso Collection Account, as applicable); *provided* that (1) with respect to payments of Use Fees made in Pesos, if the Argentine Collateral Trustee does not have actual knowledge that a Default has occurred and is continuing, then such Payor will be instructed to deliver to the Company directly all such payments unless and until notified otherwise by the Argentine Collateral Trustee and (2) with respect to payments of Use Fees in U.S. Dollars, such Payor will be instructed to deposit the relevant funds in the Dollar Collection Account (such U.S. Dollar deposits to be released or retained by the Indenture Trustee as described in “—Dollar Collection Account” below).

As airport passenger charges generated by airlines that are: (a) headquartered and/or organized in Cuba, Iran, North Korea, Sudan, Syria or Ukraine (Crimea region only) and/or (b) as of the Issuance Date, a “Specially Designated National” identified by the United States Office of Foreign Assets Control (collectively, the “OFAC-Restricted Persons”), will not be included in the Transferred Use Fees, payments thereunder will not be delivered to the Trust (whether by the Payor thereof, the Company, the Indenture Trustee or otherwise). As a result, the Trust may receive less of the Company’s total Use Fees than would be the case if no OFAC-Restricted Persons generated Use Fees.

Transaction Accounts

Pursuant to the Indenture, the Indenture Trustee will maintain in the United States the following segregated trust account for the benefit of the Beneficiaries, an account that, *inter alia*, will receive (i) payments of the Transferred Dollar Use Fees that are paid outside of Argentina, and (ii) payments from the Company in amounts sufficient to pay the aggregate amount of principal and Interest (and, if applicable, Additional Amounts) payable on the Notes on the next Payment Date, together with all amounts then payable by the Company under the Transaction Documents, including Default Payments (the “*Dollar Collection Account*”). In addition, pursuant to the Argentine Collateral Trust Agreement, the Argentine Collateral Trustee will maintain in Argentina the following collateral trust accounts for the benefit of the Beneficiaries: (i) an account that will receive payments of the Transferred Peso Use Fees and the Transferred Concession Indemnification Rights (the “*Peso Collection Account*”), (ii) an account that will receive payments in dollars in Argentina as described herein (the “*Local Dollar Collection Account*,” and together with the Dollar Collection Account, the “*Dollar Accounts*”), and the Dollar Accounts, together with the Peso Collection Account, the “*Collection Accounts*”), and (iii) an account to be used to effect payment of the fees, expenses and indemnities of the Indenture Trustee, the Argentine Collateral Trustee and any Taxes payable by the Trust (the “*Expense Payment Account*” and, with the Peso Collection Account, the “*Peso Accounts*”; the Peso Accounts, and the Dollar Accounts, collectively the “*Transaction Accounts*”). The Company will not have any ownership or right of withdrawal in respect of any of the Transaction Accounts, each of which is described in additional detail below. The Argentine Collateral Trustee will not have any ownership, right of withdrawal or other right with respect to the Dollar Collection Account.

Notices regarding the Collateral. The Company, the Argentine Collateral Trustee and, if such notice is required to be delivered prior to the satisfaction and discharge of the Existing Notes, the Existing Notes Trustee will send to each of IATA, and the other Payor(s) of the Transferred Rights (including the Argentine National Government with respect to the Transferred Concession Indemnification Rights) notices prepared by the Company and governed by Argentine law (each a “*Notice*”) of the transfer of the Transferred Rights to the Trust and the grant by the Argentine Collateral Trustee (including on behalf of the Trust) of a security interest therein to the Indenture Trustee and the redemption of the Existing Notes on the Existing Notes Redemption Date, each of which Notices will be in a form attached to the Argentine Collateral Trust Agreement, in Spanish (with or without an English translation) and duly notarized by a notary public of Argentina and/or by public instrument, in full compliance with the requirements set forth in Section 1620 of the Argentine Civil and Commercial Code (at the Company’s expenses); *provided* that no Notice will be required to be delivered to any Payor of Use Fees so long as it represented less than 2% of the Use Fees during the most recently completed Reporting Period (if the first Reporting Period has not yet been completed, determined as if the Transaction Documents had been in effect for the previous 12 months). As stated in the Argentine Collateral Trust Agreement, each Notice to:

- (a) the Argentine National Government, as Payor of the Concession Indemnification Rights, will: (i) notify the Argentine National Government of the transfer of the Transferred Concession Indemnification Rights to the Trust and the grant by the Argentine Collateral Trustee (including on behalf of the Trust) of a security interest therein to the Indenture Trustee, and the redemption of the Existing Notes on the Existing Notes Redemption Date, (ii) irrevocably instruct the Argentine National Government to make all payments of the Transferred Concession Indemnification Rights to the Argentine Collateral Trustee on and after the Existing Notes Redemption Date specified therein, and (iii) request the Argentine National Government to acknowledge and agree to the provisions of such Notice, which acknowledgment and agreement will be required to be provided on or before the Existing Notes Redemption Date,
- (b) IATA or any other Payor of a Clearinghouse Payment will: (i) notify such Payor of the transfer of the Transferred Use Fees to the Trust and the grant by the Argentine Collateral Trustee (including on behalf of the Trust) of a security interest therein to the Indenture Trustee and the redemption of the Existing Notes on the Existing Notes Redemption Date, (ii) irrevocably instruct such Payor to make payments in the manner described in clause (b)(ii) of “—Allocation of Use Fees and Concession Indemnification Rights” above, (iii) instruct such Payor to include the Argentine Collateral Trustee as a recipient of any notice or other communication relating to the Use Fees that it sends to the Company, including the weekly or other periodic notice of payments of Use Fees that are to be made by such Payor, and (iv) request it to acknowledge and agree to the provisions of such Notice ((A) for IATA, such acknowledgment and agreement will be required to be provided on or prior to the Existing Notes Redemption Date, and (B) for any other payment consolidator, such acknowledgment and agreement will be required to be provided within 30 days after the Company’s receipt of the first such payment therefrom), and
- (c) any other Payor of Use Fees will: (i) notify it of the transfer of the Transferred Use Fees to the Trust and the grant by the Argentine Collateral Trustee (including on behalf of the Trust) of a security interest therein and the redemption of the Existing Notes on the Existing Notes Redemption Date, to the Indenture Trustee, (ii) irrevocably instruct it to make payments in the manner described in clause (b)(iii) of “—Allocation of Use Fees and Concession Indemnification Rights” above, and (iii) request it to acknowledge and agree to the provisions of such Notice; *it being understood* that the failure to receive any such acknowledgment and agreement will not constitute a breach by the Company so long as it is using (or has exhausted) commercially reasonable efforts to obtain such acknowledgment and agreement.

In addition to the Notices, on or before the Existing Notes Redemption Date the Company will publish in both: (a) a newspaper published in the Spanish language and of wide circulation in Argentina and (b) the Official Gazette of Argentina notice of the assignment of the Transferred Rights to the Trust. The Company will also send to certain airlines the notices described in clause (j)(iv) of “—Affirmative Covenants” below.

Dollar Collection Account. The Dollar Collection Account will be maintained by the Indenture Trustee in the United States. Use Fees on deposit in the Dollar Collection Account will be released by the Indenture Trustee to the Company on a weekly basis, unless (i) the Indenture Trustee has actual knowledge that a Default has occurred and is continuing, in which case all amounts on deposit in the Dollar Collection Account will be retained in the

Dollar Collection Account and applied to pay Interest and principal on the Notes and other amounts payable to the Beneficiaries under the Transaction Documents in the manner provided in “—Payments from the Collection Accounts Following Default” below or (ii) the Company, at its option, instructs the Indenture Trustee in writing to retain payments in the Dollar Collection Account for the period of time and in the amounts designated by the Company, in which case amounts so retained will be applied by the Indenture Trustee to pay Interest and principal on the Notes. Amounts so retained pursuant to the immediately preceding clause (ii) may be invested in Eligible Dollar Investments to the extent permitted under Argentine law, solely at the written investment direction (which may be a standing direction) of the Company (it being understood that, absent such a direction, such amounts will be invested and reinvested in Citibank, N.A.’s “Dollars in Deposit Custody Account,” in the case of funds held by the Indenture Trustee.

On or before each Payment Date, the Company will fund the Dollar Collection Account (and may instruct the Indenture Trustee to retain payments of Use Fees in the Dollar Collection Account as described in clause (ii) of “Dollar Collection Account above) with an amount equal to at least 100% of the amount of Interest and principal payable on the Notes on such Payment Date.

Peso Collection Account and Local Dollar Collection Account. The Peso Collection Account and the Local Dollar Collection Account will be maintained by the Argentine Collateral Trustee in Argentina. Upon the Indenture Trustee’s actual knowledge that a Default has occurred and is continuing, the allocations of payments on the Use Fees will cease to be payable by the Payors directly to the Company in the manner described in clauses (b)(ii)(B)(1) and (b)(iii)(B)(1) of “— Allocation of Use Fees and Concession Indemnification Rights” above.

The Argentine Collateral Trustee will be required to give the Indenture Trustee written notice of receipt of any payments received relating to any Concession Indemnification Event, and receipt of such notice will constitute actual knowledge of the Indenture Trustee that a Default has occurred and is continuing.

Expense Payment Account. The Company will fund the Expense Payment Account at or before the issuance of the Notes and then on or before each Payment Date in an amount such that the amount in such account will cover Indenture Trustee and Argentine Collateral Trustee fees and (as advised by the Indenture Trustee or Argentine Collateral Trustee, as applicable, at least five Business Days before a Payment Date or, for the initial funding, before the issuance of the Notes) anticipated/known expenses and indemnities (if any) under the Transaction Documents and Taxes payable by the Trust payable through the second Payment Date after such Payment Date (or: (a) for the initial funding, the second Payment Date, and (b) if fewer than two Payment Dates remain, the number of Payment Dates remaining); *it being understood* that no such amount may be funded with the proceeds of the Notes. The Company will pay all of the Indenture Trustee’s and the Argentine Collateral Trustee’s fees, expenses and indemnities directly to each of the Indenture Trustee and the Argentine Collateral Trustee as and when due (and all Taxes of the Trust) and, only to the extent that the Company has not paid any such amounts directly, the funds credited to the Expense Payment Account will be used to pay such fees and (to the extent advised on a timely basis as per the preceding sentence) expenses, indemnities and Taxes when payable (such amounts being paid first with respect to Taxes payable by the Trust and then on a *pro rata* basis to the payees thereof, first with respect to fees and then with respect to any expenses and indemnities). Funds in the Expense Payment Account will not be used for the payment of Interest, principal or other amounts with respect to the Transaction Documents unless and until all such fees, expenses and indemnities to the Indenture Trustee and the Argentine Collateral Trustee and all such Taxes payable by the Trust have been paid. To the extent that the amount on deposit in the Expense Payment Account exceeds the amount required to be therein pursuant to this paragraph, then the Argentine Collateral Trustee will deliver such funds to the Company; *provided* that if the Argentine Collateral Trustee has actual knowledge that a Default has occurred and is continuing, then such funds will only be so released to the Company to the extent that all amounts payable by the Company under the Transaction Documents have been paid in full and the Principal Balance of the Notes is US\$0.

When determining the amount “in” the Expense Payment Account, each Eligible Peso Investment made from funds in the Expense Payment Account will be included and valued at the lower of: (a) the principal amount payable thereon upon maturity or (b) the principal component of the amount paid to purchase such Eligible Peso Investment, in each case excluding investment earnings accrued but not yet paid thereon; *it being understood* that any such investment earnings that have already been paid will be included in the amount on deposit in the Expense Payment Account to the extent still on deposit therein.

Payments from the Dollar Collection Account Prior to Default

If the Indenture Trustee does not have actual knowledge that a Default has occurred and is continuing, interest and principal on the Notes are expected to be paid from the Dollar Collection Account, with any funds in the Dollar Collection Account (other than Use Fees unless the Company has directed that such Use Fees be retained in the Dollar Collection Account) being applied as set forth below. To the extent that the Dollar Collection Account does not have sufficient funds to make such payments in full, the Company will be required to make such payments. All such payments from the Dollar Collection Account will be paid to the Beneficiaries as follows:

- (a) *first*, to payments of fees, expenses and indemnities owing to the Indenture Trustee and Argentine Collateral Trustee pursuant to the Transaction Documents;
- (b) *second*, the amount necessary to pay all Interest payable in respect of the Notes will be paid (on a *pro rata* basis to the applicable Noteholders of record as of the most recent Record Date based upon the Principal Balance of the Notes held thereby on such Record Date) on each Payment Date;
- (c) *third*, the amount necessary to pay the Quarterly Amortization Amount payable on the Notes will be paid (on a *pro rata* basis to the applicable Noteholders of record as of the most recent Record Date based upon the Principal Balance of the Notes held thereby on such Record Date) on each Payment Date, and
- (d) *fourth*, all remaining funds in the Dollar Collection Account (other than Collections from Transferred Use Fees paid into the Dollar Collection Account by the applicable Payor) will be paid to the Beneficiaries on each New York Business Day to the extent necessary to pay any remaining amounts payable to the Beneficiaries under the Transaction Documents (such amounts being applied on a *pro rata* basis among all such amounts).

Payments from the Collection Accounts Following Default

If the Indenture Trustee has actual knowledge that a Default has occurred and is continuing, the Indenture Trustee will give notice of such Default to the Argentine Collateral Trustee, who will make amounts then on deposit in the Peso Collection Account and the Local Dollar Collection Account available to the Indenture Trustee for payments as described below. Interest and principal on the Notes are expected to be paid from the Collection Accounts, with any funds in the Collection Accounts being applied as set forth below and in accordance with Applicable Law. Before taking any such actions, the Indenture Trustee may request (and if requested, shall be entitled to receive) an Opinion of Counsel, at the expense of the Company, that such actions will be in compliance with Applicable Law. To the extent that the Collection Accounts do not have sufficient funds to make such payments in full, the Company will be required to make such payments. All such payments from the Collection Accounts will be paid to the Beneficiaries as follows:

- (a) *first*, to payments of fees, expenses and indemnities owing to the Indenture Trustee and Argentine Collateral Trustee pursuant to the Transaction Documents;
- (b) *second*, the amount necessary to pay all Interest payable in respect of the Notes will be paid (on a *pro rata* basis to the applicable Noteholders of record as of the most recent Record Date based upon the Principal Balance of the Notes held thereby on such Record Date) on each Payment Date (or, to the extent accrued, upon the requirement that the Default Payment be paid),
- (c) *third*, the amount necessary to pay the Quarterly Amortization Amount payable on the Notes (or scheduled to be paid on any previous Payment Date but that has not yet been paid) will be paid (on a *pro rata* basis to the applicable Noteholders of record as of the most recent Record Date based upon the Principal Balance of the Notes held thereby on such Record Date) on each Payment Date,
- (d) *fourth*, all remaining funds in the Collection Accounts will be paid to the Noteholders on each New York Business Day to the extent necessary to pay any Redemption/tender Premium payable to the Noteholders (such amounts being applied on a *pro rata* basis to the applicable Noteholders),

(e) *fifth*, all remaining funds in the Collection Accounts will be paid to the Beneficiaries on each New York Business Day to the extent necessary to pay any remaining amounts payable to the Beneficiaries (other than principal as provided below) under the Transaction Documents (such amounts being applied on a *pro rata* basis among all such amounts), and

(f) *sixth*, all remaining funds in the Collection Accounts will be paid to the Noteholders on each New York Business Day to the extent necessary to reduce the Principal Balance of the Notes to US\$0.

The payments described above will continue until the relevant Default has been cured.

Notwithstanding the foregoing, if a Default has occurred and is continuing, and the Company lacks sufficient funds to pay Basic Concession Operating Costs, the Indenture will require the Company to instruct the Argentine Collateral Trustee and the Indenture Trustee, in writing (in the form attached to the Indenture and the Argentine Collateral Trust Agreement), to, commencing on the Business Day following the receipt of such instruction and until they receive a written instruction of the Company to the contrary (i) to deliver, on a weekly basis, to the Company Collections relating to the Transferred Rights deposited in the Collection Accounts, and (ii) to apply, on each Payment Date, any remaining amounts in the Collection Accounts in accordance with the priorities set forth in clauses (a) to (f) above. Such instruction of the Company will apply with respect to Collections equal to the amount of the Basic Concession Operating Costs specified in such instruction. The amounts remitted to the Company pursuant to such instruction will be taken from Collection Accounts *pro rata*, based upon the Collections credited to each such Collection Account. The instruction to the Argentine Collateral Trustee and the Indenture Trustee is required to be accompanied by a certification from an officer of the Company and an accounting report issued by Price Waterhouse & Co. S.R.L. or any other internationally recognized auditing firm (in English and Spanish, as applicable) stating that Company's calculation of the Basic Concession Operation Costs set forth in any such instruction correspond to the accounting records of the Company. In the event the Company receives amounts in excess of the amounts required to cover Basic Concession Operating Costs, such excess amounts will be held in trust for the benefit of the Beneficiaries and will be promptly returned to the Indenture Trustee and the Argentine Collateral Trustee, as applicable. The Indenture Trustee and the Argentine Collateral Trustee may conclusively rely upon such written instruction and be fully protected, without liability, in transferring such collections to the Company.

Affirmative Covenants

Pursuant to the Indenture, unless the Controlling Party otherwise agrees in writing (other than with respect to clause (a) below), the Company will agree to the following (among other affirmative covenants):

(a) **Payment of Principal and Interest.** The Company covenants and agrees, for the benefits of the holders of the Notes, that it will duly and punctually pay or cause to be paid the principal of, and interest, premium and Additional Amounts, if any, on each of the Notes, and any other payments to be made by the Company under the Notes and this Indenture, at the place or places, at the respective times and in the manner provided in the Notes and this Indenture.

(b) **Use of Proceeds.** The net proceeds of this offering of the Notes, after giving effect to the Initial Purchasers' underwriting discounts and commissions, and the transaction expenses of the Company, and in compliance with Article 36 of the Negotiable Obligations Law, will be deposited into the Reserve Account and used to redeem in full the principal amount of the Existing Notes outstanding on the Issuance Date, plus accrued and unpaid interest to the date of redemption and the applicable prepayment premiums, as described above under "—Reserve Account and Redemption of the Existing Notes," with the remainder of such net proceeds being used to finance capital expenditures of the Company's "Group A" airports.

(c) **Existence; Conduct of Business.** Subject to clause (g) of "—Negative Covenants" below, the Company will (and will cause each of its Subsidiaries 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) with respect to the Company: (A) for the continued generation of Use Fees and (B) for the performance of its obligations under the Transaction Documents and (ii) in the normal conduct of its business (except, in each case, to the extent that any failure to have such rights, licenses, permissions, consents,

approvals, franchises and privileges could not reasonably be expected, alone or in the aggregate, to have a Material Adverse Effect),

(d) Compliance with Applicable Law. The Company will (and will cause each of its Subsidiaries to) comply at all times in all respects with all Applicable Laws, including to ensure compliance with: (i) all rules and regulations imposed by ORSNA, (ii) any applicable environmental, labor and tax laws and regulations, (iii) all Applicable Laws relating to the generation and/or collection of the Transferred Rights and (iv) to the extent applicable to it, the Corrupt Practices Laws and the Prohibited Nations Acts, in each case except to the extent that non-compliance therewith could not reasonably be expected, alone or in the aggregate, to have a Material Adverse Effect.

(e) Compliance with Concession Agreement; Execution of Improvements. The Company will: (i) comply with its obligations under the Concession Agreement and (ii) construct and complete (or cause to be constructed and completed) Improvements with due diligence, in a good and workmanlike manner, in accordance with prudent industry practices, Applicable Law and the Concession Agreement, in each case except to the extent that any non-compliance therewith could not reasonably be expected, alone or in the aggregate, to have a Material Adverse Effect.

(f) Payment of Taxes and other Obligations. The Company will (and will cause each of its Subsidiaries 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 (including, with respect to the Company, all material Taxes imposed upon any of the Transferred Rights) 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 applicable accounting principles) the amount thereof is fully reserved for. In addition, the Company will either pay directly or promptly (upon request of the Argentine Collateral Trustee) reimburse the Trust for any Taxes payable by the Trust, including through the Expense Payment Account.

(g) Insurance. The Company will (and will cause each of its Subsidiaries to): (i) maintain all insurance, with financially sound and reputable insurers, required under Applicable Law and/or the Concession Agreement and maintain all other insurance that is generally accepted as customary in regard to Property and business of like character 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. In any event, the Company will at all times maintain liability insurance covering losses of at least US\$100,000,000 (or its equivalent in any other currency).

(h) Books and Records. The Company will (and will cause each of its Subsidiaries to): (i) maintain internal accounting, management information and cost control systems adequate to ensure compliance with Applicable Law and (ii) maintain books, accounts and records in compliance with all Applicable Law and, with respect to financial statements, in accordance with applicable accounting principles, in which books full, true and correct entries shall be made of all dealings and transactions in related to its business and activities.

(i) Notices of Certain Events. The Company will promptly (and in any event within three Business Days with respect to clauses (i) and (iii) below and 10 Business Days otherwise, in each case after the Company and/or any of its Subsidiaries obtains actual knowledge of such event) provide the Indenture Trustee (for the Indenture Trustee to deliver to each Noteholder) and the Argentine Collateral Trustee: (i) notification of a Default or Unmatured Default, (ii) if one or more of such events described in clause (i) of this paragraph has/have actually occurred (including events that have since been cured), notice specifying all such events and what actions have been taken and/or will be taken with respect to such events, (iii) notice of any event, occurrence or circumstance that has had a Material Adverse Effect and (iv) notice of the initiation of any material proceeding in, by or before any court, other Governmental Authority or arbitrator relating to the Concession Agreement.

(j) Financial Statements and Filings. Within 60 days after the end of the first three fiscal quarters of each fiscal year of the Company and 90 days after the end of each fiscal year of the Company, the Company will

provide to the Indenture Trustee (for the Indenture Trustee to deliver to each Noteholder) copies of its unaudited consolidated IFRS (with respect to a fiscal quarter) or audited consolidated IFRS (with respect to a fiscal year) Financial Statements, in each case in Spanish and with a free translation thereof into English and accompanied by:

(i) an audit or review, as applicable, report of an independent auditor, and

(ii) an officer's certificate: (A) stating that no Default or Unmatured 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, (B) stating that no Change of Control has occurred or, if such has occurred, that the Company has complied (or will comply) with its obligations described in "—Redemption of the Notes—Change of Control Offer" and (C) providing the calculations (in reasonable detail) of the calculations described in clause (a)(x) of "—Negative Covenants" below as of the last day of the applicable fiscal period as if additional Debt (but of US\$0 in value) were being incurred as of such last day;

provided that any such Financial Statements will be deemed to have been delivered on the date on which the Company has posted such Financial Statements in a legible and accessible manner on its website on the internet (*it being understood* that the Company will maintain such Financial Statement on its website in a legible and accessible manner for at least two years from the date of such posting).

In addition, within 10 days after such filing, the Company shall post on its website copies of each material public filing made by the Company and/or any of its Subsidiaries with any securities exchange or securities regulatory agency or authority; *it being understood* that such copies may be delivered in Spanish.

(k) Preservation of Collateral; Further Assurances. (i) The Company will undertake all actions that are necessary to: (A) establish, maintain, preserve, protect and perfect the Trust's and the Indenture Trustee's Liens (and the priority thereof) on the Transferred Rights and the Transaction Accounts in full force and effect at all times, (B) preserve and protect the Transferred Rights and protect and enforce the Trust's rights and title thereto, including to send each Notice and instruct each Payor of the Transferred Rights to make payments in the manner contemplated by the Transaction Documents, (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 Indenture Trustee confirmation of all such filings (for example, if the Company should change its name, then an amendment to the existing Uniform Commercial Code financing statement and a new Uniform Commercial Code financing statement in the new corporate name should be filed), (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 (or that the Indenture Trustee and/or the Argentine Collateral Trustee may reasonably request) in order to protect or more fully evidence the Trust's or Indenture Trustee's right, title and interest in, to and under the Transferred Rights or to enable the Indenture Trustee, the Argentine Collateral Trustee and/or the Trust 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 Indenture Trustee and/or the Argentine Collateral Trustee may reasonably request in order to effect more fully the purposes of the Transaction Documents.

(ii) Any Collections that the Company (or any other person on its behalf) receives (for any reason whatsoever) in contravention of the Transaction Documents will be: (A) if received or held by the Company, held by it in trust and deposited into the applicable Transaction Account, and (B) if received by another person on behalf of the Company, instructed by the Company to be so deposited, in each case promptly (but in any event within five Business Days after it obtains actual knowledge of its (or such other person's) receipt thereof); then the Company may retain any payments thereof that it receives in pesos. Should the Company (or, other than an airline, any other person on its behalf) receive any payment of Transferred Use Fees in contravention of the Transaction Documents, then it will be held by it in trust and deposited into the applicable Transaction Account promptly (but in any event within five Business Days after its receipt thereof); *it being understood* that, as provided in clause (j)(iv) of "—Negative Covenants" below, except to the extent required by Applicable Law (including by any Governmental Authority), the

Company will not cause or request any passenger to make payment of his/her Use Fee other than to the applicable airline or the Argentine Collateral Trustee or the Indenture Trustee or an agent or other representative of either such trustee.

(iii) The Company (with the co-signature of the Argentine Collateral Trustee) and the Existing Notes Trustee will deliver a Notice to each Payor of the Transferred Rights, duly notarized by a notary public of Argentina and/or by public instrument, in full compliance with the requirements set forth in Section 1620 of the Argentine Civil and Commercial Code (at the Company's expenses): (A) with respect to existing Payors, on or prior to the Existing Notes Redemption Date, and (B) with respect to future such Payors, as promptly as reasonably possible (and, in any event, by no later than five Buenos Aires Business Days) after it becomes such a Payor; *provided* that no Notice will be required to be delivered to any Payor of Use Fees so long as it represented less than 2% of the Use Fees during the most recently completed Reporting Period (if the first Reporting Period has not yet been completed, determined as if the Transaction Documents had been in effect for the previous 12 months). The Company will (or, to the extent described in "—Collateral—Notices" above, use commercially reasonable efforts to) obtain from each Payor its acknowledgment and agreement to the Notice sent to it, upon receipt of which acknowledgment and agreement the Company will send a copy thereof to the Indenture Trustee and the Argentine Collateral Trustee.

(iv) The Company will (on or prior to the Existing Notes Redemption Date or, with respect to future such airlines, as promptly as reasonably possible (and, in any event, by no later than five Buenos Aires Business Days) after the following applies) deliver to each airline that collects Use Fees from passengers but is not a Payor thereof to the Company a notice that such Transferred Use Fees have been transferred to the Trust and that such airline should continue to send such Transferred Use Fees to IATA (or another applicable Payor) for further delivery to the Company; *provided* that no such notice is required to be sent to any airline that represented less than 2% of the Collections on the Use Fees during the most recently completed Reporting Period (if the first Reporting Period has not yet been completed, determined as if the Transaction Documents had been in effect for the previous 12 months).

(v) The Company will not enter into any Contractual Obligations or other arrangements with any Payor or any airline that is not a Payor that would prohibit the transfer or other disposal of the related Transferred Rights unless the Company has obtained the consent of such Payor or airline for such transfer or other disposition.

(vi) If any Payor of the Transferred Rights shall fail to comply with the instructions provided to it in its Notice, then the Company will notify such Payor, the Indenture Trustee and the Argentine Collateral Trustee of such failure within five Business Days after the Company's actual knowledge of such failure and will use commercially reasonable efforts to cause such Payor to comply therewith.

(vii) The Company will take all commercially reasonable action required or, in the reasonable opinion of the Indenture Trustee, the Argentine Collateral Trustee and/or the Controlling Party, 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.

(viii) Promptly (and, in any event, within two Buenos Aires Business Days) after its receipt thereof, the Company will deliver to the Argentine Collateral Trustee a copy of each notice or other communication sent to it by IATA or any other Payor of a Clearinghouse Payment relating to the Use Fees, including the weekly or other periodic notice of payments of Use Fees that are to be made by such Payor.

(I) Rating Agencies. The Company will: (i) pay any monitoring fees of the Rating Agencies in respect of the Notes and (ii) provide the Rating Agencies (at the Company's sole expense) such reports, records and documents as each shall reasonably request to monitor or affirm the rating(s) assigned by it to the Notes; *it being understood* that the Company will not request either Rating Agency that it stop rating the Notes and/or the Company without the prior consent of the Controlling Party.

(m) Collection Report. The Company will, by not later than the 15th Business Day after the completion of each Reporting Period, provide to the Argentine Collateral Trustee, the Indenture Trustee (for the Indenture Trustee to deliver to each Noteholder) and each Rating Agency: (i) a report (a “*Collection Report*”) containing: (A) any necessary calculations relating to the Collection Ratio and (B) the date(s) by which continuation statements to the Uniform Commercial Code financing statements described in clause (j)(i)(C) need to be filed in order to avoid the lapse of such financing statements and (ii) an officer’s certificate addressed to the Indenture Trustee and the Argentine Collateral Trustee verifying the accuracy of such report and stating that no Default or Unmatured Default occurred during the Reporting Period or, if one or more occurred, specifying each such event and what actions have been taken and/or will be taken with respect to each such event. Concurrently with or shortly before the delivery of any Collection Report, the Company will file a Spanish translation thereof with the CNV or make it available on the Company’s website.

(n) 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 Company will furnish, upon the request of any Noteholder, such information as is specified in Rule 144A(d)(4) under the Securities Act: (i) to such Noteholder, (ii) to a prospective purchaser of such Note (or a beneficial interest therein) who is a QIB designated by such Noteholder and (iii) to the Indenture Trustee for delivery to any applicable Noteholder (or such prospective purchaser so designated), in each case in order to permit compliance by such Noteholder (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 Company is subject to the reporting requirements of the Exchange Act or is exempt from the registration requirements of the Exchange Act and required to furnish the SEC certain information pursuant to Rule 12(g)3-2(b).

(o) Listing. The Company will use commercially reasonable efforts to list the Notes on the Euro MTF market, and if the Notes are so listed then the Company will use commercially reasonable efforts to maintain such listing. If such listing cannot be made within 90 days after the Issuance Date, or if the Notes are so listed but are later de-listed from such exchange for any reason, then the Company will use commercially reasonable efforts to list the Notes for trading on another internationally recognized exchange and maintain such listing (or a further alternative listing) until the Notes are repaid in full. In addition, the Company will use commercially reasonable efforts to maintain the listing of the Notes on Merval through the Buenos Aires Stock Exchange and their acceptance for trading in the Argentine over-the-counter market (*Mercado Abierto Electrónico S.A.*). If the Notes are listed on the Euro MTF market (or any other non-Argentine market), then the Company will (to the extent the rules of this market so require) maintain a paying agent and a transfer agent in Luxembourg (or the applicable jurisdiction). Promptly after such a listing, the Company will so notify the Indenture Trustee, which will provide notice thereof to each of the Noteholders.

(p) Payment upon certain Defaults. Immediately upon the occurrence of any Default under clause (e) and/or (l) of the definition thereof, the Company will be obligated to pay to the Indenture Trustee an amount equal to: (i) the Principal Balance of the Notes, (ii) all accrued and unpaid Interest (if any) on the Notes, (iii) all unpaid Additional Amounts and (iv) all other amounts then due and payable to Beneficiaries by the Company under the Transaction Documents (including any fees, expenses, indemnities or other amounts payable to the Indenture Trustee and/or the Argentine Collateral Trustee). If so received from the Company, such amounts will be applied by the Indenture Trustee as if they had been the receipt of a Default Payment.

Negative Covenants

Pursuant to the Indenture, unless the Controlling Party otherwise agrees in writing, the Company will agree to the following:

(a) Debt. The Company will not (and will not permit any of its Subsidiaries to) incur, create, assume, permit, guaranty, endorse or be liable, directly or indirectly, for any Debt (including receiving any disbursements or other incurrences of Debt under revolving loans or other arrangements permitting therefor), including as a result of any acquisition of another person and/or any Property of another person, except for the following:

- (i) Debt under the Transaction Documents,

(ii) as scheduled in the Indenture, Debt existing on the Issuance Date and Refinancing Debt refinancing such Debt, of business and not for speculative purposes,

(iii) Subordinated Debt owed to persons other than the Company and/or any of its Subsidiaries,

(iv) interest rate or currency hedging obligations entered into in the ordinary course of business for *bona fide* hedging purposes and not for speculative purposes,

(v) obligations to pay dividends on Capital Stock that have been declared; *provided* that such declaration was in compliance with clause (b) of “—Negative Covenants” below,

(vi) Debt (other than Subordinated Debt) owed to the Company or by a Subsidiary of the Company to another Subsidiary thereof,

(vii) Debt in respect of workers’ compensation claims, severance payments, payment obligations in connection with health or other types of social security benefits, and unemployment or other insurance or self-insurance obligations,

(viii) Contingent Liabilities with respect to any Debt of the Company or any of its Subsidiaries that is otherwise permitted by this clause (a),

(ix) Debt of the Issuer or any Subsidiary incurred on or after the Issuance Date not otherwise permitted in an aggregate principal amount at any time outstanding not to exceed the greater of (A) U.S.\$30,000,000 (or the equivalent in other currencies) and (B) 5% of Consolidated Intangible Assets, and

(x) so long as no Default or Unmatured Default has occurred and is continuing and no Default Payment is required to be paid at the time of the incurrence or other increase thereof (including each funding received thereunder by the Company or, with respect to Contingent Liabilities of the Company, any other person), additional Debt of the Company (but not any of its Subsidiaries) so long as, at the time of such incurrence/increase and immediately after giving effect to such Debt and the application of any proceeds therefrom:

(A) the Total Debt to EBITDA Ratio is not greater than 3:1x,

(B) the EBITDA to Total Interest Expense Ratio is not less than 4.5:1x, and

(C) the EBITDA to Total Debt Service Ratio is not less than 1.5:1x,

in each case as certified in an officer’s certificate to the Indenture Trustee by the Company at or within five Business Days before such incurrence or other increase.

For the purpose of any such calculation: (v) such will be calculated using IFRS (including, for any Debt in a currency other than pesos, as would be required by IFRS to be converted into pesos for purposes of preparing a Financial Statement), (w) the amount of Debt issued (or otherwise raised) at a price that is less than the principal amount thereof will be considered to be equal to the principal amount thereof, (x) such additional Debt (including Contingent Liabilities) will be included in the calculation of the Total Debt, (y) the EBITDA, Total Interest Expense and Total Debt Service will be calculated as if such additional Debt had been in effect during the entirety of the applicable period with an interest rate (and/or other expense) equal to: (1) for Debt with a fixed interest rate (and/or other expense), such fixed interest rate (and/or other expense), and (2) otherwise, an interest rate (and/or other expense) equal to the highest non-default interest rate (and/or other expense) that may be charged or otherwise payable with respect to such additional Debt (with any “floating” component of such interest rate (and/or expense), such as LIBOR, being considered to be twice such rate (and/or expense) in effect at the date of determination), and (z) with respect to Contingent Liabilities, the EBITDA, Total Interest Expense and Total Debt Service will be calculated as if such Contingent Liability were a direct obligation of the Company (or its applicable

Subsidiary) and interest (and/or other expenses) payable with respect thereto were paid by the Company (or its applicable Subsidiary) directly.

In the event that Debt meets the criteria of more than one of the types of Debt described in this clause (a), the Company, in its sole discretion, will be permitted to classify such item of Debt on the date of its incurrence, and will only be required to include the amount and type of such Debt in one of such clauses although the Company may divide and classify an item of Debt in one or more of the types of Debt and may later re-divide or reclassify all or a portion of such item of Debt in any manner that complies with this covenant.

(b) **Restricted Payments.** The Company will not (and will not permit any of its Subsidiaries to) declare or make any Restricted Payment other than to the Company or from a Subsidiary of the Company to either a Wholly-owned Subsidiary of the Company or such payor's direct parent unless each of the following conditions has been satisfied:

(i) no Default has occurred and is continuing, no Unmatured Default exists and no Default Payment is required to be paid,

(ii) such Restricted Payment is in accordance with Applicable Law,

(iii) as of the date(s) of the declaration and payment thereof, the Company is (pursuant to clause (a)) able to incur at least an additional US\$1 in Debt, and

(iv) the aggregate amount (if other than in cash, being the Fair Value of the applicable Property) of the proposed Restricted Payment and all other Restricted Payments made by the Company and its Subsidiaries after the Issuance Date through the date thereof will not exceed the sum of:

(A) 75% of the Cumulative Net Income accrued during the period (treated as if it were one accounting period) beginning with (and including) the Company's fiscal quarter ended March 31, 2017 and continuing to the end of the most recent fiscal quarter for which Financial Statements have been delivered pursuant to clause (j) of "—Affirmative Covenants" above; *it being understood* that no Restricted Payments (other than to the Company or from a Subsidiary of the Company to a Wholly-owned Subsidiary of the Company or the applicable payor's direct parent) may be payable until the delivery pursuant to clause (j) of "—Affirmative Covenants" above of the Financial Statements for the fiscal year ended December 31, 2016, *plus*

(B) 100% of: (1) the Net Cash Proceeds received by the Company after the Issuance Date for any Equity Offering or any contribution to the equity capital of the Company (in each case, excluding any such Net Cash Proceeds received from a Subsidiary of the Company); *provided* that such shall not include the issuance of Disqualified Capital Stock, *plus* (2) the outstanding principal amount (using the lower of the face amount thereof and the amount of liabilities included with respect to such principal amount on the Company's Financial Statements) of obligations for borrowed money of the Company to the extent that such have been irrevocably converted into or exchanged for Capital Stock (other than Disqualified Capital Stock) of the Company excluding any such conversion or exchange of obligations held by any Subsidiary of the Company, *minus* (3) the aggregate Principal Balance of Notes that have been redeemed (or for which notice of redemption has been delivered by the Company to the Indenture Trustee) pursuant to "—Redemption of the Notes—Optional Redemption for Equity Offerings" above, *minus*

(C) the aggregate amount (if other than in cash, being the Fair Value of the applicable Property) paid by the Company or any Subsidiary thereof after the Issuance Date to acquire Capital Stock or Property from an Affiliate of the Company (other than Capital Stock of a Subsidiary of the Company acquired by another Subsidiary of the Company), *minus*

(D) the aggregate amount paid (whether principal, interest, fees or otherwise) by the Company under the Management Agreement since October 1, 2010; it being understood that because the Management Agreement is currently suspended, no such amounts are due and payable thereunder, the obligation to pay certain amounts under the Management Agreement may resume if the Management Agreement were to be reinstated,

provided, that: (1) compliance with the above calculation shall be certified in an officer's certificate to the Indenture Trustee by the Company before such Restricted Payment (which calculations the Indenture Trustee will have no obligation to confirm or verify) and (2) the Company may make an additional US\$5,000,000 (or its equivalent in any other currency) in Restricted Payments during any calendar year (with unused amounts in any calendar year being rolled over to the succeeding calendar year) without complying with this clause (iv) and no such payments will be included in the calculation of the aggregate amount of the Restricted Payments made by the Company and its Subsidiaries after the Issuance Date.

Notwithstanding the above, this clause (b) shall not prohibit:

(v) the Company or any of its Subsidiaries from making the payment of any dividend (1) on Capital Stock within 120 days after the date on which such dividend was declared so long as such dividend would have been permitted to have been paid on such declaration date and the Company or such Subsidiary (as applicable) believed in good faith that such would be permissible to be payable hereunder on such date of payment notwithstanding this sentence and (2) required to be paid on the Government Preferred Stock.

(w) the Company from making the payment of any dividends (i) in respect of the Company's accumulated earnings as of December 31, 2015, to the extent that such dividends are in an amount that with not exceed the sum of (a) 100% of the accumulated earnings recorded on the Company's financial statements as of such date as "voluntary reserves" (*reservas facultativas*) and (b) the voluntary reserves constituted by the shareholders meeting held on April 25, 2016; and (ii) for the fiscal year ended December 31, 2016, to the extent that such dividends are: (a) in an amount that will not exceed 100% of the Company's Cumulative Net Income for such fiscal year and (b) declared at a meeting of the shareholders of the Company,

(x) the Company from, on or after January 1, 2020, making any redemptions of the Government Preferred Stock in the event that the Argentine National Government exercises its conversion right into common shares, up to a maximum amount of 12.5% per year of the total amount of the Government Preferred Stock in accordance with the Memorandum of Agreement,

(y) (1) the repayment, redemption, repurchase, defeasance or other acquisition or retirement for value of Subordinated Debt with the proceeds of, or in exchange for, Refinancing Debt; or (2) the repayment, redemption, repurchase, defeasance or other acquisition or retirement for value of any Subordinated Debt at a purchase price not greater than (1) 101% of the principal amount thereof in the event of a change of control pursuant to a provision no more favorable to the holders thereof, or (2) 100% of the principal amount thereof in the event of an Asset Disposal pursuant to a provision no more favorable to the holders thereof, or

(z) Restricted Payments not otherwise permitted in an aggregate amount not to exceed U.S.\$50,000,000 (or the equivalent in other currencies) in the aggregate in any fiscal year (with unused amounts in any fiscal year being rolled over to the succeeding fiscal year);

provided, that in the case of clause (y) and (z) above, no Default has occurred and is continuing or would occur as a result thereof.

The Company will not permit any of its Subsidiaries to enter into any Contractual Obligation restricting such Subsidiaries' ability to make Restricted Payments to the Company, to a Wholly-Owned Subsidiary of the Company and/or to such Subsidiary's direct parent.

(c) Negative Pledge. The Company will not (and will not permit any of its Subsidiaries to) create, assume or permit to exist any Lien upon any of its Properties, whether owned on the Issuance Date or thereafter acquired, or any of its Capital Stock, other than Permitted Liens.

(d) Limitation on Disposals. The Company will not (and will not permit any of its Subsidiaries to) convey, sell, lease, assign, transfer or otherwise dispose of any of its Property or business, whether owned on the Issuance Date or thereafter acquired (an “*Asset Disposal*”), unless it receives consideration at the time of such Asset Disposal in an amount at least equal to the Fair Value (with respect to any Property or business with a Fair Value of greater than US\$5,000,000 (or its equivalent in any other currency) so disposed of (whether consummated in a single transaction or a series of related transactions) by the Company or a Subsidiary thereof, the Company must, by no later than the time of such Asset Disposal, deliver to the Indenture Trustee an opinion of an Independent Appraiser as to the Fair Value thereof) of the Property disposed of, at least 75% of which consideration must be in the form of cash, Cash Equivalents or other Property or business substantially similar to the Property or business so disposed of; *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 Company’s or the applicable Subsidiary’s business, (ii) sales, leases or other disposals of tangible Property (or rights therein) in the ordinary course of business, including leases of gates and other tangible Property to airlines, (iii) Property transferred from a Wholly-owned Subsidiary of the Company to the Company or between two Wholly-owned Subsidiaries of the Company, (iv) sales by the Company or a Subsidiary thereof at Fair Value of cash, Cash Equivalents or its own Capital Stock and (v) disposals as permitted by clauses (b) and (g).

With respect to any Asset Disposal (whether consummated in a single transaction or a series of related transactions) of Property or business having a Fair Value of at least US\$5,000,000 (or its equivalent in any other currency), the Net Cash Proceeds of such Asset Disposal must (by no later than the 365th day after such Asset Disposal) be applied by the Company or its applicable Subsidiary (as applicable) to either: (A) repay Debt (other than Subordinated Debt and Contingent Liabilities) of the Company or the applicable such Subsidiary without refinancing (and, with respect to any such Debt under an arrangement that permits future disbursements or other incurrences of Debt thereunder, with a corresponding permanent reduction in the amount of Debt available to be incurred thereunder), (B) invest in the business (including expenditures for Improvements) of the Company or the applicable such Subsidiary, (C) except to the extent that such would violate Applicable Law, be used to purchase Notes (or beneficial interests therein) as provided below in this clause (d), or (D) any combination of clauses (A) through (C) of this paragraph; *provided* that such Net Cash Proceeds will be maintained in cash or Cash Equivalents pending such application. To the extent that at least US\$5,000,000 (or its equivalent in any other currency) of such Net Cash Proceeds has not been so applied within the indicated period (any such unapplied amount at the end of such period, the “*Remaining Asset Disposal Amount*”), then by no later than such 365th day the Company will (unless, before the end of such period, it has delivered to the Indenture Trustee a notice of optional redemption with respect to the redemption of all of the Notes as described in “—Redemption of the Notes—Optional Redemption,” “—Optional Redemption Following Concession Extension,” “—Optional Redemption for Changes in Taxes” or “—Optional Redemption for Equity Offerings” above or if, immediately after the closing of such tender offer, there would be fewer than three months remaining until the Maturity Date) send to the Indenture Trustee (for the Indenture Trustee to deliver to each Noteholder) a notice (an “*Asset Disposal Notice*”) offering to purchase Notes (and/or beneficial interests therein) having an outstanding Principal Balance of the Remaining Asset Disposal Amount; *it being understood* that such tender offer may not be for an outstanding Principal Balance of more or less than the Remaining Asset Disposal Amount. Such Asset Disposal Notice must also indicate a selected date for such purchase that is no earlier than 35 days and no later than 60 days (or such additional time as may be required by Applicable Law) after the date of such notice, which selected date must be a New York Business Day. The Asset Disposal Notice must advise each Noteholder in sufficient detail as to how to tender its Notes (or beneficial interests therein) should it elect to accept such offer. In connection with any such purchase offer, the Company will hold such offer open for at least 20 (but no more than 30) New York Business Days (or such additional time as may be required by Applicable Law) and will comply with Rule 14e-1 under the Exchange Act and any other Applicable Laws.

Upon the Company’s delivery to the Indenture Trustee of an Asset Disposal Notice, each Noteholder will have the right to tender in the offer all or any portion of such Noteholder’s Notes (or beneficial interests

therein); *provided* that, unless such Noteholder tenders all of its Notes (or beneficial interests therein), an Noteholder may not so tender its Notes (or beneficial interests therein) if such would leave it holding Notes (or beneficial interests therein) with an original face value of less than the Minimum Denomination. On the selected purchase date, the Company will: (1) from the Notes (and/or beneficial interests therein) that have been tendered in (but not withdrawn from) such offer, accept (except to the extent such would violate Applicable Law) an amount representing a portion of the Principal Balance equal to the Remaining Asset Disposal Amount (or such lesser amount as has been so accepted); *provided* that the Notes (or beneficial interests therein) so tendered will be so accepted on a *pro rata* basis (based upon the amounts tendered and not withdrawn) or such other method in accordance with the applicable procedures of DTC, and (2) pay (such payment to be made in dollars in the United States) each applicable Noteholder for its accepted Notes (and/or beneficial interests therein) a purchase price equal to 100% of such portion of the Principal Balance plus all accrued and unpaid Interest (if any) thereon to but excluding the purchase date plus any applicable Additional Amounts. No Redemption/tender Premium will be payable by the Company with respect to any such purchase. Any such Notes (and/or beneficial interests therein) so purchased by the Company will be immediately cancelled by the Indenture Trustee in the manner described in “Redemption of the Notes—Cancellation” above.

As permitted by the applicable rules under DTC, in any such tender offer, an Noteholder may elect to condition its tender of the Notes (or beneficial interests therein) subject to the condition that a minimum percentage (selected by such Noteholder) of the outstanding Principal Balance of the Notes has been tendered in (but not withdrawn from) the offer; *it being understood that*, in determining whether such percentage has been achieved, the Notes (or beneficial interests therein) of such Noteholder and other Noteholders that have so conditioned their tenders with the same or a higher percentage will not be considered to have been tendered.

(e) Investments; Subsidiaries. The Company will not make or own any Investments in any person except Permitted Investments.

(f) Limitation on Affiliate Transactions. The Company will not (and will not permit any of its Subsidiaries 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 Company (or any of their respective families), any of its Subsidiaries 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 Company (or such Subsidiary) as would be obtainable by the Company (or such Subsidiary) in comparable arm's-length transactions with un-Affiliated persons of adequate financial and technical capability to perform the transaction; *provided* that with respect to any such transaction (or series of related transactions) that involves aggregate payments or transfers of Property or services with a Fair Value exceeding: (A) US\$10,000,000 (or its equivalent in any other currency), the Company must deliver to the Indenture Trustee evidence that such was approved in advance by a majority of the members (including a majority of the disinterested members) of the board of directors (or similar body) of the Company and/or such Subsidiary (as applicable), and (B) US\$50,000,000 (or its equivalent in any other currency), the Company must deliver to the Indenture Trustee an opinion of an Independent Appraiser as to the fairness of such transaction to the Company or such Subsidiary from a financial perspective,

(ii) for the payment of reasonable fees and other compensation paid to, and any indemnity provided on behalf of, officers, directors, employees, consultants or agents of the Company or any of its Subsidiaries as determined in good faith by the Company or its applicable Subsidiary,

(iii) loans and advances by the Company or any of its Subsidiaries to any of its directors, officers and employees for travel, entertainment and relocation expenses, in each case made in the ordinary course of business and not exceeding US\$1,000,000 (or its equivalent in any other currency) in the aggregate outstanding at any time,

(iv) a Restricted Payment permitted by clause (b).

- (v) a Permitted Investment permitted by clause (e),
- (vi) between or among Wholly-owned Subsidiaries of the Company,
- (vii) transactions under the Management Agreement, following any reinstatement of the Management Agreement, or
- (viii) the sale of newly issued Capital Stock of the Company or any of its Subsidiaries to a person other than the Company or any of its Subsidiaries, any contribution (other than by the Company or any of its Subsidiaries) to the equity capital of the Company or any of its Subsidiaries or (other than Debt owned by the Company or any of its Subsidiaries) the conversion into or exchange of any Debt for Subordinated Debt or Capital Stock of the Company or any of its Subsidiaries.

For the purpose of this clause (f), the holder (whether directly or indirectly) of Capital Stock representing 10% or more of the Capital Stock of a person will be considered to be an “Affiliate” of such person.

(g) Merger, Consolidation. The Company will not 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 unless (in each case subject to any applicable requirements of clauses (e) and (f)):

(i) (A) with respect to any merger or consolidation, the Company is the surviving entity, or (B) such person is a corporation or other legal entity organized under the laws of Argentina and assumes in writing all of the Company’s rights and obligations under the Transaction Documents and the Company (or such person) delivers to the Indenture Trustee one or more Opinion(s) of Counsel to the effect that: (1) such assumption is sufficient for each Transaction Document to which the Company is a party to constitute a legal, valid and binding obligation of such person, enforceable against it (subject to customary bankruptcy and similar exceptions) in accordance with its terms, and (2) following such assumption the Trust will continue to have absolute ownership of all right, title and interest in the Transferred Rights and the Indenture Trustee will continue to have a perfected security interest in the Transferred Rights, the Collections and the Transaction Accounts in the manner contemplated by the Transaction Documents; *it being understood* that, if such conditions in this clause (B) are satisfied, then the Indenture Trustee, the Argentine Collateral Trustee and the assuming person will (notwithstanding anything else in the Transaction Documents to the contrary, without requiring the consent of the Controlling Party or other person) as promptly as reasonably possible amend (or amend and restate) each of the applicable Transaction Documents solely to the extent necessary to reflect such assuming person as the successor to the Company thereunder,

(ii) the Indenture Trustee shall have received evidence that such merger, consolidation, sale, assignment or conveyance will not result in either Rating Agency withdrawing or reducing its rating with respect to the Notes (determined after giving effect to such merger, consolidation, sale, assignment or conveyance) to below the lower of such Rating Agency’s initial and then-current (i.e., before such merger, consolidation, sale, assignment or conveyance) ratings on the Notes,

(iii) no Default or Unmatured Default will be expected to exist at any time after, and no Default Payment will be payable immediately after, giving effect to such proposed merger, consolidation, sale, assignment or conveyance,

(iv) as certified to the Indenture Trustee by an Independent Appraiser, immediately after such transaction: (A) the Consolidated Net Worth of the Company or such surviving entity is at least equal to the Consolidated Net Worth of the Company immediately before such merger, consolidation, sale, assignment or conveyance and (B) the Company or such surviving entity would, on a pro forma basis as of the date of such merger, consolidation, sale, assignment or conveyance, be able to incur at least US\$1 in Debt under clause (a), and

(v) The Company shall have delivered to the Indenture Trustee and Argentine Collateral Trustee an officer's certificate and Opinion of Counsel stating that all conditions precedent thereto have been satisfied.

Compliance with this clause does not alter the obligations (if any) of the Company (or a surviving person) under "—Redemption of the Notes—Change of Control Offer."

(h) Change of Fiscal Year. Except as a result of a transaction permitted by clause (g)(i)(B), the Company will not change its fiscal year.

(i) Nature of Business. The Company will not (and will not permit any of its Subsidiaries to) engage in any business other than: (i) the business of operating the Airports and businesses reasonably related thereto and (ii) managing or otherwise operating (but not investing in) airports in other countries other than any countries subject to sanctions under the Prohibited Nations Acts.

(j) Protection of Transaction Documents. The Company will not: (i) sell, assign, transfer or otherwise dispose of, or create, incur or suffer to exist any Lien on, the Use Fees, the Transferred Concession Indemnification Rights, and/or the Transaction Accounts other than Liens created by the Transaction Documents or Liens permitted under clause (b) of the definition of Permitted Liens, (ii) sell, assign, transfer or otherwise dispose of, or create, incur or suffer to exist any Lien on, its rights under the Transaction Documents, (iii) other than in accordance with the terms of the applicable Transaction Document, take or (where it has the power to prevent the relevant action) knowingly permit to be taken any action that would terminate, or discharge or prejudice the validity or effectiveness of, any of the Transaction Documents or the validity, effectiveness or priority of the Liens created thereby, or (iv) except to the extent required by Applicable Law (including by any Governmental Authority), take any action (or refrain from taking any action) that would impair in any respect the rights and interests of the Indenture Trustee, the Argentine Collateral Trustee and/or any other Beneficiary under the transactions effected by the Transaction Documents (including by causing or requesting: (A) any Payor to make any payment on the Transferred Rights in a manner other than contemplated by the Transaction Documents or (B) any passenger to make payment of his/her Use Fee other than to the applicable airline or the Argentine Collateral Trustee or the Indenture Trustee or an agent or other representative of either such trustee).

Suspension of Certain Covenants

If at any time after the Issuance Date (i) the Notes are rated Investment Grade by at least two of the Rating Agencies, and (ii) no Default has occurred and is continuing under the Indenture (the occurrence of the events described in the foregoing clauses (i) and (ii) being collectively referred to as a "Covenant Suspension Event"), then, beginning on that day, the Company and its Subsidiaries will not be subject to the covenants in the Indenture described in clauses (a) (Debt), (b) (Restricted Payments), (d) (Limitation on Disposals), (f) (Limitation on Affiliate Transactions) and (g) (Mergers, Consolidation) above under the heading "—Negative Covenants" (collectively the "Suspended Covenants").

In the event that the Company and its Subsidiaries are not subject to the Suspended Covenants for any period of time as a result of the foregoing, and on any subsequent date (the "Reversion Date") the condition set forth in clause (i) of the first paragraph of this section is no longer satisfied, then the Company and its Subsidiaries will thereafter again be subject to the Suspended Covenants with respect to future events.

The period of time between the occurrence of a Covenant Suspension Event and the Reversion Date is referred to as the "Suspension Period." In the event of any such reinstatement, no action taken or omitted to be taken by the Company or any Subsidiary prior to such reinstatement will give rise to a Default or Unmatured Default under the Indenture with respect to Notes. On each Reversion Date, all Debt incurred or Disqualified Capital Stock issued, during the Suspension Period will be classified to have been incurred pursuant to clause (a)(x) under the heading "—Negative Covenants."

For purposes of the “—Limitation on Disposals” covenant, on the Reversion Date, the Remaining Asset Disposal Amount will be reset to the amount of the Remaining Asset Disposal Amount in effect as of the first day of the Suspension Period ending on such Reversion Date.

There can be no assurance that the Notes will ever achieve or maintain a rating of Investment Grade from the Rating Agencies.

The Company will be required to provide prompt written notice to the Indenture Trustee and Argentine Collateral Trustee of the commencement of a suspension period or Reversion Date. The Indenture Trustee and Argentine Collateral Trustee shall have no obligation to forward such notice to the Noteholders.

Representations

In the Argentine Collateral Trust Agreement, the Company will make certain representations and warranties to the Argentine Collateral Trustee (including for the benefit of the Noteholders), including with respect to the Transferred Rights.

Defaults

Upon the occurrence and during the continuance of a Default, the Notes may be subject to mandatory redemption, in whole but not in part. Pursuant to the Indenture, each of the following events, acts, occurrences or conditions will constitute a default (each a “*Default*”):

(a) **Failure to Make Payments.** The Company shall have failed to make any payment, monetary transfer or deposit required to be made by it under the Transaction Documents, including, but not limited to: (i) payments of principal or Interest due with respect to the Notes when due, (ii) payments due with respect to the payment of any Redemption Price, (iii) payments due with respect to any tender offer described in “—Redemption of the Notes—Change of Control Offer,” “—Asset Disposal Offer” or “—Insurance Proceeds” above, and such failure shall have continued unremedied for at least five Business Days after the date such payment, monetary transfer or deposit is required to be made, or the Company shall have failed to make any payments due with respect to the Maturity Date (for which no cure period shall be provided); *it being understood* that in any event, the failure of the Indenture Trustee or the Argentine Collateral Trustee to apply funds delivered to it by (or on behalf of) the Company (or available from the Transaction Accounts) to make payments on behalf of the Company will not constitute such a failure by the Company.

(b) **Misrepresentation.** Any representation or warranty made by the Company in any Transaction Document shall have been untrue or incorrect in any respect at the time when it was made (or deemed made) and such untruth or incorrect statement (or the actual circumstances that caused such statement to be untrue or incorrect), alone or in the aggregate, shall have already had or could reasonably be expected to have a Material Adverse Effect.

(c) **Breach of Covenant.** Except as specifically provided in another Default:

(i) the Company shall have failed to observe or perform any of its covenants specified in “—Negative Covenants” above or in clauses (b), (i), (j), (k)(iii) and/or (m) of “—Affirmative Covenants” above and/or the Company shall have failed to deliver a Change of Control Notice, Insurance Payment Notice or Asset Disposal Notice by the required date and such failure shall continue unremedied for at least 15 days, and/or,

(ii) the Company shall have failed to observe or perform any of its other covenants specified in “—Affirmative Covenants” above or any other agreement in the Transaction Documents and such failure shall continue unremedied for at least 30 days after an authorized officer of the Company obtains actual knowledge of such failure.

(d) Failure of Collateral. Either: (i) the Argentine Collateral Trustee (on behalf of the Trust) shall, following the execution and delivery of the Argentine Collateral Trust Agreement, not have a valid fiduciary ownership interest under Argentine Applicable Law in the Transferred Rights, the Collections thereon, the Local Dollar Collection Account and/or the Peso Accounts, subject only to the Lien of the Indenture Trustee and, during the Existing Notes Pre-Redemption Period, Liens in favor of the Existing Notes Trustee, or (ii) the Indenture Trustee shall not have a first priority Lien on all or any part of the Property purported to be granted thereto pursuant to the Indenture (except to the extent released pursuant to the terms of the Transaction Documents), and subject to the Company's rights to receive Basic Concession Operating Costs as described above under "Collateral— Payments from the Collection Accounts Following Default."

(e) Governmental Authorizations. Any governmental authorization, license, consent, registration or approval required in or by the Applicable Laws of Argentina or any other applicable jurisdiction: (i) to enable the Company lawfully to enter into and perform its obligations under the Transaction Documents, (ii) to enable the Company to operate its business and/or generate Use Fees, (iii) to enable the Indenture Trustee and/or the Argentine Collateral Trustee to exercise the rights expressed to be granted to it in the Transaction Documents and/or (iv) to ensure the legality, validity, enforceability and/or admissibility in evidence in Argentina of any of the Transaction Documents shall cease to be in full force and effect in any respect, the effect of any of which, alone or in the aggregate, shall have already had or could reasonably be expected to have a Material Adverse Effect; *it being understood* in respect of each of the foregoing clauses that such clause does not cover notarizations, certified translations, registrations or any other normal-course formality for admissibility in evidence in Argentina of the Transaction Documents (except those expressly covenanted to be obtained, made or caused by the Company).

(f) Concession Agreement. The Concession Agreement, or the Company's rights thereunder, shall be amended, supplemented or otherwise modified, terminated, expropriated or redeemed in full or in part, or the Concession Agreement (or any part thereof) becomes invalid or illegal or otherwise ceases to be in full force and effect, in each case so long as such occurrence, alone or in the aggregate, has had or could reasonably be expected to have a Material Adverse Effect; *it being understood* that: (i) any such occurrence that, if it had occurred on the first day of such period, would have resulted in a reduction of at least 25% of the Company's EBITDA during the most recently ended four fiscal quarters of the Company for which Financial Statements have been prepared and (ii) any Concession Indemnification Event will be considered to have had such a Material Adverse Effect.

(g) Collection Ratio. For each of the two most recently completed Reporting Periods, the Collection Ratio shall be less than 1.00:1x; *it being understood* that such ratio will be calculable, and thus a Default may occur under this clause (g), before an applicable Payment Date.

(h) Bankruptcy; Insolvency. With respect to the Company or any of its Significant Subsidiaries, either: (i) it shall commence a voluntary case, proceeding, petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors or a judicial (including *quiebra* or *a concurso preventivo* under Argentine law) or extrajudicial preventive arrangement with some or all of its creditors (including an *acuerdo preventivo extrajudicial* under Argentine law) or other action: (A) under any Applicable Law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, curatorship, reorganization, suspension of payments or relief of debtors seeking to have an order for relief entered with respect to it or seeking to adjudicate it bankrupt or insolvent or seeking curatorship, reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, liquidator, administrator, curator, custodian, conservator or other similar official of it or for any substantial part of its Property, (ii) an involuntary case, proceeding or other action of a nature referred to in clause (i) shall be commenced against it that: (A) shall result in the entry of an order for relief or of an order granting or approving such adjudication or appointment referred to in clause (i) or (B) shall remain unstayed, undismissed or undischarged for a period of at least 90 days after the Company's or such Significant Subsidiary's actual knowledge of such action, (iii) an involuntary case, proceeding or other action shall be commenced against it that seeks issuance of a warrant of attachment, execution, distress or similar process against any substantial part of its Property that shall result in the entry of an order for any such relief and shall not have been vacated, discharged, stayed or bonded pending appeal within 90 days from the entry thereof, (iv) there shall be commenced against it any extra-judicial liquidation proceedings under any applicable insolvency

laws or rules of any jurisdiction, which proceedings: (A) could reasonably be expected to result in the liquidation of the Company or the applicable Significant Subsidiary or (B) remain unstayed, undismissed, unbonded (if applicable) or undischarged for at least 90 days after the Company's or such Significant Subsidiary's actual knowledge of such proceedings, (v) it shall admit in writing its inability to pay its Debts or other obligations as they become due, (vi) it shall make a general assignment for the benefit of creditors or (vii) it shall take any corporate (or similar) (or its board of directors, shareholders or similar persons shall take any) action in furtherance of, or indicating its consent to, approval of or acquiescence in, any of the foregoing acts.

(i) Cross-Defaults. Other than with respect to payments under the Transaction Documents: (i) the Company and/or any of its Subsidiaries shall default (as principal or guarantor or other surety) in the payment of any principal of, interest on, or premium, guaranty fees or other fees payable with respect to any credit-enhancement for, any Debt (or any similar obligation), which Debt (or obligation) is outstanding in the principal amount of at least US\$20,000,000 in the aggregate (or its equivalent in any other currency), and such default shall have continued for more than the lesser of: (A) any applicable period of grace and (B) 45 days, or (ii) any other event shall occur or condition shall exist in respect of any such Debt (or obligation) referred to in clause (i) that results in the acceleration of the Company's and/or any of its Subsidiaries' obligation to pay (or purchase or defease) such Debt (or obligation) (or the Company and/or any of its Subsidiaries is obligated to purchase (or cause to be purchased or defeased) such Debt (or obligation)).

(j) Judgment Defaults. Any court, other Governmental Authority or arbitrator shall enter against the Company or any of its Subsidiaries a decree, order, arbitration award, final judgment or tax claim and:

(i) any such event, alone or in the aggregate, shall have already had or could reasonably be expected to have a Material Adverse Effect; *it being understood* that any decree, order, arbitration award, final judgment or tax claim for the payment of money in excess of US\$20,000,000 (or its equivalent in any other currency) will be considered to have had a Material Adverse Effect, and

(ii) either: (A) such decree, order, arbitration award, final judgment or tax claim is not stayed, bonded, fully escrowed for or discharged within 60 days after entry thereof or (B) there shall be any period of at least 60 consecutive days during which a stay of enforcement of such judgment or order shall not be in effect.

(k) Termination, Invalidity of Transaction Documents. Except with respect to obligations and/or Transaction Documents that have terminated by their own terms, either: (i) any of the Transaction Documents shall fail for any reason to be in full force and effect, which failure, alone or in the aggregate, shall have already had or could reasonably be expected to have a Material Adverse Effect, or (ii) the Company shall allege that any of its obligations under the Transaction Documents shall fail for any reason to be in full force and effect.

(l) Sovereign Interference. Any interference by any Governmental Authority of Argentina shall occur in connection with, or any Argentine legislative, judicial, regulatory or other governmental action (including any banking or debt repayment moratorium or other action that increases the restrictions on the Company's ability to make payments under the Transaction Documents) is taken that interferes with, the Transaction Documents or the conduct of the Company's and/or any of its Subsidiaries' business, and such interference or other action, alone or in the aggregate, shall have already had or could reasonably be expected to have a Material Adverse Effect; *it being understood* that any action that does (or purports to) re-denominate, re-value or otherwise alter the amount and/or currency and/or place of payment of the Company's obligations under the Transaction Documents will be considered to have had a Material Adverse Effect.

Upon the occurrence of any Default, the Indenture Trustee or the Controlling Party, by notice then given in writing to the Company and the Argentine Collateral Trustee (and the Indenture Trustee in the case of notice from the Controlling Party), will declare the Principal Balance of the Notes immediately due and payable and the Company will then be required to pay the Default Payment; *provided* that any Default under clause (f) (if a Concession Indemnification Event has occurred) or (h) will automatically be deemed to have resulted in an immediate declaration of the Principal Balance of the Notes to be due and payable and the requirement for the Company to make payment of the Default Payment. Upon a request (or deemed request) to the Company for such payment, the Company will promptly (but in any event by no later than the next Business Day) pay to the Indenture

Trustee an amount equal to the Default Payment; *provided* that if such date of payment is not a New York Business Day, then the amount of the Default Payment will be determined as if such date of payment were the next New York Business Day (*e.g.*, additional Interest will be included). If a Default Payment is requested (or deemed requested) to be made, then the Indenture Trustee will also (in coordination with the Argentine Collateral Trustee to the extent applicable) apply funds in the Transaction Accounts for such purpose (any such application resulting in an equivalent reduction in the amount of the Default Payment remaining to be paid by the Company).

In each case, if the Default Payment (or a portion thereof) is made by (or on behalf of) the Company (including from funds in the Transaction Accounts), then the Indenture Trustee will apply such amounts to make payment to the applicable Beneficiaries; *it being understood* that such payments to the applicable Beneficiaries of the Default Payment (i) might not occur until the Indenture Trustee's Business Day after the Redemption Date and no additional Interest or other amounts will accrue as a result of any such delay and (ii) are subject to the Company's rights to receive Basic Concession Operating Costs as described above under "Collateral—Payments from the Collection Accounts Following Default." Should a partial payment of the Default Payment be made, such payment will be allocated in the following order of priority: (a) on a pro rata basis, all fees, expenses and indemnities (if any) payable to the Indenture Trustee and the Argentine Collateral Trustee, (b) the Principal Balance of the Notes, (c) all accrued and unpaid Interest (if any) on the Notes, (d) all unpaid Additional Amounts and (e) on a *pro rata* basis, all other amounts (if any) then due and payable to the Beneficiaries under the Transaction Documents.

In addition to the above: (a) any waiver of a Default described in clause (a) (or the requirement that any Default Payment be paid with respect thereto) will require the consent of each payee of the defaulted payment and (b) the Controlling Party may waive any other Default or Unmatured Default (or the requirement that any Default Payment be paid with respect thereto).

Notwithstanding any other provision hereunder or under the Notes, the right of a Noteholder to receive payment of principal, premium, if any, and interest on such Note (and Additional Amounts, if any), subject to the Company's rights to receive Basic Concession Operating Costs as described above under "Collateral— Payments from the Collection Accounts Following Default," on or after the respective due dates expressed in such Note, or to institute suit, including a summary proceeding (*acción ejecutiva individual*) pursuant to Article 29 of the Negotiable Obligations Law, for the enforcement of any such payment on or after such respective dates, will not be impaired or affected without the consent of such Noteholder. Any Beneficial Owner of Notes issued under the Indenture represented by a Global Note will be able to obtain from the relevant depositary, upon request, a certificate representing its interest in the relevant Global Note in accordance with the Argentine Capital Markets Law. This certificate will enable such Beneficial Owner to initiate legal action before any competent court in Argentina, including a summary proceeding, to obtain overdue amounts under the Notes.

Defeasance

The Company may at any time terminate all of its obligations with respect to the Notes (a "*defeasance*"), except for certain obligations, including those to the Indenture Trustee and the agents appointed under the Indenture, those regarding any trust established for a defeasance and obligations to register the transfer or exchange of the Notes, to replace mutilated, destroyed, lost or stolen Notes and to maintain agencies in respect of Notes. The Company may at any time terminate its obligations under certain covenants set forth in the Indenture with respect to the Notes, and any omission to comply with such obligations will not constitute an Unmatured Default or Default with respect to the Notes ("*covenant defeasance*"). In order to exercise either defeasance or covenant defeasance, the Company must irrevocably deposit in trust, for the benefit of the Noteholders, with the trustee money or U.S. government obligations, or a combination thereof, in such amounts as will be sufficient, in the opinion of an internationally recognized firm of independent public accountants expressed in a written certificate delivered to the Indenture Trustee, without consideration of any reinvestment, to pay the principal of and interest on the Notes to redemption or maturity and comply with certain other conditions, including the delivery of an opinion of legal counsel of recognized standing to the effect that the Noteholders will not recognize income, gain or loss for U.S. federal income tax purposes as a result of the defeasance and will be subject to U.S. federal income tax on the same amount and in the same manner and at the same time as would otherwise have been the case (and in the case of a defeasance that is not a covenant defeasance, such opinion will be based on a change in law or a ruling of the Internal Revenue Service).

Satisfaction and Discharge

The Indenture will be discharged and will cease to be of further effect (except as to surviving rights or registration of transfer or exchange of the Notes and the rights, powers, trusts' duties' immunities and indemnities of the Indenture Trustee and the obligations of the Company in connection therewith, as expressly provided for in the Indenture) as to all outstanding Notes when:

(1) either:

(a) all the Notes theretofore authenticated and delivered (except lost, stolen or destroyed Notes which have been replaced or paid and Notes for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Company and thereafter repaid to the Company or discharged from such trust) have been delivered to the Indenture Trustee for cancellation; or

(b) all Notes not theretofore delivered to the Indenture Trustee for cancellation have become due and payable or will become due and payable within one year, and the Company has irrevocably deposited or caused to be deposited with the Indenture Trustee funds or certain direct, non-callable obligations of, or guaranteed by, the United States or a combination thereof sufficient without reinvestment in the written opinion of a nationally recognized investment bank, appraisal firm or firm of independent accountants delivered to the Indenture Trustee to pay and discharge the entire indebtedness on the Notes not theretofore delivered to the Indenture Trustee for cancellation, for principal of, premium, if any, and interest on the Notes to the date of deposit (in the case of Notes that have become due and payable), or to the stated maturity or redemption date, as the case may be, together with irrevocable instructions (which may be subject to one or more conditions) from the Company directing the Indenture Trustee to apply such funds to the payment;

(2) the Company has paid all other sums payable by it under the Indenture and the Notes; and

(3) the Company has delivered to the Indenture Trustee an officer's certificate and an Opinion of Counsel (provided by at the expense of the Company) stating that all conditions precedent under the Indenture relating to the satisfaction and discharge of the Indenture have been complied with.

Listing

The Notes are listed and admitted for trading in Merval and in MAE. In addition, application has been made to list the Notes on the Luxembourg Stock Exchange and admitted for trading in the Euro MTF Market. If the Notes are listed on the Euro MTF market, then the Company will (to the extent the rules of this market so require) maintain a paying agent and a transfer agent in Luxembourg. Each of the Company, the Indenture Trustee and the Argentine Collateral Trustee are (without the need for any approvals, consents or instructions from any Noteholders, but in accordance with all other provisions applicable thereto) authorized to join in the execution of any amendment (including amendment and restatement) of any Transaction Document(s) to the extent required to provide for such listing. Promptly after such a listing, the Company will notify the Indenture Trustee, who will provide notice thereof to each of the Noteholders.

Amendments of the Transaction Documents

Amendments without the Consent of the Beneficiaries. The Company and (as applicable) the Indenture Trustee and/or the Argentine Collateral Trustee may, from time to time and at any time, without the consent of the Noteholders or any other Beneficiary enter into a written amendment of the Indenture and/or any other Transaction Document, for one or more of the following purposes:

(a) to convey, transfer, assign, mortgage or pledge any Property to the Indenture Trustee or the Argentine Collateral Trustee as additional collateral for the Beneficiaries,

- (b) to add to the obligations, covenants and/or representations and warranties of the Company or to surrender any right or power conferred in the Transaction Documents upon the Company,
- (c) amendments described in clause (g) of "—Negative Covenants" above,
- (d) issuing additional Notes in the manner described in "—Issuance of Additional Notes" above,
- (e) effecting the listing of the Notes on the Euro MTF market of the Luxembourg Stock Exchange in the manner described in "—Listing" above or any other exchange on which the Notes are listed pursuant to clause (n) of "—Affirmative Covenants" above,
- (f) to conform the text of the Transaction Documents to the provisions of this "—Description of the Notes" to the extent necessary to accurately reflect such provisions, and
- (g) to make such other modifications in regard to ambiguities, inconsistencies, errors, matters or questions arising under the Transaction Documents as the Company and the Indenture Trustee and/or the Argentine Collateral Trustee (as applicable) may deem necessary or desirable that will not be inconsistent with the provisions of the Transaction Documents and that will not adversely affect the interests of any of the Beneficiaries in any material respect; *provided* that an Opinion of Counsel will be required to be addressed and delivered to each of the Indenture Trustee and the Argentine Collateral Trustee opining that such amendment does not in any material respect adversely affect the interests of any of the Beneficiaries that have not consented thereto.

The Indenture Trustee and the Argentine Collateral Trustee will be authorized to join in the execution of any such amendment, to make any further appropriate agreements and stipulations that may be therein contained and to accept the conveyance, transfer, assignment, mortgage or pledge of any Property thereunder; *provided* that, prior to any such amendment, both the Indenture Trustee and the Argentine Collateral Trustee will be entitled to receive and rely upon an Opinion of Counsel stating that the execution of such amendment is authorized and permitted by the Indenture and that all conditions precedent thereto are satisfied. A copy of any such executed amendment will be delivered by the Indenture Trustee to each Rating Agency and each Noteholder within two Business Days after receipt of a fully executed copy thereof.

Amendments with Consent of the Controlling Party. Subject to the provisions described in "—Amendments without Consent of the Beneficiaries," and only with the written consent of the Controlling Party, the Company and (as applicable) the Indenture Trustee and/or the Argentine Collateral Trustee may, from time to time and at any time, enter into a written amendment for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture and/or any of the other Transaction Documents or of modifying in any manner the rights of the Company and/or the Beneficiaries in respect thereof. Upon receipt of a copy of the amendment and the delivery to the Indenture Trustee and/or the Argentine Collateral Trustee (as applicable) of evidence of the consent of the Controlling Party, the Indenture Trustee and/or the Argentine Collateral Trustee (as applicable) will join in the execution of such amendment.

Notwithstanding anything to the contrary in the preceding paragraph, no such amendment or no such waiver to the Transaction Documents may, without the consent of every Noteholder:

- (a) reduce in any manner the amount of, or delay the timing of or alter the priority of, any payments to the Noteholders that are required to be made under the Transaction Documents, or change any date of payment on which, the place of payment where or the currency in which any such payment is payable, or impair the Indenture Trustee's, the Argentine Collateral Trustee's or any Noteholder's right to institute suit for the enforcement of any such payment,
- (b) release all or any portion of the Liens granted to the Indenture Trustee under the Indenture, or reduce the transfer of Property to the Argentine Collateral Trustee under the Argentine Collateral Trust Agreement,

- (c) reduce the percentage of the Principal Balance of the Notes that is required for any amendment, or reduce such percentage required for any waiver or instruction, provided for in the Transaction Documents,
- (d) alter the ranking of the Company's payment obligations under the Transaction Documents,
- (e) materially increase the discretionary authority of the Indenture Trustee and/or the Argentine Collateral Trustee, or
- (f) eliminate any of the items described in these clauses (a) through (f).

Prior to the execution of any such amendment, both the Indenture Trustee and the Argentine Collateral Trustee will be entitled to receive and rely upon an Opinion of Counsel stating that the execution of such amendment is authorized and permitted by the Indenture and that all conditions precedent thereto are satisfied. A copy of any such executed amendment will be delivered by the Company to each Rating Agency and each Noteholder within two Business Days after receipt of a fully executed copy thereof.

As noted in “—Notices; Meetings of Noteholders” above, no such amendment will be valid under Argentine law until it has been resolved at a meeting of Noteholders (or their representatives) held in the City of Buenos Aires in accordance with the Negotiable Obligations Law.

Promptly after the execution by the Company and the Indenture Trustee of any supplement or amendment to the Indenture, the Company will give notice thereof to the Noteholders issued under the Indenture and, if applicable, to the CNV, setting forth in general terms the substance of such supplement or amendment. If the Company fails to give such notice to the Noteholders within 15 days after the execution of such supplement or amendment, the Indenture Trustee will give notice to the Noteholders at the Company's expense. Any failure by the Company or the Trustee to give such notice, or any defect therein, will not, however, in any way impair or affect the validity of any such supplement or amendment.

Enforcement by Noteholders

Except as described in the next paragraph, no Noteholder will have any right by virtue of or by availing itself of any provision of the Indenture or such Note to institute any suit, action or proceeding in equity or at law upon or under or with respect to the Indenture or the Notes or for the appointment of a receiver or trustee, or for any other remedy thereunder, unless (i) such Noteholder previously has given to the Indenture Trustee written notice of a default with respect to the Notes, (ii) Noteholders of not less than 25% in aggregate Principal Balance of the Notes have made written request upon the Indenture Trustee to institute such action, suit or proceeding in its own name as trustee under the Indenture and have offered to the Indenture Trustee such reasonable indemnity as it may require against the costs, expenses and liabilities to be incurred therein or thereby and (iii) the Indenture Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such action, suit or proceeding and no direction inconsistent with such written request has been given to the Trustee pursuant to the Indenture.

Notwithstanding any other provision in the Indenture and any provision of the Notes, the right of any Noteholder to receive payment of the principal, any premium, and interest on such Note (and Additional Amounts, if any) on or after the respective due dates expressed in such Note, or to institute suit, including a summary proceeding (*acción ejecutiva individual*) pursuant to Article 29 of the Negotiable Obligations Law, for the enforcement of any such payment on or after such respective dates, will not be impaired or affected without the consent of such Noteholder.

Governing Law; Consent to Jurisdiction

The Indenture and the Notes will be expressly stated to be governed by, and construed in accordance with, the laws of the State of New York *provided* that all matters relating to (a) the due authorization, execution, issuance and delivery of the Notes, (b) the CNV's authorization of the public offering of the Notes in Argentina, (c) the legal requirements required for the Notes to qualify as non-convertible negotiable obligations (*obligaciones negociables*

simples no convertibles en acciones), and (d) the validity of meetings of Noteholders in Argentina, will be governed by the Negotiable Obligations Law, the Argentine Corporations Law, the CNV Rules and other applicable Argentine Laws and regulations. The Trust will be constituted through execution of the Argentine Collateral Trust Agreement, which (along with the Notices) will be expressly stated to be governed by, and construed in accordance with, the laws of Argentina. The Argentine Collateral Trust Agreement and Notices will be in Spanish.

Each of the parties to the Indenture (with respect to the Argentine Collateral Trustee, including on behalf of the Trust) will irrevocably and unconditionally submit (and each Beneficiary (by its acquisition of a Note or a beneficial interest therein or otherwise accepting the benefits of the Indenture and the other applicable Transaction Documents) will be deemed to irrevocably and unconditionally submit) to the non-exclusive jurisdiction of: (a) the United States District Court for the Southern District of New York or of any New York State court (in either case, sitting in Manhattan, New York City) and (b) the courts sitting in the City of Buenos Aires, including the ordinary courts for commercial matters and the Permanent Arbitral Tribunal of the Buenos Aires Stock Exchange (*Tribunal de Arbitraje General de la Bolsa de Comercio de Buenos Aires*) under the provisions of Article 46 of the Argentine Capital Markets Law, and any competent court located in the place of the Company's corporate domicile for purposes of any action or proceeding arising out of or related to the Indenture or the Notes, in each case with all applicable courts of appeal therefrom.

Each of the Company and the Argentine Collateral Trustee (including on behalf of the Trust) will irrevocably appoint National Corporate Research as its authorized agent on which any and all legal process may be served in any such action, suit or proceeding brought in New York. Each of the Company and the Argentine Collateral Trustee (including on behalf of the Trust) will agree that: (a) service of process in respect of it upon such agent, together with written notice of such service sent to it in the manner provided for in the Indenture, will be deemed to be effective service of process upon it in any such action, suit or proceeding and (b) the failure of such agent to give notice to it of any such service of process will not impair or affect the validity of such service or any judgment rendered in any action, suit or proceeding based thereon. If for any reason such agent ceases to be available to act as such (including by reason of the failure of such agent to maintain an office in New York City), then (as applicable) each of the Company and the Argentine Collateral Trustee (including on behalf of the Trust) will promptly designate a new agent in New York City, on the terms and for the purposes of the Indenture. Nothing contained in the Transaction Documents will in any way be deemed to limit the ability of the Indenture Trustee or any other Beneficiary to serve any such legal process in any other manner permitted by Applicable Law or to obtain jurisdiction over the Company or the Argentine Collateral Trustee (including on behalf of the Trust) or bring actions, suits or proceedings against it in such other jurisdictions, and in such manner, as may be permitted by Applicable Law.

To the extent that the Company and/or the Argentine Collateral Trustee (and/or the Trust) has or may acquire any immunity from jurisdiction of any court or from any legal process (whether through service of notice, attachment prior to judgment, attachment in aid of execution or execution, on the ground of sovereignty or otherwise) with respect to itself or its Property, it (or, with respect to the Trust, the Argentine Collateral Trustee on its behalf) will irrevocably waive, to the fullest extent permitted by Applicable Law, such immunity in respect of its obligations under the Transaction Documents.

Each of the Company and the Argentine Collateral Trustee (including on behalf of the Trust) will irrevocably waive, to the fullest extent permitted by Applicable Law, any claim that any action or proceeding relating in any way to the Transaction Documents should be dismissed or stayed by reason, or pending the resolution, of any action or proceeding commenced by the Company and/or the Trust (or the Argentine Collateral Trustee on its behalf) relating in any way to the Transaction Documents whether or not commenced earlier. To the fullest extent permitted by Applicable Law, the Company and the Argentine Collateral Trustee (including on behalf of the Trust) will take all measures necessary for any such action or proceeding to proceed to judgment before the entry of judgment in any such action or proceeding commenced by the Company and/or the Trust (or the Argentine Collateral Trustee on its behalf).

To the extent that the Company may, in any suit, action or proceeding brought in a court of the country in which the Company is domiciled or elsewhere arising out of or in connection with the Notes or the Indenture, be entitled to the benefit of any provision of law requiring the Trustee or the holders of the Notes in such suit, action or proceeding to post security for the costs of the Company, as the case may be, or to post a bond or guarantee

(*excepción de arraigo*) or to take similar action, the Company hereby irrevocably waives such benefit, in each case to the fullest extent now or hereafter permitted under the laws of the country in which the Company is domiciled or, as the case may be, such other jurisdiction.

Each of the parties to the Indenture will (and each Noteholder, by its acquisition of a Note or a beneficial interest therein, will be deemed to) irrevocably and unconditionally waive trial by jury in any legal action or proceeding relating to the Transaction Documents and for any counterclaim relating thereto.

Indenture Trustee and Argentine Collateral Trustee

For a description of the duties and the protections and rights of the Indenture Trustee and the Argentine Collateral Trustee under the Indenture, reference is made to the Indenture, and the obligations of the Indenture Trustee and the Argentine Collateral Trustee to the Beneficiaries will be subject to such immunities and rights as set forth therein. Pursuant to the Indenture, neither Indenture Trustee nor the Argentine Collateral Trustee will (other than with respect to the calculation of Interest by the Indenture Trustee, calculations by the Argentine Collateral Trustee described in “—Collateral” above and calculations of the amounts in the Transaction Accounts maintained at the applicable trustee) have any obligation to perform any calculation or to make any determination with respect to any financial matter (including the determination of any financial ratio or any amount due in respect of payments of the Notes).

Under certain circumstances described in the Indenture, the Controlling Party may vary or terminate the appointment of the Indenture Trustee and/or the Argentine Collateral Trustee and either Trustee may appoint additional trustees or other agents. Notice of any resignation, termination or appointment of a Trustee, or of any change in the office through which it acts, will be provided to Noteholders in accordance with “—Notices; Meetings of Noteholders” above.

In addition to those specified in the Indenture, for a description of certain additional duties, protections and rights of the Argentine Collateral Trustee under the Argentine Collateral Trust Agreement, reference is made to the Argentine Collateral Trust Agreement, and the obligations of the Argentine Collateral Trustee to the other Beneficiaries will be subject to such immunities and rights as set forth therein. In particular, the Argentine Collateral Trust Agreement will provide that: (a) any and all obligations (if any) of the Argentine Collateral Trustee (in its own name) in virtue of the Argentine Collateral Trust Agreement will be paid only by it (that is, only the assets of the person acting as the Argentine Collateral Trustee, initially the Argentine branch of Citibank N.A., will be used to satisfy its obligations), (b) it will not be responsible for any lack of funds to make any such payment if such is attributable to an event of force majeure and/or any other circumstance outside of its control and (c) neither such person’s head office nor any other office, branch or affiliate of such person will be responsible for such payment.

Certain Definitions in the Indenture

The following are certain of the terms as such will be defined in the Indenture:

“*Affiliate*” means, with respect to any specified person, any other person Controlling, Controlled by or under common Control with such specified person.

“*Airports*” means the airports in Argentina that the Company operates pursuant to the Concession Agreement.

“*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.

“*Argentine Collateral Trust Agreement*” means the *Contrato de Fideicomiso de Garantía*, dated January 17, 2017, entered into between the Company, as trustor, and the Argentine Collateral Trustee, as trustee, for the benefit of the Beneficiaries, which agreement is governed by the laws of Argentina.

“Argentine FX Market” means the Argentine Free Foreign Exchange Market (*Mercado Único y Libre de Cambios*) in effect as of February 11, 2002 (or its successor).

“Basic Concession Operating Costs” means the operating costs (including reasonably sufficient reserves) reasonably necessary for the Company to maintain and to operate its Group “A” airports in accordance with its contractual obligations under the Concession Agreement.

“Beneficial Owner” means a holder of a beneficial interest in a Note.

“Beneficiary” means each of the Indenture Trustee, the Argentine Collateral Trustee, the Indenture Trustee’s Representative in Argentina each Noteholder and each other person entitled to payment from the Company under the Transaction Documents; *provided* that such term will not include: (a) the Company or any of its Affiliates other than, for Affiliates of the Company other than its Subsidiaries, to the extent that such person is an Noteholder; or (b) any person in a capacity unrelated to the transactions contemplated by the Transaction Documents.

“Buenos Aires Business Day” means any day other than a Saturday, Sunday or other day on which banking institutions in the City of Buenos Aires, Argentina are permitted or required by Applicable Law to remain closed.

“Business Day” means any day other than a Saturday, Sunday or other day on which banking institutions in New York City, New York or the City of Buenos Aires, Argentina are permitted or required by Applicable Law to remain closed; *provided* that, with respect to any actions taken or to be taken by the Indenture Trustee or the Argentine Collateral Trustee, such term will mean a day in the jurisdiction of the Indenture Trustee or the Argentine Collateral Trustee (as applicable) other than a Saturday, Sunday or other day on which the Indenture Trustee or the Argentine Collateral Trustee (as applicable) is not open for business.

“Capital Lease Obligations” means, with respect to any person as of the 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 applicable 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 applicable 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 Debt of the type described in clause (a) of the definition thereof or Capital Stock of a person, in each case except to the extent that such could not reasonably be expected to be sellable or otherwise convertible into cash at Fair Value within two years after the receipt thereof.

“Change Notice” means a notice sent by the Argentine Collateral Trustee to a Payor of Clearinghouse Payments to instruct such Payor to (with respect to the Use Fees to be paid by it) cease following any instructions received by it from the Company or any other person other than the Argentine Collateral Trustee.

“Change of Control” means that: (a) other than the Permitted Shareholders, 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 Company, (b) for any reason, Permitted Shareholders do not have the right (directly or indirectly) to appoint at least a majority of the board of directors of the Company, and/or (c)(i) for so long as Southern Cone Foundation (or any other foundation or similar entity) Controls (whether directly or indirectly) the Company, any member of such entity’s board of directors (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 Shareholders,” any member of such entity’s board of directors (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. For the purpose of clarification, any transaction permitted by clause (g)(i)(B) of “—Negative Covenants” above will be deemed to be a Change of Control if the surviving entity (or acquiror) of such transaction were considered to be the Company for purposes of this paragraph and one or more of the events described in clauses (a), (b) and (c) would have occurred as a result of such transaction.

“*Collection Ratio*” means, for any Reporting Period, the ratio of: (a) the aggregate Collections on the Transferred Use Fees paid by the applicable Payor(s) during such Reporting Period (with respect to Collections in pesos, calculated as if such pesos were converted into dollars at the Exchange Rate in effect as of the last day of such Reporting Period) to (b) the principal and Interest scheduled to be paid on the Notes on the first Payment Date after the end of such Reporting Period; *provided* that such calculation will include Collections on Transferred Use Fees received directly by the Company during such Reporting Period to the extent that such was paid by a Payor that: (i) as of the last day of such Reporting Period, has received a Notice and (if required as noted in “—Collateral—Transaction Accounts—Notices” above) has acknowledged and agreed thereto, which Notice remains in full force and effect, and (ii) was as of such last day and remains in full compliance with such Notice.

“*Collections*” means the payments and/or other proceeds received by (or on behalf of) the Company and/or the Trust (whether through deposit into a Collection Account or otherwise, including all such amounts received and retained by the Company (whether or not in accordance with the Transaction Documents)) in respect of the Transferred Rights. For the purpose of clarification, the Collections only include those corresponding to the Transferred Rights and thus (even if received into a Collection Account) do not include any payment that is not included in the “Transferred Use Fees” or “Transferred Concession Indemnification Rights” pursuant to the definitions thereof, including any payments on the Use Fees and the Concession Indemnification Rights

“*Concession Extension Redemption Price*” means, as of any date of determination, an amount equal to the sum of: (a) the Principal Balance of the Notes, (b) all accrued and unpaid Interest (if any) on such redeemed principal amount to but excluding the Redemption Date, (c) a redemption premium equal to the difference between (i) the product of 103.438% multiplied by the Principal Balance of the Notes and (ii) the Principal Balance of the Notes, and (d) all other amounts then due and payable to Beneficiaries by the Company under the Transaction Documents (including any fees, expenses, indemnities or other amounts payable to the Indenture Trustee and/or the Argentine Collateral Trustee).

“*Concession Indemnification Event*” means any event, occurrence or other circumstance resulting in a Concession Indemnification Right being payable or claimable.

“*Concession Indemnification Rights*” means the Company’s rights (under the Concession Agreement, Applicable Law or otherwise) to receive payment in the event of a termination, expropriation or redemption of the Concession Agreement.

“*Consolidated Intangible Assets*” means, for the Company and its Subsidiaries, at any time, the total consolidated intangible assets of the Company and its Subsidiaries as set forth on the balance sheet as of the most recent fiscal quarter in accordance with IFRS.

“*Consolidated Net Worth*” means, for any person at any time, the consolidated stockholders’ (or similar) equity of such person at such time, determined on a consolidated basis in accordance with IFRS, minus the amount thereof attributable to Disqualified Capital Stock of such person.

“*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 specified 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%.

“Controlling Party” means, as of any date of determination but subject to *“—Purchase of Notes by the Company”* above, the Noteholders that, in the aggregate, hold more than 50% (or, with respect to a declaration that the Principal Balance of the Notes be immediately due and payable as a result of a Default, 25%) of the Principal Balance of the Notes on such date.

“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, and (b) any other Applicable Law applicable to such person and/or any of its Subsidiaries relating to bribery, kick-backs or similar activities.

“Cumulative Net Income” means, for any period, the aggregate net income (or loss) of the Company (on a consolidated basis in accordance with IFRS) (after deducting (or adding) the portion of such net income (or loss) attributable to minority interests in the Company's Subsidiaries) for such period; *provided* that there will be excluded (without duplication) therefrom to the extent reflected in such aggregate net income (loss):

- (a) net after-tax gains from Asset Disposals or abandonments of reserves relating thereto,
- (b) other than any restoration to income of any contingency reserve (which is addressed in clause (f)), net after-tax items classified as extraordinary gains,
- (c) the net income (but not loss) of any person other than the Company and any Subsidiary thereof, including if such person has since been consolidated with or merged into the Company or any of its Subsidiaries,
- (d) the net income (but not loss) of any Subsidiary of the Company to the extent that a corresponding amount could not be distributed to the holders of such Subsidiary's Capital Stock at the date of determination as a result of any restriction pursuant to the organizational documents of such Subsidiary or any Applicable Law, Contractual Obligation or judgment applicable to any such distribution,
- (e) any increase (but not decrease) in net income attributable to minority interests in any Subsidiary of the Company,
- (f) any restoration to income of any contingency reserve, except to the extent that provision for such reserve was made out of Cumulative Net Income accrued during such period (or, so long as such does not exceed US\$500,000 in the aggregate, before such period), and
- (g) any gain (or loss) from foreign exchange translation or change in net monetary position.

“*Debt*” means, with respect to any person at any date, without duplication and whether or not included as liabilities in accordance with applicable 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 face 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 applicable 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) obligations of such person to pay dividends on Capital Stock that have been declared and remain unpaid for more than 90 days after the date of declaration; *provided* that such will not include dividends to be paid in additional Capital Stock of the same class,
- (h) Taxes, ordinary course trade liabilities and other amounts payable by such person that are past due for 60 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. The redemption of any Government Preferred Stock will not be deemed Debt.

“*Debt Service*” means, with respect to any person (the “*First Person*”) for any period, the sum of all principal and interest payments and any fees, commissions, discounts, expenses, credit insurance premia, breakage costs, termination costs, payments on Capital Lease Obligations and other amounts paid by (including capitalized by) such person (whether paid in cash or, other than paid through the delivery of Subordinated Debt or non-preferred Capital Stock, non-cash) during such period in respect of all Debt other than Subordinated Debt; *it being understood* that: (a) except to the extent paid through the delivery of Subordinated Debt or non-preferred Capital Stock, any purchases, defeasances or other reductions of Debt (whether voluntary or involuntary) will be considered to constitute Debt Service, (b) all such payments by a person (the “*Guaranteed Debtor*”) other than the First Person on Debt of the Guaranteed Debtor that is Debt of the First Person will be considered to be Debt Service with respect to the First Person and (c) any voluntary prepayment of the principal of Debt with the proceeds of Refinancing Debt will not, to the extent that such prepayment is funded by such Refinancing Debt, be considered to constitute Debt Service.

“*Default Payment*” means, as of any date of payment, the Redemption Price for a full payment of the Principal Balance of the Notes on such date.

“Development Trust” means the trust incorporated by means of the *Contrato de Fideicomiso de Fortalecimiento del Sistema Nacional de Aeropuertos* (Trust Agreement for Strengthening the Argentine National Airport System), dated December 29, 2009, between the Company, as trustor, and *Banco de la Nación Argentina*, as trustee, aimed at managing and allocating the funds to be transferred by the Company under the Specific Allocation of Revenue Percentage.

“Disqualified Capital Stock” means that portion of 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, matures or is mandatorily redeemable (whether pursuant to a sinking fund obligation or otherwise), or is redeemable at the sole option of the holder thereof, in any case on or before the 91st day after the Maturity Date.

“EBITDA” means, with respect to any period, the income (loss) of the Company (on a consolidated basis and as determined in accordance with IFRS) for such period, in each case eliminating (to the extent included in the calculation of such income or loss): (a) financial and holding results (which will include all of the Company’s (on a consolidated basis) interest and foreign exchange and net monetary position gains or losses during such period), (b) income tax, (c) goodwill amortization, (d) intangible assets amortization, (e) property, plant and equipment depreciation and (f) other income and expenses (which will include: (i) any net income or gain (or net loss), net of any tax effect, during such period from any extraordinary items, (ii) gains or losses during such period on Asset Disposals (other than the sale of inventory in the ordinary course of business) and (iii) any other extraordinary non-cash items for such period (other than items that will require cash payments and for which an accrual or reserve has been, or is required by IFRS to be, made).

“EBITDA to Total Debt Service Ratio” means, as of any date of determination, the ratio of: (a) one-fourth of the aggregate EBITDA for the most recent four fiscal quarters of the Company for which Financial Statements have been delivered by the Company pursuant to clause (j) of “—Affirmative Covenants” above (or, if such date of determination is before the delivery of such Financial Statements, then (to the extent necessary to include the most recent four fiscal quarters of the Company) the EBITDA for the fiscal quarter(s) ended before the Issuance Date) to (b) the Total Debt Service for the Company’s first fiscal quarter ending after such four fiscal quarters (to the extent that any component of such Total Debt Service is not yet known, assuming that such accrues or is payable at the highest rate or amount that has been payable thereon through such date of determination).

“EBITDA to Total Interest Expense Ratio” means, as of any date of determination, the ratio of: (a) one-fourth of the aggregate EBITDA for the most recent four fiscal quarters of the Company for which Financial Statements have been delivered by the Company pursuant to clause (j) of “—Affirmative Covenants” above (or, if such date of determination is before the delivery of such Financial Statements, then (to the extent necessary to include the most recent four fiscal quarters of the Company) the EBITDA for the fiscal quarter(s) ended before the Issuance Date) to (b) the Total Interest Expense for the Company’s first fiscal quarter ending after such four fiscal quarters (to the extent that any component of such Total Interest Expense is not yet known, assuming that such accrues or is payable at the highest rate or amount that has been payable thereon through such date of determination).

“Eligible Dollar Investments” means any one or more of the following obligations or securities acquired at a purchase price of not greater than par (including any issued by the Indenture Trustee, the Argentine Collateral Trustee or any of their respective Affiliates (including those for which the applicable such entity receives compensation) but excluding any obligations or securities of or issued by the Company or any Affiliate thereof); *provided* that such obligations or securities are denominated and payable in dollars:

(i) direct obligations of, and obligations fully guaranteed as to timely payment of principal and interest by: (A) the United States or any agency or instrumentality of the United States the obligations of which are backed by the full faith and credit of the United States or (B) so long as rated at the time of investment therein at least “Aa2” by Moody’s and at least “AA” by S&P, Japan, the United Kingdom, Switzerland or any member of the Euro-zone,

(ii) demand and time deposits in, certificates of deposit of or bankers’ acceptances issued by any commercial bank or other financial institution: (A) organized under the laws of the United States, Japan,

the United Kingdom, Switzerland, any member of the Euro-zone or any political subdivision thereof, (B) having at the time of such investment combined capital and surplus of not less than US\$500,000,000 (or its equivalent in any other currency) and (C) having (or being a Subsidiary of a bank holding company having) a short-term unsecured debt rating of not less than “A-1” by S&P and “P-1” by Moody’s at the time of such investment,

(iii) repurchase obligations with respect to any obligations described in clause (i) entered into with a commercial bank or other financial institution acting as principal meeting the requirements set forth in clause (ii),

(iv) commercial paper (including both non-interest-bearing discount obligations and interest-bearing obligations) that is issued by any corporation or other entity: (A) organized under the laws of the United States, Japan, the United Kingdom, Switzerland, any member of the Euro-zone or any political subdivision thereof and (B) having a short-term unsecured debt rating of not less than “A-1” by S&P and “P-1” by Moody’s at the time of such investment, or

(v) money market funds having at the time of investment therein a rating in the highest investment category granted thereby by Moody’s and S&P (and in particular, regarding S&P, such rating shall have a subscript of “m” to the extent applicable), including any fund for which the Indenture Trustee or an Affiliate thereof serves as an investment advisor, administrator, shareholder, servicing agent, custodian or subcustodian, notwithstanding that: (A) the Indenture Trustee or an Affiliate thereof charges and collects fees and expenses from such funds for services rendered; *provided* that such charges, fees and expenses are on terms consistent with terms negotiated at arm’s length, and (B) the Indenture Trustee charges and collects fees and expenses for services rendered pursuant to the Transaction Documents;

provided that each such Eligible Dollar Investment: (1) will be: (x) evidenced by a negotiable certificate or instrument or issued in the name of the Indenture Trustee or its nominee (which may not include the Company or an Affiliate thereof, the Argentine Collateral Trustee or the Trust) or (y) in book-entry form in the name of the Indenture Trustee or its nominee (which may not include the Company or an Affiliate thereof, the Argentine Collateral Trustee or the Trust), and (2) will mature not later than the New York Business Day before the next Payment Date, except overnight deposits (which may mature or be available on such Payment Date).

“*Eligible Peso Investments*” means any one or more of the following obligations or securities acquired at a purchase price of not greater than par (including any issued by the Indenture Trustee, the Argentine Collateral Trustee or any of their respective Affiliates (including those for which the applicable such entity receives compensation) but excluding any obligations or securities of or issued by the Company or any Affiliate thereof); *provided* that such obligations or securities are denominated and payable in Pesos:

(a) time deposits with maturities of not greater than 30 days opened in Argentine financial entities with a rating at the time of investment therein equal to or higher than “AA” by Standard & Poor’s International Ratings, LLC Argentine Branch and equal to or higher than “Aa1” by *Moody’s Latin America Calificadora de Riesgo S.A.*; *provided* that if no Argentine financial entity satisfies such rating requirements, then in Argentine financial entities with the highest rating granted by such rating agencies to Argentine financial entities, and

(b) money market funds from Argentine mutual funds (Fondos Comunes de Inversión) in which the entity acting as the Argentine Collateral Trustee acts as depositing entity (sociedad depositaria) that invests principally in time deposits of the type described in clause (a), which fund has a rating at the time of investment therein equal to or higher than “AA” by Standard & Poor’s International Ratings, LLC Argentine Branch and equal to or higher than “Aa1” by *Moody’s Latin America Calificadora de Riesgo S.A.*, including any fund for which the Argentine Collateral Trustee or an Affiliate thereof serves as an investment advisor, administrator, shareholder, servicing agent, custodian or subcustodian, notwithstanding that: (i) the Argentine Collateral Trustee or an Affiliate thereof charges and collects fees and expenses from such funds for services rendered; *provided* that such charges, fees and expenses are on terms consistent with terms negotiated at arm’s length, and (ii) the Argentine Collateral Trustee charges and collects fees and expenses for services rendered pursuant to the Transaction Documents; *provided* that if no Argentine money market fund satisfies such rating requirements,

then Argentine money market funds with the highest rating granted by such rating agencies to Argentine money market funds, and

(c) LEBACS (Letras from the Argentine Central Bank) and LETES (Letras from the Argentine Treasury);

provided that each Eligible Peso Investment: (A) will be: (1) evidenced by a negotiable certificate or instrument or issued in the name of the Trust, the Argentine Collateral Trustee or its nominee (which may not include the Company or an Affiliate thereof) or (2) in book-entry form in the name of the Trust, the Argentine Collateral Trustee or its nominee (which may not include the Company or an Affiliate thereof), and (B) with respect to: (1) the Expense Payment Account, will mature not later than the Business Day before the next Payment Date, except money market funds that are available for liquidation at any time, and (2) the Peso Collection Account, will mature not later than the 30th day before the next Payment Date, except money market funds that are available for liquidation at any time.

“Equity Offering” means an issuance by the Company of Capital Stock issued by the Company.

“Exchange Rate” means, at any time of determination, the amount of Pesos required to purchase a Dollar as most recently published by the Emerging Markets Traders Association (EMTA) in its website (www.emta.org) as the “EMTA ARS Industry Survey Rate” or, in the absence of such a publication, by Banco de la Nación Argentina (or its successor) or, if such also is not available, by the Central Bank in accordance with Central Bank Communication “A” 3500 dated March 1, 2002 pursuant to the survey mechanism established in such Communication.

“Existing Indenture” means the Indenture dated December 22, 2010, among the Company, Citibank, National Association, as trustee, and *La Sucursal de CitiBank N.A. Establecida en la República de Argentina* (as Argentine Collateral Trustee), relating to the Existing Notes.

“Existing Notes Indenture Trustee” means Citibank, National Association, as trustee under the Existing Indenture.

“Existing Notes Pre-Redemption Period” means the period from and including the Issuance Date to and including the date on which the Existing Notes are redeemed and the Existing Trust is satisfied and discharged.

“Existing Notes Redemption Date” means 35 days after the Issuance Date.

“Existing Notes Redemption Principal Amount” means an amount equal to the aggregate principal amount of the outstanding Existing Notes as of the Issuance Date.

“Existing Trust” means the Argentine Collateral Trust Agreement, dated November 26, 2010, among the Company and *La Sucursal de CitiBank N.A. Establecida en la República de Argentina* (as Argentine Collateral Trustee), relating to the Existing Notes.

“Existing Notes Trustee” means the trustee under the Existing Trust.

“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.

“Financial Statements” means, with respect to any person, the audited (with respect to a fiscal year or any other fiscal period) or unaudited (with respect to any fiscal period other than a fiscal year) balance sheets, statements of income and statements of cash flow of such person.

“Governmental Authority” means any nation or government (including Argentina 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.

“Government Preferred Stock” means the preferred shares (*acciones preferidas*), which are convertible into common shares of Capital Stock (*acciones ordinarias*) of the Company, issued at the Company’s shareholders’ meeting dated March 6, 2008 and authorized by the ORSNA on April 25, 2008, which were entirely subscribed by the Argentine National Government and paid in through the partial capitalization of the Company’s debt then held by the Argentine National Government, in accordance with the Memorandum of Agreement. The Government Preferred Stock is Capital Stock of the Company. See “—Summary—The Company—Principal Terms of the Concession Agreement—Withdrawal and Settlement of Claims.”

“IFRS” means International Financial Reporting Standards, as issued by the International Accounting Standards Board, as in effect from time to time.

“Improvements” means the construction, repair, purchase, maintenance, upgrade or other improvement of the terminals, hangars, runways and other infrastructure at the Airports, in each case in accordance with the requirements of the Concession Agreement.

“Independent Appraiser” means an internationally recognized accounting firm, appraisal firm, consultant or investment banking firm that is: (a) in the judgment of the Company’s board of directors, qualified to perform the task for which it has been engaged, and (b) independent in connection with the relevant transaction, including not being Affiliated with any of the parties to the applicable transaction(s).

“Interest Period” means: (a) initially, the period from and including the Issuance 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.

“Interest Rate” means 6.875% per annum.

“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.

“Investment Grade” means Baa3 or higher by Moody’s and BBB- or higher by S&P, or the equivalent of such ratings by another Rating Agency.

“Issuance Date” means the date on which the Notes are issued.

“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). For the purpose of clarification, a Lien will include any sales (including “true sales”) of Property in connection with any Securitization or similar transaction.

“Make-whole Premium” means, as of any date of determination, the result (not to be less than zero) of: (a) the present value (compounded on a quarterly basis) to such date of the scheduled future principal and Interest cash flows from the Principal Balance of the Notes (or portion thereof) being redeemed discounted at a per annum rate equal to the then-current bid side yield (as most recently published in the New York edition of The Wall Street

Journal) on the U.S. Treasury Note having a maturity date closest to the remaining weighted average life of the Notes calculated at the applicable Redemption Date plus 0.50% per annum minus (b) the aggregate Principal Balance of the Notes (or portion thereof) to be redeemed.

“Management Agreement” means the Management Support Services Agreement, dated June 8, 1999 and amended on May 29, 2001, March 7, 2005 and May 5, 2010, between the Company and *Proden S.A.* (as assignee of *Corporación América Sudamericana S.A.*), the terms of which are currently suspended but which may be reinstated at any time, without giving effect (notwithstanding anything else herein to the contrary) to any other amendment, modification, supplement, side letter or any other arrangement modifying (or purporting to modify) such agreement except to the extent that such modification is an extension of such agreement on otherwise identical terms.

“Material Adverse Effect” means: (a) a material adverse effect on the Transferred Rights (including the volume and/or collectibility of the Transferred Rights), (b) a material adverse effect on the business, operations, financial condition and/or Property of the Company either individually or on a consolidated basis with its Subsidiaries, (c) a material impairment of the ability of the Company to perform its obligations under the Transaction Documents or (d) a material adverse effect on the transactions contemplated by the Transaction Documents, including: (i) on the validity or enforceability against the Company of any of the Transaction Documents, (ii) the rights and remedies of the Beneficiaries under the Transaction Documents, (iii) with respect to the valid transfer of the Transferred Rights to the Argentine Collateral Trustee (on behalf of the Trust) or the Liens granted to the Indenture Trustee pursuant to the Transaction Documents and/or (iv) on the Trust.

“Maturity Date” means the Payment Date on February 1, 2027.

“Memorandum of Agreement” means the memorandum of agreement executed on April 3, 2007 between the Company and the Argentine National Government (through the Public Utilities Contract Analysis and Renegotiation Unit (*Unidad de Renegociación y Análisis de Contratos de Servicios Públicos*)), which became effective on December 13, 2007 upon publication in the Argentine Official Gazette of Decree No. 1799/2007 of the Argentine Executive Branch ratifying such memorandum of agreement, without giving effect to (notwithstanding anything else herein to the contrary) any amendment, modification, supplement, side letter or any other arrangement modifying (or purporting to modify) this agreement.

“Moody’s” means Moody’s Investors Service, Inc. and its successors (including the surviving entity of any merger with another rating agency).

“Negotiable Obligations Law” means the *Ley de Obligaciones Negociables* No. 23,576 enacted on June 29, 1988 (and published in the Official Gazette on July 27, 1988), as amended by Law No. 23,962 enacted on July 4, 1991 (and published in the Official Gazette on August 6, 1991).

“Net Cash Proceeds” means, with respect to any Asset Disposal or Equity Offering by the Company or any of its Subsidiaries: (a) the proceeds from such Asset Disposal or Equity Offering received initially in the form of cash or Cash Equivalents (whether paid immediately or on an installment or other deferred basis) *minus* (b) the sum of: (i) reasonable expenses incurred by the Company or its Subsidiary (as applicable) in connection with such Asset Disposal or Equity Offering, (ii) additional Taxes paid (or in good faith estimated to be payable) by the Company or its Subsidiary (as applicable) as a result of such Asset Disposal or Equity Offering and (iii) with respect to an Asset Disposal, the amount of such cash or Cash Equivalents (if any) used to repay any Debt secured by a Lien on the Property that was the subject of such Asset Disposal, plus (c) with respect to an Asset Disposal, to the extent that such does not exceed clause (b) with respect thereto, the amount of any reduction in Taxes (as in good faith estimated by the Company) as a result of such Asset Disposal.

“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.

“Noteholder” means the registered owner of a Note as reflected on the Register.

“Opinion of Counsel” means an opinion in writing signed by legal counsel, which counsel may be an employee of the Company or other counsel reasonably satisfactory to the Indenture Trustee and/or the Argentine Collateral Trustee (as applicable) and which opinion must be in form and substance reasonably acceptable to the Indenture Trustee and/or the Argentine Collateral Trustee (as applicable).

“Payment Date” means the 1st day of each February, May, August and November, beginning on May 1, 2017; provided that if any such date 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.

“Payor” means, with respect to any Use Fee or Concession Indemnification Right, the person(s) obligated to make (or is/are otherwise making) payment with respect thereto; *it being understood* that, with respect to Use Fees that are charged by an airline to its passengers through or with ticket prices, such will not include such passengers but rather the applicable airlines (or, for any such airline that makes such payments through IATA or another entity, such entity).

“Permitted Investments” means Investments: (a) in cash and Cash Equivalents other than Cash Equivalents issued by an Affiliate of the Company (including any Subsidiary of the Company), (b) in any person that is a Subsidiary of the Company; *provided* that: (i) concurrently with such Investment, the other holder(s) of Capital Stock of such Subsidiary (other than directors thereof holding the minimum amount of Capital Stock required to qualify as a director thereof) make a *pro rata* investment in such Subsidiary and (ii) all such Investments by the Company in the aggregate from the Issuance Date may not exceed US\$10,000,000 (or its equivalent in any other currency), no more than US\$5,000,000 (or its equivalent in any other currency) of which may be made in any calendar year, (c) payroll, travel and similar advances that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes, (d) that exist on the Issuance Date in Subsidiaries (with respect to Debt, including Refinancing Debt therefor), (e) received as a result of a bankruptcy, reorganization or similar occurrence with respect to any person (with respect to Debt, including Refinancing Debt therefor) or a litigation, arbitration or other dispute with respect to persons who are not Affiliates of the investing person, (f) to the extent in compliance with clause (d) of “—Negative Covenants” above, resulting from consideration (other than cash and Cash Equivalents) received in an Asset Disposal, and/or (g) arising as a result of interest rate or currency hedging obligations permitted by clause (a)(iv) of “—Negative Covenants.”

“Permitted Liens” means:

(a) Liens created (i) for the benefit of the Beneficiaries and (ii) in respect of the Company’s Basic Concession Operating Costs, in each case, under or pursuant to any of the Transaction Documents,

(b) Liens existing on the Issuance Date and securing the same Debt or other obligations (the “*Original Secured Obligations*”) as are secured thereby on the Issuance Date (or Refinancing Debt for such obligations; *provided* that such Liens do not extend to any Property greater than the Property securing the Original Secured Obligations),

(c) 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 Company or its applicable Subsidiary to the extent required by applicable 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 Company or its applicable Subsidiary to the extent required by applicable accounting principles, (iii) any easements, rights of way, restrictions and other similar encumbrances incurred in the ordinary course of business that do not, individually or in the aggregate, materially impair the business of the Company and/or any of its Subsidiaries, (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 Unmatured Default that are being contested in good faith by appropriate proceedings (or if the period within which such proceeding may be initiated has not expired), if adequate reserves or other appropriate provisions with respect thereto are maintained on the books of the Company or its applicable Subsidiary to the extent required by applicable accounting principles,

(d) any interest or title of a lessee under any lease entered into by the Company or its applicable Subsidiary in the ordinary course of business and covering only the Property so leased,

(e) banker's liens and like encumbrances by financial institutions on deposits, securities or other funds maintained by the Company or any of its Subsidiaries with such financial institution in the ordinary course of business,

(f) purchase money Liens on Property of the Company or any of its Subsidiaries securing Debt incurred by such person 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 30 days of such acquisition or lease,

(g) Liens securing any Debt of a person existing at the time that such person becomes a Subsidiary of the Company (or merges with the Company or any of its Subsidiaries) or that is assumed in connection with the acquisition by the Company or any of its Subsidiaries of Property from another person; *provided* that: (i) neither such Debt nor such Liens were incurred in connection with, or in anticipation or contemplation of, such event and (ii) such Liens do not extend to or cover any Property of the Company or any of its Subsidiaries other than the Property that secured such Debt immediately before such event (*e.g.*, a Lien that previously covered "all of the inventory" of a person merged into the Company would not be permitted to cover "all of the inventory" of the Company as successor to such other person but rather may only cover the Property of such person existing at the time of such event), and

(h) other Liens securing Debt (other than Subordinated Debt) incurred after the Issuance Date in compliance with the requirements of clause (a) of "—Negative Covenants" above.

"Permitted Shareholders" means: (a) Southern Cone Foundation, to the extent that all of the beneficiaries and potential beneficiaries thereunder are persons described in clause (b) and/or religious, charitable or educational institutions and (b) members of the Eurnekian family; the respective estates, spouses, heirs, descendants, 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 (b); and any person Controlled by one or more of the other Permitted Shareholder(s).

"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) after giving effect to: (a) any payments made on or before such date for all or any portion of the principal of the Notes, (b) the cancellation of all or any portion of the principal of the Notes as a result of the Company acquiring any Notes (or beneficial interests therein) and having such principal amount canceled as noted in "—Redemption of the Notes—Cancellation" above" and (c) any increases therein on or before such date as a result of an increase permitted by "—Increase in the Principal Balance the Notes" above.

"Prohibited Nations Acts" means: (a) the Trading with the Enemy Act of 1917, 50 U.S.C. app. §1 *et seq.*, of the United States of America, (b) the International Emergency Economic Powers Act, 50 U.S.C. §1701 *et seq.*, of the United States of America, (c) the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "PATRIOT Act"), Pub. L. No. 107-56, 115 Stat. 272, of the United States of America, and (d) any similar laws, acts, executive orders or similar governmental actions of the United States of America or Argentina, in each case including regulations issued thereunder and as amended or supplemented from time to time.

“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 Issuance Date or to be created in the future.

“Rating Agency” means each of Moody’s and S&P; *provided*, that if either Moody’s or S&P shall cease issuing a rating on the Notes for reasons outside the control of the Company, the Company may select a “nationally recognized statistical rating organization” registered under the Section 15E of the Exchange Act, selected by the Company as a replacement agency for Moody’s or S&P, as the case may be.

“Redemption Date” means the date of any redemption of all or a portion of the Principal Balance of the Notes, whether through payment of a Default Payment or an optional redemption.

“Redemption Price” means, as of any date of determination, an amount equal to the sum of: (a) the Principal Balance of the Notes (or, in the case of a partial redemption, the portion thereof to be redeemed), (b) all accrued and unpaid Interest (if any) on such redeemed principal amount to but excluding the Redemption Date, (c) all unpaid Additional Amounts, (d) the Redemption/tender Premium (if applicable) for the Notes (or, in the case of a partial redemption, the portion thereof to be redeemed) to but excluding the Redemption Date and (e) all other amounts then due and payable to Beneficiaries by the Company under the Transaction Documents (including any fees, expenses, indemnities or other amounts payable to the Indenture Trustee and/or the Argentine Collateral Trustee).

“Redemption/tender Premium” means, with respect to any redemption or purchase of the Notes by the Company as described in “—Redemption of the Notes” above, the amount relating to the redemption/purchase of principal of the Notes (or beneficial interests therein) that is in excess of the Principal Balance of such Notes (or the portion thereof so redeemed/purchased) (including the Optional Redemption Premium with respect to any redemption described in “—Redemption of the Notes—Optional Redemption” above).

“Refinancing Debt” means any Debt, including the Notes or any additional Notes issued pursuant to the indenture (the “*New Debt*”) incurred in exchange for or to refinance, replace, defease or refund the Existing Notes or any other Debt specified in writing to the Indenture Trustee and the Argentine Collateral trustee (the “*Original Debt*”) in whole or in part so long as: (a) the aggregate principal amount (or initial accreted value, if applicable) of such New Debt as of the date of any funding under such New Debt does not exceed the aggregate principal amount (or initial accreted value, if applicable) of the Original Debt (or portion thereof so exchanged, refinanced, replaced, defeased or refunded), (b) such New Debt has: (i) a final maturity that is equal to or later than the final maturity of the Original Debt and (ii) a weighted average life to maturity that is equal to or greater than the weighted average life to maturity of the Original Debt, and (c) other than persons other than the Company and its Subsidiaries, the obligor(s) of the New Debt are the same as (or fewer than) the obligor(s) of the Original Debt.

“Reporting Period” means: (a) initially, the period commencing on January 1, 2017 and ending at the end of the last day of March, 2017, and (b) thereafter, each successive period of three consecutive calendar months thereafter.

“Restricted Payment” means: (a) any reduction or return of capital, any payment of any dividends 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) except to the extent made with the proceeds of a substantially concurrent receipt of proceeds of new Capital Stock or Subordinated Debt, the making of any payments with respect to principal or interest on, or the purchase, redemption or defeasance of, any Subordinated Debt, or (e) the setting aside of any funds for any of the foregoing purposes.

“S&P” means S&P Global Ratings, acting through S&P Global Ratings, and its successors (including the surviving entity of any merger with another rating agency).

“Securitization” means, with respect to any person, any sale, assignment or other transfer by such person of accounts receivable, lease receivables or other payment rights owing (currently or in the future) to such person, or any interest in any of the foregoing (whether with or without any collections and other proceeds thereof, any collection or deposit accounts related thereto and/or any security, guarantees or other Property or claims in favor of such person supporting or securing payment by the obligor thereon of, or otherwise related to, any such accounts receivable, lease receivables or other payment rights).

“Short-Term Debt” means, as of any date of determination, any Debt that falls due or the final payment of which is due within 365 days after the date of the Contractual Obligation providing for the incurrence of such Debt.

“Significant Subsidiary” means a Subsidiary of the Company that, as of the end of the Company’s most recently ended fiscal quarter, represented (itself on a consolidated basis with its own Subsidiaries) at least: (a) 5% of the total assets of the Company (on a consolidated basis in accordance with IFRS) and/or (b) 5% of the total gross revenues and/or net income for the four fiscal quarters of the Company (on a consolidated basis in accordance with IFRS) ended as of the end of the Company’s most recently ended fiscal quarter.

“Specific Allocation of Revenue Percentage” means 15% (which is equivalent to the percentage of the total revenues of the Concession that, as of the Issuance Date, is payable by the Company to the Development Trust pursuant to the Memorandum of Agreement).

“Specific Allocation of Tariff Increase Amount” means (i) 100% of the difference between the increase of the international and regional passenger use fees approved by ORSNA Resolution 117/2012 as compared to the international and regional fees approved by ORSNA Resolution 126/2011 pursuant to ORSNA Resolution No. 118/2012, as amended, and currently payable by the Company to the Development Trust from November 2012 until (i) the earlier of the expiration of the Concession or 30 years from November 2012 or (ii) the date on which the work related to the investment plan corresponding to 2012 has been terminated, plus (ii) 10.72% of the international and regional passenger use fees approved by ORSNA Resolution 117/2012, pursuant to Resolution No. 45/2014, as amended, and currently payable by the Company to the Development Trust from March 2014 until the earlier of the expiration of the Concession or 30 years from March 2014.

“Subordinated Debt” means any unsecured Debt: (a) that is created under or evidenced by a document containing provisions specifically providing for and otherwise evidencing the subordination of such Debt to the Notes and the Company’s other payment obligations under the Transaction Documents and (b) the incurrence of which is permitted under clause (a) of “—Negative Covenants” above.

“Subsidiary” means, with respect to any person at any time, a corporation, partnership or other entity of which 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 (or similar body) 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.

“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 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.

“Total Debt” means, with respect to any date of determination: (a) the total Debt of the Company as of the date of the Financial Statements that have been most recently delivered by the Company pursuant to clause (i) of “—Affirmative Covenants” above (or, before the first such delivery, as of September 30, 2016) plus (b) all additional Debt incurred by the Company since the date of such Financial Statements minus (c) all payments of the principal of any such Debt (including, with respect to Capital Lease Obligations, the principal component of rental payments thereunder) made since the date of such Financial Statements, in each case on a consolidated basis and as determined under IFRS.

“Total Debt Service” means, with respect to any period, the Debt Service of the Company (on a consolidated basis and determined in accordance with IFRS) during such period; *it being understood* that any such Debt Service required to be paid during such period but with respect to which such payment has not yet been made will constitute Debt Service with respect to such period.

“Total Debt to EBITDA Ratio” means, with respect to any date of determination, the ratio of: (a) the Total Debt as of such date of determination to (b) the aggregate EBITDA for the most recent four fiscal quarters of the Company for which Financial Statements have been delivered by the Company pursuant to clause (i) of “—Affirmative Covenants” above (or, if such date of determination is before the delivery of such Financial Statements, then (to the extent necessary to include the most recent four fiscal quarters of the Company) the EBITDA for the fiscal quarter(s) ended before the Issuance Date).

“Total Interest Expense” means, with respect to any period, the Total Debt Service during such period other than the portion thereof representing the payment of principal (including, with respect to Capital Lease Obligations, the principal component of rental payments thereunder); *it being understood* that any such amounts required to be paid during such period but with respect to which such payment has not yet been made will constitute part of the Total Interest Expense with respect to such period.

“Transaction Documents” means the Indenture, the Notes, the Argentine Collateral Trust Agreement, and the Notices.

“Transferred Concession Indemnification Rights” means the Company’s rights, title and interest in, to and under (but none of its obligations under or relating to) 100% of the Concession Indemnification Rights, including the right to receive and retain all payments thereunder and other proceeds thereof.

“Transferred Dollar Use Fees” means the Transferred Use Fees that are paid in dollars.

“Transferred Peso Use Fees” means the Transferred Use Fees that are paid in Pesos.

“Transferred Use Fees” means the Company’s rights, title and interest in, to and under (but none of its obligations under or relating to) each payment of the Use Fees, including the right to receive and retain all payments thereunder and other proceeds thereof, other than: (a) an amount equal to the sum of (i) the product of the Specific Allocation of Revenue Percentage at the time of such payment (the payment of which fees and the Transferred Use Fees shall be *pari passu*) multiplied by the amount of such payment, plus (ii) the Specific Allocation of Tariff Increase Amount, and (b) to the extent that the portion thereof exceeds the portion set forth above, such Use Fees generated by airlines that are OFAC-Restricted Persons.

“Unmatured Default” means any event that with the lapse of time or the giving of notice, or both, would become a Default.

“Use Fees” means, with respect to each payment thereof by a Payor, whether collected directly by the Company, by an airline or any other person, the international airport passenger charges (*tasas de uso de aeroestación internacional*) and regional airport passenger charges (*tasas de uso de aeroestación regional*) (including as determined in accordance with the Concession Agreement and Annex II of the Memorandum of Agreement) payable by (or per) passengers that depart from an Airport on a flight to a destination outside of Argentina; *it being understood* that such includes any such payments made by a passenger directly or indirectly to (or for the benefit of) the Company, including any such payments in cash or with a credit or similar card.

“Wholly-owned Subsidiary” means any Subsidiary of the Company 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 the Company.

TRANSFER RESTRICTIONS

The Notes have not been and will not be registered under the Securities Act or any state's securities laws or the securities laws of any other jurisdiction (other than Argentina) and may not be offered or sold in the United States or to U.S. persons (as defined in Regulation S), except in transactions exempt from, or not subject to, the registration requirements of the Securities Act. Accordingly, the Notes are being offered and sold only:

- in the United States in reliance upon Rule 144A only to qualified institutional buyers (as defined in Rule 144A); and
- outside of the United States in reliance upon Regulation S to persons other than U.S. persons.

As used herein, the terms "offshore transaction," "United States" and "U.S. person" have the respective meanings given to them in Regulation S. Holders of Notes are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of their Notes.

Purchasers' Representations and Restrictions on Resale and Transfer

Each purchaser of the Notes (other than the Initial Purchasers in connection with the initial issuance and sale of Notes) and each owner of any beneficial interest therein will be deemed, by its acceptance or purchase thereof, to have represented and agreed as follows:

- it is purchasing the Notes for its own account or an account with respect to which it exercises sole investment discretion and it and any such account is either (a) a qualified institutional buyer and is aware that the sale to it is being made pursuant to Rule 144A or (b) a non-U.S. person that is outside the United States;
- it acknowledges that the Notes have not been registered under the Securities Act or with any securities regulatory authority of any state, that the Notes are being offered in a transaction that does not involve any public offering in the United States within the meaning of the Securities Act and that the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;
- it understands and agrees that the Notes initially offered in the United States to qualified institutional buyers will be represented by a global note and that Notes offered outside the United States pursuant to Regulation S will also be represented by a global note;
- it will not resell or otherwise transfer any of such Notes except (a) to us, (b) within the United States to a qualified institutional buyer in a transaction in compliance with Rule 144A, (c) outside the United States in compliance with Rule 903 or 904 under the Securities Act, (d) pursuant to an exemption from registration under the Securities Act (if available) or (e) pursuant to an effective registration statement under the Securities Act;
- it agrees that it will give to each person to whom it transfers the Notes notice of any restrictions on transfer of such Notes;
- it acknowledges that prior to any proposed transfer of Notes (other than pursuant to an effective registration statement or in respect of Notes sold or transferred either in compliance with (a) Rule 144A or (b) Regulation S) the holder of such Notes may be required to provide certifications relating to the manner of such transfer as provided in the Indenture;
- it acknowledges that the trustee, registrar or transfer agent for the Notes will not be required to accept for registration the transfer of any Notes acquired by it, except upon presentation of evidence satisfactory to us that the restrictions set forth herein have been complied with;

- if it is a non-U.S. purchaser acquiring a beneficial interest in a Regulation S global note offered pursuant to this Offering Memorandum, it acknowledges and agrees that, until the expiration of the 40-day “distribution compliance period” within the meaning of Regulation S, any offer, sale, pledge or other transfer shall not be made by it in the United States or to, or for the account or benefit of, a U.S. person, except pursuant to Rule 144A to a qualified institutional buyer taking delivery thereof in the form of a beneficial interest in a U.S. global note;
- it acknowledges that we, the Initial Purchasers and other persons will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of the acknowledgements, representations and agreements deemed to have been made by its purchase of the Notes are no longer accurate, it will promptly notify us and the Initial Purchasers;
- if it is acquiring the Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each account;
- it has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of purchasing the Notes, and such purchaser and any accounts for which it is acting are each able to bear the economic risks of its or their investment;
- it is not acquiring the Notes with a view towards any distribution thereof in a transaction that would violate the Securities Act or the securities laws of any state of the United States or any other applicable jurisdiction; provided that the disposition of its property and the property of any accounts for which such purchaser is acting as fiduciary shall remain at all times within its control; and
- it has received a copy of this Offering Memorandum and acknowledges that it has had access to such financial and other information, and has been afforded the opportunity to ask such questions of representatives of us and receive answers thereto, as it deemed necessary in connection with its decision to purchase the Notes.

Legends

The following are the forms of restrictive legends which will appear on the face of the Notes and which will be used to notify transferees of the foregoing restrictions on transfer:

- (i) The Restricted Notes shall bear the following legend:

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES OF AMERICA OR ANY OTHER JURISDICTION, WITH THE EXCEPTION OF THE REPUBLIC OF ARGENTINA. THE HOLDER HEREOF (OR OF A BENEFICIAL INTEREST HEREIN), BY PURCHASING OR OTHERWISE ACQUIRING THIS NOTE (OR A BENEFICIAL INTEREST HEREIN) AGREES TO OFFER, SELL, PLEDGE OR OTHERWISE TRANSFER THIS NOTE (OR A BENEFICIAL INTEREST HEREIN) BEFORE THE DATE (THE “RESALE RESTRICTION TERMINATION DATE”) THAT IS ONE YEAR AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREON AND THE LAST DATE ON WHICH THE COMPANY (AS HEREINAFTER DEFINED) OR ANY AFFILIATE THEREOF WAS THE OWNER OF THIS NOTE (OR A BENEFICIAL INTEREST HEREIN) ONLY: (A) TO THE COMPANY, (B) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THIS NOTE IS ELIGIBLE FOR RESALE PURSUANT TO RULE 144A (“RULE 144A”) UNDER THE SECURITIES ACT, IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (D) PURSUANT TO

RULE 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT FOR OFFERS AND SALES TO NON-U.S. PERSONS THAT OCCUR OUTSIDE THE UNITED STATES OR (E) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND OTHER APPLICABLE SECURITIES LAWS, SUBJECT TO THE RIGHT OF THE COMPANY AND CITIBANK, N.A., AS TRUSTEE (THE "INDENTURE TRUSTEE"), BEFORE ANY OFFER, SALE OR OTHER TRANSFER PURSUANT TO CLAUSE (E) BEFORE THE RESALE RESTRICTION TERMINATION DATE, TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATIONS AND/OR OTHER INFORMATION SATISFACTORY TO IT. IN ADDITION, ANY SUCH TRANSFERS MUST OTHERWISE BE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES OF AMERICA, THE REPUBLIC OF ARGENTINA AND ANY OTHER APPLICABLE JURISDICTION.

EACH PURCHASER OR TRANSFeree, BY ITS ACQUISITION OR HOLDING OF THIS NOTE (OR ANY BENEFICIAL INTEREST HEREIN), SHALL BE DEEMED TO HAVE REPRESENTED AND COVENANTED THAT (A) EITHER (I) IT IS NOT ACQUIRING THIS NOTE (OR ANY BENEFICIAL INTEREST HEREIN) FOR OR ON BEHALF OF ANY "EMPLOYEE BENEFIT PLAN" AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), THAT IS SUBJECT TO TITLE I OF ERISA, AN INDIVIDUAL RETIREMENT ACCOUNT OR OTHER PLAN, ACCOUNT OR ARRANGEMENT THAT IS SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), AN ENTITY WHOSE UNDERLYING ASSETS ARE DEEMED TO INCLUDE "PLAN ASSETS" OF ANY OF THE FOREGOING, OR A PLAN, ACCOUNT OR ARRANGEMENT THAT IS SUBJECT TO LAWS SIMILAR TO THE FIDUCIARY AND PROHIBITED TRANSACTION PROVISIONS OF ERISA OR THE CODE ("SIMILAR LAW") OR (II) ITS ACQUISITION AND HOLDING OF THIS NOTE (OR ANY BENEFICIAL INTEREST HEREIN) (A) DOES NOT AND WILL NOT RESULT IN A VIOLATION OF ERISA, THE CODE OR ANY APPLICABLE SIMILAR LAW, (B) IS CONSISTENT WITH ALL APPLICABLE FIDUCIARY DUTIES UNDER ERISA, THE CODE OR SIMILAR LAW, AND (C) DOES NOT AND WILL NOT CONSTITUTE OR GIVE RISE TO A NON-EXEMPT PROHIBITED TRANSACTION UNDER ERISA, SECTION 4975 OF THE CODE OR SIMILAR LAW AND (B) IT WILL NOT SELL OR OTHERWISE TRANSFER THIS NOTE (OR A BENEFICIAL INTEREST HEREIN) OTHERWISE THAN TO AN ACQUIRER OR TRANSFeree THAT MAKES THESE SAME REPRESENTATIONS, WARRANTIES AND AGREEMENTS WITH RESPECT TO ITS ACQUISITION AND HOLDING OF THIS NOTE (OR A BENEFICIAL INTEREST HEREIN). EMPLOYEE BENEFIT PLANS SUBJECT TO THE PROVISIONS OF TITLE I OF ERISA, PLANS SUBJECT TO SECTION 4975 OF THE CODE AND ENTITIES WHOSE UNDERLYING ASSETS ARE DEEMED TO INCLUDE PLAN ASSETS BY REASON OF AN EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN SUCH ENTITY MAY NOT PURCHASE THIS NOTE (OR BENEFICIAL INTERESTS HEREIN) AT ANY TIME THAT THE RATINGS ON THIS NOTE ARE BELOW INVESTMENT GRADE OR THIS NOTE HAS BEEN CHARACTERIZED AS OTHER THAN INDEBTEDNESS FOR APPLICABLE LOCAL LAW PURPOSES.

(ii) The Regulation S Notes shall bear the following legend:

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES OF AMERICA OR ANY OTHER JURISDICTION, WITH THE EXCEPTION OF THE REPUBLIC OF ARGENTINA. THE HOLDER HEREOF (OR OF A BENEFICIAL INTEREST HEREIN), BY PURCHASING OR OTHERWISE ACQUIRING THIS NOTE (OR A BENEFICIAL INTEREST HEREIN), ACKNOWLEDGES THAT THIS NOTE HAS NOT BEEN REGISTERED UNDER THE

SECURITIES ACT AND AGREES THAT THIS NOTE (OR A BENEFICIAL INTEREST HEREIN) MAY BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY: (A) TO THE COMPANY (AS HEREINAFTER DEFINED), (B) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT OR (C) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND OTHER APPLICABLE SECURITIES LAWS, SUBJECT TO THE RIGHT OF THE COMPANY (AS HEREINAFTER DEFINED) AND CITIBANK, N.A. AS TRUSTEE (THE “INDENTURE TRUSTEE”), BEFORE ANY OFFER, SALE OR OTHER TRANSFER PURSUANT TO CLAUSE (C) BEFORE THE DATE THAT IS 40 DAYS AFTER THE DATE HEREOF, TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATIONS AND/OR OTHER INFORMATION SATISFACTORY TO IT; PROVIDED THAT NO SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER MADE PRIOR TO THE DATE THAT IS 40 DAYS AFTER THE DATE HEREOF SHALL BE MADE TO A U.S. PERSON OR FOR THE ACCOUNT OR BENEFIT OF A U.S. PERSON (OTHER THAN A DISTRIBUTOR). IN ADDITION, ANY SUCH TRANSFERS MUST OTHERWISE BE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY OTHER APPLICABLE JURISDICTION.

EACH PURCHASER OR TRANSFeree, BY ITS ACQUISITION OR HOLDING OF THIS NOTE (OR ANY BENEFICIAL INTEREST HEREIN), SHALL BE DEEMED TO HAVE REPRESENTED AND COVENANTED THAT (A) EITHER (I) IT IS NOT ACQUIRING THIS NOTE (OR ANY BENEFICIAL INTEREST HEREIN) FOR OR ON BEHALF OF ANY “EMPLOYEE BENEFIT PLAN” AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (“ERISA”), THAT IS SUBJECT TO TITLE I OF ERISA, AN INDIVIDUAL RETIREMENT ACCOUNT OR OTHER PLAN, ACCOUNT OR ARRANGEMENT THAT IS SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE “CODE”), AN ENTITY WHOSE UNDERLYING ASSETS ARE DEEMED TO INCLUDE “PLAN ASSETS” OF ANY OF THE FOREGOING, OR A PLAN, ACCOUNT OR ARRANGEMENT THAT IS SUBJECT TO LAWS SIMILAR TO THE FIDUCIARY AND PROHIBITED TRANSACTION PROVISIONS OF ERISA OR THE CODE (“SIMILAR LAW”) OR (II) ITS ACQUISITION AND HOLDING OF THIS NOTE (OR BENEFICIAL INTEREST HEREIN) (A) DOES NOT AND WILL NOT RESULT IN A VIOLATION OF ERISA, THE CODE OR ANY APPLICABLE SIMILAR LAW, (B) IS CONSISTENT WITH ALL APPLICABLE FIDUCIARY DUTIES UNDER ERISA, THE CODE OR SIMILAR LAW, AND (C) DOES NOT AND WILL NOT CONSTITUTE OR GIVE RISE TO A NON-EXEMPT PROHIBITED TRANSACTION UNDER ERISA, SECTION 4975 OF THE CODE OR SIMILAR LAW AND (B) IT WILL NOT SELL OR OTHERWISE TRANSFER THIS NOTE (OR A BENEFICIAL INTEREST HEREIN) OTHERWISE THAN TO AN ACQUIRER OR TRANSFeree THAT MAKES THESE SAME REPRESENTATIONS, WARRANTIES AND AGREEMENTS WITH RESPECT TO ITS ACQUISITION AND HOLDING OF THIS NOTE (OR A BENEFICIAL INTEREST HEREIN). EMPLOYEE BENEFIT PLANS SUBJECT TO THE PROVISIONS OF TITLE I OF ERISA, PLANS SUBJECT TO SECTION 4975 OF THE CODE AND ENTITIES WHOSE UNDERLYING ASSETS ARE DEEMED TO INCLUDE PLAN ASSETS BY REASON OF AN EMPLOYEE BENEFIT PLAN’S OR PLAN’S INVESTMENT IN SUCH ENTITY MAY NOT PURCHASE THIS NOTE (OR BENEFICIAL INTERESTS HEREIN) AT ANY TIME THAT THE RATINGS ON THIS NOTE ARE BELOW INVESTMENT GRADE OR THIS NOTE HAS BEEN CHARACTERIZED AS OTHER THAN INDEBTEDNESS FOR APPLICABLE LOCAL LAW PURPOSES.

Furthermore, each purchaser or transferee, by acquisition or holding of the Notes, shall be deemed to have represented and covenanted that (a) either (i) it is not acquiring the Notes for or on behalf of, any Plan (as defined in “Certain ERISA Considerations” herein, or (ii) its acquisition and holding of the Notes (A) does not and will not result in a violation of the U.S. Employee Retirement Income Security Act of 1974 (“ERISA”), the U.S. Internal Revenue Code of 1986, as amended (the “Code”) or any applicable Similar Law (as defined in “Certain ERISA Considerations” herein), (B) is consistent with all applicable fiduciary duties under ERISA, the Code or Similar Law

(as defined in “Certain ERISA Considerations” herein), and (C) will not constitute or give rise to a non-exempt prohibited transaction under Section 406 of ERISA, Section 4975 of the Code or Similar Law (as defined in “Certain ERISA Considerations” herein) and (b) it will not sell or otherwise transfer a Note (or beneficial interest therein) otherwise than to an acquirer or transferee that makes these same representations, warranties and agreements with respect to its acquisition and holding of the Note (or beneficial interest therein). Employee benefit plans subject to the provisions of Title I of ERISA, plans subject to Section 4975 of the Code and entities whose underlying assets are deemed to include plan assets by reason of an employee benefit plan’s or plan’s investment in such entity may not purchase a Note (or beneficial interest therein) at any time that the ratings on such Note are below investment grade or the Note has been characterized as other than indebtedness for applicable local law purposes.

Other Jurisdictions

The distribution of this Offering Memorandum and the offer and sale or resale of the Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Offering Memorandum comes are required by us and the Initial Purchasers to inform themselves about and to observe any such restrictions.

Pursuant to Argentine Law No 11,683, as amended by Law 25,795 published in the Official Gazette on November 17, 2003, any local entity receiving funds of any nature (i.e., loans, capital contributions, etc.) from foreign entities located in low or non-tax jurisdictions are subject to income tax and value added tax, which taxes are calculated by reference to 110% of the funds so received, with no direct consequences to the investor in the Notes. This is as a consequence of a presumption that such amounts are profits for the local party who receives them. Certain limited restrictions apply, provided the Argentine party can irrefutably show that the funds so received are the result of activities performed in the low or non-tax jurisdiction by the foreign party from whom the funds were received. Although this amendment does not appear to apply to negotiable obligations placed by public offering under Argentine law, no assurance can be provided that this is the case.

Accordingly, the Company may restrict the funding from low or non-tax jurisdictions, in respect of the placement of Notes, as it could impose on the Company the consequences described in the preceding paragraph. Low or non-tax jurisdictions under Argentine legislation are listed in Article 21.7 of Decree 1,344/98.

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of certain material United States federal income tax consequences of the purchase, ownership and disposition of Notes. 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 beneficial owner of a Note 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 United States Internal Revenue Code of 1986, as amended (the “Code”), final, temporary and proposed Treasury Regulations, Internal Revenue Service rulings and administrative pronouncements and judicial decisions as of the date of this Offering Memorandum. 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 or all tax considerations that may be relevant to U.S. holders in light of their personal circumstances. In addition, this summary 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 accounting for their securities, financial institutions, insurance companies, regulated investment companies, real estate investment trusts, partnerships or other pass-through entities for U.S. federal income tax purposes, investors in pass-through entities, 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 United States dollar;
- United States expatriates;
- alternative minimum tax consequences, if any; or
- any state, local or foreign tax consequences.

If a partnership (including any entity treated as a partnership or pass through entity for United States federal income tax purposes) holds our 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 our Notes, you should consult your tax advisors with respect to your particular United States federal income tax consequences.

If you are considering purchasing 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

The Notes will be issued without original issue discount for United States federal income tax purposes. Accordingly, interest on a Note will generally be taxable to you as ordinary income at the time it is paid or accrued in accordance with your regular method of accounting for United States federal income tax purposes. In addition to Interest on the Notes, you will be required to include in income any Additional Amounts paid in respect of any Argentine tax withholding. You may be entitled to deduct or credit this 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 tax year). Interest income (including any Additional Amounts) on a Note generally will be considered foreign source income and, for purposes of the United States foreign tax credit, will, depending on your circumstances, be “passive” or “general” income which, in other cases, is treated separately from other types of income for purposes of computing the foreign tax credit. 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.

Sale, Exchange and Retirement of Notes

Your tax basis in a Note will generally be your cost for that Note, decreased by any principal payments on the Note. Upon the sale, exchange, retirement or other disposition of a Note, you will recognize gain or loss equal to the difference between the amount you realize upon the sale, exchange, retirement or other disposition (less an amount equal to any accrued interest that you did not previously include in income, which will be taxable as interest income) and the adjusted tax basis of the Note. Such gain or loss will be capital gain or loss and will generally be treated as United States source gain or loss. Capital gains of non-corporate holders derived in respect of capital assets held for more than one year are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

Medicare Tax

A U.S. Holder that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, will be subject to a 3.8% tax on the lesser of (1) the U.S. Holder’s “net investment income” (or undistributed “net investment income” in the case of estates and trusts) for the relevant taxable year and (2) the excess of the U.S. Holder’s modified adjusted gross income for the taxable year over a certain threshold (which in the case of individuals will be between U.S.\$125,000 and U.S.\$250,000, depending on the individual’s circumstances). A holder’s net investment income will generally include such individual’s interest income and its net gains from the disposition of a Note, unless such interest income or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). If you are a U.S. Holder that is an individual, estate or trust, you are urged to consult your own tax advisor regarding the applicability of this Medicare tax to your income and gains in respect of your investment in the Notes.

Backup Withholding and Information Reporting

Generally, information reporting requirements will apply to all payments we make to you and the proceeds from a sale of a Note paid to you, unless you are an exempt recipient such as a corporation. Additionally, if you fail to provide your taxpayer identification number, or in the case of interest payments, fail either to report in full dividend and interest income or to make certain certifications, you may be subject to backup withholding.

Backup withholding is not an additional tax. Any amounts withheld under the U.S. backup withholding rules will be allowed as a credit against your United States federal income tax liability and you may be entitled to a refund, provided the required information is timely furnished to the Internal Revenue Service.

Foreign Asset Reporting

Certain U.S. Holders who are individuals are required to report information relating to “specified foreign financial assets,” including an interest in the Notes, subject to certain exceptions (including an exception for Notes held in accounts maintained by certain financial institutions). U.S. Holders should consult their tax advisors regarding the effect, if any, of this requirement on their ownership and disposition of the Notes.

U.S. Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as “FATCA,” a “foreign financial institution” may be required to withhold on certain payments it makes (foreign pass-thru payments) to persons that fail to meet certain certification, reporting, or related requirements. We do not believe we are a foreign financial institution; however, certain aspects of the application of the FATCA provisions to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA with respect to payments on instruments such as the Notes, such withholding would not apply prior to January 1, 2019, and Notes issued on or prior to the date that is six months after the date on which final regulations defining “foreign pass-thru payments” are filed with the U.S. Federal Register (which has not yet occurred) generally would be “grandfathered” for purposes of FATCA withholding unless materially modified after such date. Holders of the Notes should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA with respect to payments on the Notes, no person will be required to pay Additional Amounts as a result of such withholding.

CERTAIN ARGENTINE TAX CONSIDERATIONS

The following summary is a summary of certain Argentine tax issues arising from the holding and disposition of the Notes. Although this summary is a reasonable interpretation of the laws and regulations as in effect on the date of this Offering 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. This summary is based upon tax laws of Argentina as in effect on the date of this Offering Memorandum and is subject to any change in Argentine 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 residents, including, without limitation, the receipt of interest and the sale, redemption or any disposition of the Notes.

Income Tax

Except as described in the following paragraphs, interest payments on the Notes will be exempted from Argentine income tax, provided that the Notes are issued in accordance with the Negotiable Obligations Law and that they comply with the conditions set forth in Section 36 of such law.

Under Section 36 of the Negotiable Obligations Law, interest on the Notes shall be tax exempt if the following conditions are satisfied:

- (i) the Notes are placed through a public offering authorized by the CNV;
- (ii) the proceeds from the issuance of such Notes are, pursuant to corporate resolutions authorizing the offering, applied either to (A) investments in tangible assets located in Argentina, (B) working capital to be used in Argentina, (C) refinancing of liabilities or (D) capital contributions to controlled or affiliated companies for the purposes specified in (A), (B) or (C) of this clause; and
- (iii) the issuer provides evidence to the CNV, in the time and manner prescribed by regulations, that the proceeds of the issue have been used for the purposes described in paragraph (ii) above.

The public offering of the Notes has been authorized by the CNV pursuant to Resolution No. 18,427 dated December 29, 2016 and we have agreed to use the proceeds from the Notes in compliance with the conditions described in Section 36 of the Negotiable Obligations Law. After the issuance of the Notes, we shall file with the CNV evidence of compliance with such conditions. Upon approval by the CNV of such filing and to the extent that the conditions of Section 36 of the Negotiable Obligations Law are satisfied, the Notes will qualify for the tax exemption set forth under Section 36-bis of the Negotiable Obligations Law.

In the event the Company fails to meet the requirements established in Article 36 of the Negotiable Obligations Law and notwithstanding any penalties that may be applicable under Argentine Law 11,683 (as amended in 1998 and/or supplemented), the tax benefits will be lost. Article 38 of the Negotiable Obligations Law provides that the Company shall be responsible for the payment of any taxes for which the holders of the Notes would have been otherwise exempt. The Company will have to pay the maximum rate, as determined by Article 90 of the applicable law for income tax, on the total amount of income gained by investors. The tax must be paid with its corresponding adjustments and interest as a final and definitive payment. The AFIP is authorized to establish the manner, terms and conditions of payment.

Pursuant to Article 36 bis of the Negotiable Obligations Law, and subject to the compliance with the conditions set forth in such law, interest payments under the Notes are exempt from Argentine income tax. Foreign beneficiaries included in Title V of the Income Tax Law will also be exempted from the payment of taxes on the amount of interest perceived, being the provisions of Article 21 of such law and Article 106 of Argentine Law 11,683 (revised text of 1998, as amended and supplemented) inapplicable.

Decree 1,076 of July 30, 1992, as amended by Decree 1,157/1992, both of which were ratified by Law 24,307, eliminated the tax exemption described above with respect to those taxpayers included in the tax adjustment

for inflation pursuant to Title VI of the Argentine income tax law. Corporations (*sociedades anónimas*), limited liability partnerships, limited liability companies, limited partnerships, civil associations and foundations, the entities and organizations referred to by Article 1 of Law 22,016, the trusts established pursuant to the requirements of Sections 1666 to 1701 of the Argentine Civil and Commercial Code (other than trusts in which the trustor is the beneficiary, which exception is not applicable to financial trusts and trusts that have a foreign trustor-beneficiary), the mutual funds not included in the first paragraph of Article 1 of Law 24.083, all other types of companies and one-person businesses incorporated in the country, the brokers, auctioneers, consignees and all other commerce agents not expressly included in the fourth category of the Profits Tax (the “Argentine Persons”).

As a result of Decree 1076/1992, interest paid to Argentine Persons is subject to the Argentine income tax as prescribed by Argentine tax regulations. In such case, according to Section 81(a) of the Argentine Income Tax Law, interest payment will be subject to a 35.0% withholding tax, which will be considered as a payment on account of the Argentine federal income tax to be paid by such holder.

Capital Gains

If the conditions under Section 36 are fully complied with, resident and non-resident individuals and non-Argentine entities, except for their permanent establishments in Argentina, are not subject to taxation on capital gains derived from the sale or other disposition of the Notes.

As a result of Decree 1076/1992, Argentine Persons are subject to tax on capital gains on the sale or other disposition of the Notes in accordance with the provisions of Argentine tax regulations.

Personal Assets Tax

Individuals domiciled and undivided estates located in Argentina or abroad holding Notes shall be subject to personal assets tax.

This tax is levied on certain taxable assets held at December 31 of each year. For the 2016 tax period, net assets up to AR\$800,000 are exempt. When the value of the assets exceeds AR\$800,000, the excess will be subject to tax on a 0.75% rate. For the 2017 tax period, net assets up to AR\$950,000 are exempt from taxation. When the value of the asset exceeds AR\$950,000, the excess will be subject to the tax on a 0.5% rate. As of the 2018 tax period, net assets up to AR\$ 1,050,000 are exempt. When the value of the assets exceeds AR\$ 1,050,000, the excess will be subject to tax on a 0.25% rate.

The tax is applicable (i) in the case of listed notes, on the market value of the notes; and (ii) in the case of unlisted notes, on the acquisition costs plus accrued interest, adjustments and exchange variations. In both cases, the value is determined at December 31 of each calendar year.

Although notes directly held by individuals domiciled and undivided estates located outside Argentina would technically be subject to the Personal Assets Tax, a procedure for the collection of such tax has not been established in respect of securities, including notes such as the Notes, directly held by such individuals or undivided estates. The tax rate applicable to these taxpayers is (i) 0.75% for the 2016 tax period; and (ii) 0.25% as of the 2018 tax period.

The Personal Assets Tax law establishes a legal presumption that any notes issued under the Negotiable Obligations Law directly owned (*titularidad directa*) by a foreign legal entity or any other entity, business, permanent establishment or specific estates domiciled or located abroad, are deemed to be owned by individuals domiciled at or undivided estates located in Argentina and therefore subject to the Personal Assets Tax if the following conditions are met: (i) the foreign entity is domiciled in a jurisdiction which does not require shares or private securities to be held in registered form, and (ii) (a) pursuant to its by-laws or the applicable regulatory regime, such foreign entity may only carry out investment activities outside the jurisdiction of its incorporation or (b) cannot carry out in its jurisdiction of incorporation certain transactions authorized by its by-laws or the applicable regulatory regime.

In such cases, the law imposes on the issuer (the “substitute obligor”) the obligation to pay the Personal Assets Tax at an aggregate rate of (i) 1.5% for the 2016 tax period; and (ii) 1.0% for the 2017 tax period; and (iii) 0.5% as of the 2018 tax period. The Personal Assets Tax law also authorizes the substitute obligor to seek recovery of the amount so paid, without limitation, by way of withholding or by foreclosing on the assets that gave rise to such payment.

The above legal presumption shall not apply to the following foreign legal entities that directly own notes, such as the Notes: (i) insurance companies, (ii) open-end investment funds, (iii) pension funds and banks or financial entities whose head office is incorporated in a country whose central bank or equivalent authority has adopted the international standards of supervision established by the Basel Committee.

Furthermore, Decree 988/2003 establishes that the legal presumption discussed above shall not apply to debt-related private securities, such as the Notes, whose public offering has been authorized by the CNV and which are tradable in the stock exchanges located in Argentina or abroad.

In order to ensure that the legal presumption described above will not apply and, correspondingly, that the issuer thereof will not be liable as a substitute obligor in respect of the Notes, the issuer shall keep in its records (i) a duly certified copy of the CNV resolution authorizing the public offering of the debt-related private securities; and (ii) evidence verifying that such certificate or authorization was effective at December 31 of the year in which the tax liability occurred, as required by Resolution 2,151 of the Argentine Tax Authority. In the event the AFIP considers that the issuer does not have the documentation proving CNV authorization or the trading approval by domestic or foreign stock exchanges, the issuer shall be responsible for payment of personal assets tax.

Value Added Tax

As the Notes are issued pursuant to a public offering authorized by the CNV, interest payments under the Notes will also be exempt from any value added tax.

Furthermore, so long as the Notes satisfy the conditions under Section 36 of the Negotiable Obligations Law, any benefits relating to the subscription, placement, transferring, amortization, interest and cancellation shall also be exempt from the value added tax in Argentina.

Tax on Presumed Minimum Income

Law 25,063, dated December 7, 1998, established the Tax on Presumed Minimum Income to be applied over assets including the Notes for an amount equal or greater than AR\$200,000. If the value of the assets exceeds such amount, the total value of the assets is subject to the tax.

The tax is aimed at companies established in Argentina, associations and foundations domiciled in Argentina, as well as one-person businesses located in Argentina and owned by persons domiciled therein, entities and institutions referred to by Article 1 of Law 22,016, trusts established in the country in accordance with the provisions set forth in Sections 1666 to 1707 of the Argentine Civil and Commercial Code (with the exception of financial trusts), mutual funds established in the country not included in Section 1 of Law 24,083 and its amendments, and those establishments domiciled at or located in the country for the development of activities in the country owned by foreign individuals.

The applicable tax rate is 1.0% on the value of assets. However, a taxable base rate of 20% of the assets' value is applicable to entities established in accordance with the *Ley de Entidades Financieras*, insurance companies, companies the main purpose of which is to engage in leasing agreements as set forth in Law 25,248, which perform financial activities as a secondary function, and financial trusts formed in accordance with Sections 1690 to 1692 of the Argentine Civil and Commercial Code, the main purpose of which is the execution of such trust agreements.

Payment of income tax determined for the same period as to which the tax on presumed income has to be paid may be computed as payment of the tax on presumed income. If after such computation there is an excess

amount, such amount will not generate a credit in favor of the payor nor will it be eligible for reimbursement or compensation of any kind. To the contrary, if payment of income tax is insufficient to cover the tax on presumed income, payment of the latter may be considered as pre-payment of income tax until such amount matches the excess amount, only if in any of the immediately 10 preceding periods there exists excess amounts corresponding to income tax.

Corporations domiciled in Argentina, among others, are subject to Tax on presumed minimum income at a rate of 1.0% (0.20% in respect of local financial entities, leasing entities, insurance entities) (the “Presumed Minimum Income Tax”).

The tax is applicable over the total value of assets (located in Argentina or abroad), including the Notes.

There is a non-taxable amount of AR\$200,000. Notwithstanding, if the value of the assets exceeds such amount, the total value of the assets is subject to the tax.

This tax will only be owed if the income tax determined for any fiscal year does not equal the amount owed under the Presumed Minimum Income Tax. In such case, only the difference between the Presumed Minimum Income Tax determined for such fiscal year and the income tax determined for same fiscal year shall be paid. Any Presumed Minimum Income Tax paid will be applied as a credit toward income tax owed in the immediately following ten fiscal years which exceeds the Presumed Minimum Income Tax owed in that future given year.

For the purpose of this tax, the taxable value of the Notes will be determined: (i) on the basis of the latest quotation at the closing date of the relevant fiscal year if the Notes are listed on stock exchanges or public markets; and (ii) on their cost, increased, if relevant, by the amount of interest and exchange rate differences accrued at the closing date of the fiscal year, if the Notes are unlisted.

Law 27,260 (published in the Official Gazette on July 22, 2016) abrogated the tax on Presumed Minimum Income, effective as of the fiscal year commencing on January 1, 2019

Tax on Debits and Credits on Banking Accounts

Law 25,413 (published in the Official Gazette on March 26, 2001), as amended and regulated, establishes, with certain exceptions, a tax levied on debits and credits on checking bank accounts maintained at financial institutions located in Argentina and on other transactions that are used as a substitute for the use of checking bank accounts.

The general tax rate is 0.6% for each debit and credit. In certain cases an increased rate of 1.2% and a reduced rate of 0.075% may apply.

In the event amounts payable under the Notes (for principal, interest or any other concept) are credited to noteholders who do not enjoy a special treatment, in accounts on local financial entities, the corresponding credit will be taxed with a 0.6% rate for each debit or credit.

Pursuant to Decree 3380/01 (as amended and supplemented), the following shall be considered levied under Law 25,413: (i) certain operations performed by financial entities in which open accounts are not used; and (ii) every movement or delivery of funds, even if made in cash, that any person, including entities regulated under the financial entities law, makes in its name or in the name of a third party, irrespective of the means used to formalize them. Resolution 2111/06 from AFIP states that movement or delivery of funds are those effected by means of payment systems organized to replace the use of banking accounts in economic activities.

Article 10 of Decree 380/2001 provides that debits and credits related to accounts used exclusively for operations, transactions and transfers within markets authorized by the CNV, its agents, stock exchanges without organized markets, note depositaries and entities for the liquidation and compensation of transactions authorized by the CNV, shall be exempt from payment of the tax. It is not clear whether such exemption applies to noteholders with an account in a financial institution. Movements registered in checking accounts under Communication “A”

3250 of the Central Bank are also exempt from payment of such tax when opened by legal entities domiciled abroad and only if such accounts are used for making investments in Argentina.

Pursuant to Decree 534/04 (as amended by Decree 1364/04), 34% of the tax paid on credits levied with the 0.6% tax rate and 17% of the tax paid on transactions levied with the 1.2% tax rate will be considered as a payment on account of income tax, tax on presumed minimum income or the special contribution over cooperative capital.

Turnover Tax

This is a local tax, which is applied independently by every Province and the City of Buenos Aires. Its basis is the gross income generated as a consequence of the normal commercial operation in each applicable jurisdiction.

Any investors regularly engaged in activities, or presumed to be engaged in activities, in any jurisdiction where they receive revenue from interest arising from holding Notes, or from their sale or conveyance, could be subject to the turnover tax at rates that vary according to the specific laws of each Argentine province or the City of Buenos Aires, unless an exemption applies.

The City of Buenos Aires and the Province of Buenos Aires have established that the turnover resulting from any transaction in respect of notes issued pursuant to the Negotiable Obligations Law is exempt from the Turnover Tax to the extent the income tax exemption applies. The exemption does not apply to brokers or other intermediaries.

For the above mentioned reasons, prospective buyers of Notes residing in Argentina should consider the possible effect of turnover tax applicable according to the local laws of their place of residence and business.

Stamp Taxes

The stamp tax is a local tax which is charged independently by each province and the City of Buenos Aires.

The City of Buenos Aires considers that no stamp taxes shall be payable on acts, contracts, and operations, including delivery and receipt of money, in connection with the issuance, placement and transfer of the securities issued pursuant to Laws 23,576 and 23,962 as amended.

This tax exemption applies to all capital increases made for the issuance of shares of stock due to the conversion of securities, the granting of personal and *in rem* guarantees in favor of investors or third parties that guarantee the issuance, without taking into account if such third parties provide their guarantees prior to, simultaneously with or after the issuance itself.

The tax exemption also applies to the instruments, acts and operations related to the issuance of debt securities and any other types of securities to be publicly offered pursuant to the Argentine Capital Markets Law, by companies duly authorized by the CNV to launch a public offering. This exemption applies as well to the guarantees related to the issuance. However, the exemption is not applicable if the required authorization for such public offering is not requested before the CNV within 90 calendar days or if the issuance does not take place in 180 calendar days after the requested authorization has been granted.

The acts and/or instruments related to the negotiation of the shares and the other securities that have been duly authorized for their respective public offering by the CNV will also be subject to the exemption.

In the Province of Buenos Aires, this tax exemption applies to the acts, contracts, and operations, including delivery and receipt of money, in connection with the issuance, placement and transfer of the securities issued pursuant to Laws 23,576 and 23,962 and the laws that modify these. This tax exemption applies to capital increases made for the issuance of shares of stock due to the conversion of notes, the granting of personal and *in rem* guarantees in favor of investors or third parties that guarantee the issuance, without taking into account if such third parties provide their guarantees prior to, simultaneously with or after the issuance itself. Moreover, the tax exemption applies to the instruments, acts and operations related to the issuance of debt securities and any other

types of securities to be publicly offered pursuant to the Argentine Capital Markets Law by companies duly authorized by the CNV to launch a public offering. This tax exemption will apply to the granting of personal and in rem guarantees in favor of investors or third parties that guarantee the issuance, without taking into account if such third parties provide their guarantees prior to, simultaneously with or after the issuance itself. All acts related to the negotiation of the securities duly authorized by the CNV for their public offering are also exempted.

Court Tax

In the event that it becomes necessary to institute enforcement proceedings in relation to the Notes in Argentina, a court tax (currently at a rate of 3.0%) will be imposed on the plaintiff based on the amount of any claim brought before the Argentine courts sitting in the City of Buenos Aires and payable at the time of filing such claim.

Other Taxes

At a provincial level, the Province of Buenos Aires set through Law 14,044 (effective as of January 1, 2010) establishes a new tax on the gratuitous transfer of assets. The main features of this tax are the following:

- This tax applies to all enrichments deriving from any gratuitous transfer of assets, such as inheritances, legacies, donations, advanced inheritances, renunciation of rights, contributions or transfers to companies and, in general, any act which implies a gratuitous enrichment. This tax is levied on individuals or legal entities to which assets have been transferred gratuitously.
- The taxpayers domiciled in the Province of Buenos Aires shall be subject to this tax on the total amount of the gratuitous enrichment deriving from the assets located in the Province of Buenos Aires as well as outside the province. The taxpayers domiciled outside the Province of Buenos Aires shall be subject to this tax only on the gratuitous enrichment originated on the assets situated in the Province of Buenos Aires.
- The following assets, among others, are deemed to be located in the province of Buenos Aires: (i) bonds and shares, quotas or social interests and other marketable securities representing its capital, issued by public or private entities and companies domiciled at the province of Buenos Aires; (ii) bonds, shares and other marketable securities located in the province of Buenos Aires at the time of transfer, issued by private entities or companies domiciled at another jurisdiction; and (iii) bonds, shares and other marketable securities representing capital stock or an equivalent to it, which at the time of the transfer are in another jurisdiction, issued by entities or companies also domiciled at another jurisdiction, proportionally related to the assets of the issuers located in the Province of Buenos Aires.
- The gratuitous transfer of assets is exempt when their value as a whole (without computing deductions, exemptions or exclusion) is equal or less than AR\$78,000 or AR\$325,000 for gratuitous transfer of assets between parents, children and spouses.
- The applicable tax rates ranges from 4% to 21.91%, depending on family relationship and the taxable base.

The free transfer of notes could be subject to the tax on the gratuitous transfer of assets, provided that the assets transferred exceed AR\$78,000 in the aggregate, excluding any deductions, or AR\$325,000 for gratuitous transfer of assets between parents, children and spouses, in their aggregate value, excluding any deductions.

The Province of Entre Ríos, implemented this tax at the provincial level by virtue of Law No. 10,197 and a publication in the Official Gazette on January 24, 2013, with similar characteristics as the tax applied by the Province of Buenos Aires.

Tax Treaties

Argentina has entered into tax treaties to prevent double taxation with several countries. At present, treaties with the following countries are in effect: Australia, Belgium, Bolivia, Brazil, Canada, Chile, Denmark, Finland, France, Germany, Italy, the Netherlands, Norway, the Russian Federation, Spain, Sweden, Switzerland and United Kingdom. There is no tax treaty between Argentina and the United States of America.

Funds from Non-Cooperative Jurisdictions

Pursuant to the unnumbered section inserted after Section 18 of Argentine Law 11,683 (as amended by Law 25,795 published in the Official Gazette on November 17, 2003), every Argentine company that receives funds of any nature (*i.e.* loans, capital contributions) from entities domiciled in countries with low taxation, no taxation or non-cooperative taxation (the “Non-Cooperative Tax Jurisdictions”), is taxable with income tax and VAT at a rate of 110% of the funds received, subject to certain limited exceptions. This is because of the presumption that such funds constitute an increment in wealth that cannot be justified by the local company receiving the funds. Even though it could be argued that this provision should not apply to the issuance of notes through public offering, it cannot be assured that the Argentine Tax Authority will sustain such argument. The Non-Cooperative Tax Jurisdictions are listed by the Argentine Tax Authorities in Article 21.7 of the Decree that regulates the Income Tax Law.

Such presumption could also be applicable to the noteholders who wish to sell the Notes to individuals or entities domiciled or incorporated in Non-Cooperative Tax Jurisdictions, or when payment is made from bank accounts located in Non-Cooperative Tax Jurisdictions.

Notwithstanding the above, in order to revert the above mentioned presumption and thus avoid payments of income tax and VAT, the taxpayer must prove that those funds were originated from activities carried out by the same taxpayer or by third parties in such countries or that such fund had been previously informed.

THE ABOVE SUMMARY IS NOT INTENDED TO CONSTITUTE A COMPLETE ANALYSIS FOR ALL TAX CONSEQUENCES RELATING TO THE OWNERSHIP OF NOTES. HOLDERS AND PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR OWN TAX ADVISORS CONCERNING THE TAX CONSEQUENCES IN THEIR PARTICULAR SITUATION.

CERTAIN ERISA CONSIDERATIONS

The following description is general in nature, is not intended to be all-inclusive, and is based on the law and practice in force at the date of this document and is subject to any subsequent changes therein. In view of the individual nature of ERISA, the Code and other laws similar to the fiduciary and prohibited transaction provisions of ERISA or the Code (the “Similar Laws”), each potential investor that is a Plan (as described below) or that is a plan subject to Similar Law is advised to consult its own legal advisor with respect to the specific ERISA, Code and Similar Law consequences of investing in the Notes and to make its own independent decision. The following is merely a summary and should not be construed as legal advice.

The Notes may be acquired and held by, or with the assets of, an employee benefit plan that is subject to Title I of ERISA, an individual retirement account or other plan, account or arrangement that is subject to Section 4975 of the Code, an entity whose underlying assets are deemed to include “plan assets” of any of the foregoing or a plan, account or arrangement that is subject to Similar Laws (such plans are collectively referred to as “Plans”).

ERISA establishes certain fiduciary standards that apply to the assets of Plans. In addition, Section 406 of ERISA and Section 4975 of the Code set forth prohibited transaction rules applicable to Plans as well as any person who is a “party in interest” (as defined in Section 3(14) of ERISA) or a “disqualified person” (as defined in Section 4975(e)(2) of the Code) with respect to such Plans. Certain employee benefit plans, such as governmental plans (as defined in ERISA Section 3(32)), and, if no election has been made under Section 410(d) of the Code, church plans (as defined in ERISA Section 3(33)), are not subject to ERISA or to the prohibited transaction rules of the Code. Accordingly, assets of such employee benefit plans may be invested in Notes without regard to the ERISA considerations discussed below, subject to the provisions of Similar Law.

In applying ERISA and Code Section 4975 prohibited transaction rules to the acquisition of Notes, it is necessary to identify whether assets of a Plan are involved. Department of Labor Regulation § 2510.3-101 as modified by Section 3(42) of ERISA (the “Plan Assets Regulation”) defines “plan assets” to include not only securities held by a Plan but also the underlying assets of the issuer of any equity interest owned by a Plan (the “Look-Through Rule”), unless one or more exceptions apply. The Look-Through Rule does not apply to an instrument that is treated as indebtedness under applicable local law and that has no substantial equity features. The Issuer anticipates that the Notes will be treated as indebtedness under applicable local law without substantial equity features for this purpose. However, since the Plan Assets Regulation does not specify what constitutes a substantial equity feature, there can be no assurance that the Notes will be treated as indebtedness under applicable local law without substantial equity features for purposes of the Plan Assets Regulation or that ownership of the Notes by a Plan will not be treated as ownership of an undivided ownership interest in the Issuer. If the assets of the Issuer are deemed to constitute Plan assets of a Plan that purchases Notes, the operations of the Issuer may involve or constitute a prohibited transaction under ERISA or Code Section 4975. Furthermore, the Issuer and any other party exercising discretionary management or control regarding the assets of the Issuer may be deemed to be a Plan “fiduciary” with respect to the investing Plan and thus subject to the fiduciary responsibility provisions of ERISA and the prohibited transaction rules of ERISA and Code Section 4975.

In addition to the impact of the Look-Through Rule, an investor who is considering purchasing Notes with the assets of a Plan must also be concerned that the acquisition, holding or disposition of the Notes does not constitute a prohibited transaction. Section 406 of ERISA and Section 4975 of the Code prohibit certain transactions that involve a Plan and a “party in interest” as defined in Section 3(14) of ERISA or a “disqualified person” as defined in Section 4975(e)(2) of the Code with respect to such Plan. The acquisition, holding or disposition of the Notes by or on behalf of a Plan could be considered to give rise to a prohibited transaction if the Issuer or any of its affiliates is or becomes a party in interest or disqualified person with respect to such Plan. Under Section 4975 of the Code, excise taxes are imposed on disqualified persons involved in prohibited transactions. A prohibited transaction involving a Plan that is an individual retirement account could result in its disqualification. Section 408 of ERISA and Section 4975 of the Code contain statutory prohibited transaction exemptions and administrative exemptions may be granted by the DOL. Included among these exemptions are Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code, which exempt certain transactions (including, without limitation, a sale and purchase of securities) between a Plan and a party in interest so long as (i) such party in interest is treated as such solely by reason of providing services to the Plan, (ii) such party in interest is not a fiduciary which renders investment advice, or has or exercises discretionary authority or control, with respect to the plan assets involved in such transaction, or

an affiliate of any such person and (iii) the Plan neither receives less than nor pays more than “adequate consideration” (as defined in such Sections) in connection with such transaction. Each fiduciary or other person acting on behalf of any Plan in connection with the acquisition of the Notes should determine the applicability of exemptive relief under Section 408(b)(17) of ERISA or Section 4975(d)(20) of the Code. Other such exemptions include Prohibited Transaction Class Exemption (“PTCE”) 90-1, regarding investments by insurance company pooled separate accounts; PTCE 91-38, regarding investments by bank collective investment funds; PTCE 84-14, regarding transactions effected by a “qualified professional asset manager”; PTCE 96-23, regarding investments effected by an in-house asset manager; and PTCE 95-60 and Section 401(c) of ERISA, regarding investments by insurance company general accounts.

In view of the foregoing, the Notes may not be purchased by or transferred to any investor unless such investor represents that (i) such investor is not a Plan, a plan subject to Similar Law or a person acting on behalf of or with assets of any Plan or plan subject to Similar Law or (ii) no non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or violation of any Similar Law will occur in connection with the acquisition, holding or disposition of the Notes.

Any fiduciary considering the purchase of Notes on behalf of or with assets of a Plan should consult with experienced legal counsel regarding the applicability of the Look-Through Rule, whether the purchase, holding or disposition of Notes could constitute a prohibited transaction and, if so, the availability of any exemption from the prohibited transaction rules, and whether the Notes would be an appropriate investment for a Plan under ERISA and the Code.

Any plan that is subject to Similar Law that is considering the purchase of Notes should consult with experienced legal counsel regarding the applicability of the provisions of Similar Law and whether the Notes would be an appropriate investment under Similar Law.

Each prospective purchaser and subsequent transferee which is acquiring or holding the Notes with assets of a Plan (each a “Plan Investor”) must determine that its purchase and holding of the Notes will not result in a violation of ERISA, the Code or any applicable Similar Law. Without limiting the generality of the foregoing, each fiduciary of a Plan must determine that the acquisition and holding of the Notes is consistent with all applicable fiduciary duties under ERISA, the Code or Similar Laws. Each Plan Investor should determine that the acquisition and holding of the Notes will not result in a non-exempt prohibited transaction under Section 406 of ERISA, Section 4975 of the Code or Similar Law.

By its acquisition or holding of the Notes, each Plan Investor will be deemed to have represented that such acquisition or holding of the Notes (i) will not result in a violation of ERISA, the Code or any applicable Similar Law, (ii) is consistent with all applicable fiduciary duties under ERISA, the Code or Similar Law, and (iii) will not constitute or give rise to a non-exempt prohibited transaction under Section 406 of ERISA, Section 4975 of the Code or Similar Law.

The sale of any Notes to any Plan Investor is in no respect a representation by us, the Initial Purchasers, or any of our or their affiliates or representatives that such an investment meets all relevant legal requirements with respect to investments by Plan Investors generally or any particular Plan Investor, or that such an investment is appropriate for Plan Investors generally or any particular Plan Investor.

The foregoing discussion is general in nature and is not intended to be all inclusive. Due to the complexity of these rules and the sanctions that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries, or other persons considering purchasing or holding 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 or Similar Law to such investment.

PLAN OF DISTRIBUTION

Oppenheimer & Co. Inc. and Morgan Stanley & Co. LLC have acted as joint bookrunners, and as the Initial Purchasers. Subject to the terms and conditions contained in a purchase agreement dated January 30, 2017, among the Company and the Initial Purchasers, the Company has agreed to sell to each of the Initial Purchasers named below, and each of the Initial Purchasers has, severally and not jointly, agreed to purchase from the Company, the principal amount of the Notes set forth opposite the Initial Purchaser's name.

Initial Purchasers	Principal Amount
Oppenheimer & Co. Inc.....	US\$200,000,000
Morgan Stanley & Co. LLC	US\$200,000,000
Total.....	US\$400,000,000

Pursuant to the Argentine public offering of the Notes, the Argentine Placement Agent arranged the placement of the Notes under an Argentine Placement Agreement (as defined below). The offer of the Notes was conducted by means of an offering that qualifies as a public offering in Argentina under the Argentine Capital Markets Law, the CNV Rules and the Negotiable Obligations Law. In order to comply with those regulations, the placement of the Notes in Argentina had to be done as specified below under "Placement Efforts in Argentina." Notwithstanding the foregoing, outside of Argentina, the Notes had to be offered only in accordance with the laws of the applicable jurisdiction under exemptions to the registration or public offering requirements for such jurisdiction. The Argentine Placement Agent was not an Initial Purchasers nor did it conduct any placement activities outside of Argentina.

Subject to the terms and conditions of the Argentine Placement Agreement, the Argentine Placement Agent agreed to perform a series of marketing and placement efforts of the Notes in Argentina subject to the Argentine Capital Markets Law, the CNV Rules and other applicable regulations. We will indemnify the Argentine Placement Agent from certain obligations.

The purchase agreement provided that the obligations of the Initial Purchasers to purchase the Notes were subject to approval of legal matters by their counsel and to other conditions contained in the purchase agreement. The Initial Purchasers shall have purchased all of the Notes if they purchased any of the Notes offered hereby. If an Initial Purchaser defaulted, the purchase agreement provided that, in certain cases, the purchase commitments of the non-defaulting initial purchasers may have been increased or the purchase agreement terminated. The Initial Purchasers may offer and sell the Notes through their respective affiliates.

Pursuant to the terms of the purchase agreement, the Initial Purchasers propose to resell the Notes at the offering price set forth on the cover page of this Offering Memorandum in the United States in reliance upon Rule 144A only to qualified institutional buyers, as defined in Rule 144A, or outside of the United States in reliance upon Regulation S to persons other than U.S. persons. The price at which the Notes are offered may be changed at any time.

The Notes have not been and will not be registered under the Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except in transactions exempt from, or not subject to, the registration requirements of the Securities Act. See "Transfer Restrictions." Each purchaser of the Notes will be deemed to have made acknowledgements, representations and agreements as described under "Transfer Restrictions." Accordingly, in connection with sales outside the United States, each of the Initial Purchasers has agreed that, it will not offer or sell the Notes within the United States or to, or for the account of, U.S. persons (unless in reliance on Rule 144A) (a) as part of its distribution at any time or (b) otherwise until 40 days after the later of the commencement of this offering and the closing date, and it will send to each dealer to which it sells Notes during the 40-day distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States

or to, or for the account of, U.S. persons. Resales of the Notes are restricted as described under “Transfer Restrictions.”

The Notes will constitute a new class of securities with no established trading market. The Notes are listed and admitted for trading in Merval and in MAE. Application has been made to list the Notes on the Luxembourg Stock Exchange and admitted for trading in the Euro MTF Market. The Initial Purchasers have advised us that they currently intend to make a market in the Notes. However, they are not obligated to do so and they may discontinue any market-making activities with respect to the Notes at any time without notice. Accordingly, we cannot make any assurances as to the liquidity of, or the trading market for, the Notes. If an active public trading market for the Notes does not develop, the market price and liquidity of the Notes may be adversely affected.

Relationship with the Initial Purchasers

The Initial Purchasers are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Initial Purchasers and their affiliates have in the past performed commercial banking, investment banking and advisory services for us from time to time for which they have received customary fees and reimbursement of expenses. In the ordinary course of their various 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 (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve our securities and instruments.

We have agreed to indemnify the Initial Purchasers against certain liabilities in connection with this offering, including liabilities under the Securities Act, or to contribute to payments that the initial purchasers may be required to make because of any of those liabilities.

Placement Efforts in Argentina

The Notes were offered directly to the public in Argentina through Macro Securities S.A. (the “Argentine Placement Agent”), which is authorized under the laws and regulations of Argentina to offer and sell securities to the public in Argentina. The offering of the Notes in Argentina was made to “qualified investors” in Argentina, as defined by Article 12, Section II, Chapter VI of Title II of the CNV Rules, pursuant to a substantially similar Offering Memorandum in the Spanish language and in accordance with the Argentine Capital Markets Law, the CNV Rules (including, without limitation, Chapter IV, Title VI thereto) and other applicable regulations. The Company and the Argentine Placement Agent entered into a separate placement agreement governed by Argentine law.

Placement Efforts

The Company, the Initial Purchasers and, in Argentina, the Argentine Placement Agent, made a series of marketing and placement efforts in connection with the public offering of the Notes under the Negotiable Obligations Law, the Argentine Capital Markets Law, the CNV Rules and other applicable regulations. The Notes were offered in Argentina and outside Argentina to a broad group of institutional investors, including in the United States to qualified institutional buyers in reliance on Rule 144A of the Securities Act, subject to applicable laws in each jurisdiction in which Notes are offered.

The Company’s credit profile and history is expected to be an effective marketing tool to assist potential investors in familiarizing themselves with the Company’s business, financial condition and strategy. In addition, the marketing and placement efforts had to consist of a variety of marketing methods that have proven successful in past transactions, among them:

- an international and local road show in which potential institutional investors such as pension funds, insurance companies and brokerage firms had to be invited to participate;

- a global conference call, for U.S. qualified institutional buyers, other institutional investors and those Argentine investors who may not have participated in the road show, where potential investors had to have the opportunity to ask questions of the Company's management;
- the Company's management had to be available to potential investors in Argentina and abroad via:
 - (i) one-on-one conference calls;
 - (ii) one-on-one meetings; and
 - (iii) group meetings;
- a "net road show," an audio visual presentation through the Internet which had to allow those unable to attend the road show and global conference call referred to above to have access to the Company's presentation;
- distribution of an offering memorandum (in hard copy and/or electronically) in Spanish to investors in Argentina and a substantially similar preliminary and final Offering Memorandum in English outside of Argentina;
- making available to potential investors at the address of the Company in Argentina (a) the Argentine Offering Memorandum, and (b) a designated contact person as detailed in the advertisement referred to below; and
- communications and notices published in Argentina, including the publication in an Argentine newspaper of general circulation and, the publication of a summarized version of the Argentine Offering Memorandum in the BCBA Gazette and in MAE's Electronic Gazette.

Initial Placement of the Notes

In accordance with Article 1, Section I, Chapter IV, Title VI of the CNV Rules, the placement of the Notes was made through a book building process, which was conducted by the Initial Purchasers and the Argentine Placement Agent. The Argentine Placement Agent was in charge of submitting to the Initial Purchasers the indications of interest of the investors (the "Indications of Interest") entered in the Registry (as defined below) received from potential investors in Argentina.

The Indications of Interest had to specify the principal amount of Notes requested for purchase, which could not be less than US\$150,000 and in integral multiples of US\$1,000, as well as the interest rate offered for the Notes, expressed as a semi-annual rate rounded to three decimal places and the issue price.

Solicitation Period and Final Time for Filing Indications of Interest

Indications of Interest in Argentina had to be delivered to the Argentine Placement Agent at the addresses indicated in the subscription notice during the period which began and expired on the dates and hours set forth in the subscription notice (the "Subscription Notice") in accordance with Chapter IV, Title VI of the CNV Rules (as amended by Resolution No. 662/2016), published on the CNV's website (www.cnv.gob.ar), the BCBA Gazette and MAE's Electronic Gazette (the "Solicitation Period") (the expiration date of the Solicitation Period, the "Final Time for Filing Indications of Interest," and the last day of such period, the "Pricing Date"). After the Final Time for Filing Indications of Interest, no further Indications of Interest were received.

On the Pricing Date, the Initial Purchasers had to record in the Registry all the Indications of Interest received by the Final Time for Filing Indications of Interest and thereafter had to close the Registry (the exact date and time of the effective registration of the Indications of Interest in the Registry and closing of the Registry determined by the Initial Purchasers in their sole discretion within the range described above at the Pricing Date) (the "Registry Closing Time"). After the Final Time for Filing Indications of Interest no further Indications of

Interest could be received. The Indications of Interest received by the Final Time for Filing Indications of Interest would not be binding, and could be withdrawn or modified, until the Registry Closing Time. Pursuant to Article 7, Section 2, Chapter IV, Title VI of the CNV Rules, the potential investors could have waived their right to expressly ratify the Indications of Interest with effect as of the Registry Closing Time. Consequently, all Indications of Interest not withdrawn or modified as of the Registry Closing Time constituted firm, binding and final offers on the terms presented (according to any modifications made as of such time) effective as of the Registry Closing Time.

The Subscription Notice had to include the information required under Section 8, Chapter IV, Title VI of the CNV Rules (as amended by Resolution No. 662/2016), including, without limitation, the Solicitation Period, the Final Time For Filing Indications of Interest, the Pricing Date and the Registry Closing Time. The Solicitation Period in Argentina began at 10:00 a.m. on January 25, 2017 and finalized at 1:00 p.m. on January 30, 2017.

Pricing Date

Pursuant to Resolution No. 662 of the CNV, on the Pricing Date, after the closing of the Registry by the Initial Purchasers, we, together with the Initial Purchasers, determined: (i) the issue price, (ii) the applicable interest rate and (iii) the amount of the Notes to be issued.

On the Pricing Date, following the final allocation of the Notes, a Notice of Results was published on the CNV's website, and as soon as possible thereafter, in BCBA's Gazette and MAE's Electronic Gazette, indicating the aggregate amount of Notes requested, the amount of Notes issued, the issue price and interest rate (the "Notice of Results").

Registry

Pursuant to Article I, Section I, Chapter IV, Title VI of the CNV Rules, the Initial Purchasers had to record the Indications of Interest received from investors outside of Argentina and the Argentine Placement Agent had to record the Indications of Interest received from investors in Argentina, and had to include them in an electronic log book, maintained by the Initial Purchasers in the city of New York in accordance with the customary practices and applicable regulations for this type of international offerings in the United States (the "Registry"). CNV Rules require that the information in the Registry details who the potential investor is, its country of origin, the type of person or institution concerned, the amount of Notes requested in the Indication of Interest received, the agent through which the Indication of Interest was placed, the date and time in which such Indication of Interest was received and the requested interest rate and/or issue price.

Allocation Process

Upon determination of the issue price and the interest rate of the Notes, we allocated the Notes pursuant to the allocation process described herein. Taking into account the Indications of Interest received and the information gathered during such period, the total quantity of Notes requested (or demand curve) was set and the applicable issue price and interest rate of the Notes was determined by us.

The criteria to distribute and allocate the Notes among investors who submitted Indications of Interest to the Initial Purchasers and/or the Argentine Placement Agent with an indication of price and interest rate below or equal to the final price accepted by us was based primarily on giving priority to those Indications of Interest received from investors that generally maintain these types of investments in their portfolio for a longer period. The rationale for this approach is that the secondary market price of the Notes will benefit from a stable investor base, with proven ability to understand credit risks, interested in maintaining long-term positions, thus allowing the creation of a reference for our debt and facilitating future access to international capital markets. Priority was given, in particular, to those Indications of Interest received by international and local institutional investors, including, but not limited to, investment funds, pension funds, sovereign funds, insurance companies, financial entities, brokerage firms and managers of private banking accounts.

The allocations were performed at the same value for all investors that receive an allocation.

We did not assure investors that their Indications of Interest would be allocated or, if we allocated their Indications of Interest, that they would receive an allocation of Notes for the full amount they applied for, nor that the percentage of allocations over the solicited aggregate amount between two Indications of Interest of equal characteristics would be the same.

Neither we, the Initial Purchasers nor the Argentine Placement Agent had any obligation to notify any investor whose Indications of Interest was totally or partially excluded, that such Indications of Interest was totally or partially excluded.

Payment of the Subscription Price; Settlement

On February 6, 2017, the fifth business day after the Pricing Date, the Notes were issued and settled and the investors who received an allocation of the Notes in accordance with the procedures described above were charged the full amount of such Notes in U.S. dollars through a bank transfer to an account outside of Argentina, that had to be disclosed by the Argentine Placement Agent and the Initial Purchasers to the investors in the notice of allocation.

Stabilization Transactions

In connection with the offering of the Notes, subject to the terms and conditions and during the timelines specified in CNV Rules and other applicable regulations, the Initial Purchasers (or persons acting on their behalf) could over-allot Notes or effect transactions with a view to support the market price of the Notes at a level higher than that which might otherwise prevail including, by means of short-sales, stabilizing transactions and purchases to cover positions created by short-sales. However, there is no assurance that the Initial Purchasers (or persons acting on their behalf) would undertake stabilization action. Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made, and, if begun may be ended at any time, but it must end no later than 30 days after the date on which we received the proceeds of the issue, or no later than 60 days after the date of allotment of the relevant securities, whichever is the earlier.

Over allotment involves sales in excess of the offering size, which creates a short position for the Initial Purchaser. 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. Stabilizing transactions may cause the price of the Notes to be higher than it would otherwise be in the absence of those transactions. Any stabilization, covering or overallotment transaction will be subject to the limitations set forth in any applicable laws and regulations, including the CNV Rules, as amended by CNV Resolution No. 662/2016.

The Argentine Placement Agent who participates in the placement and distribution of the Notes, may, in accordance with the provisions of Section 12, Subsection III, Chapter IV, Title VI of the CNV Rules, perform transactions aimed at establishing the market price of the Notes once such Notes enter the secondary market, which may be suspended or interrupted at any time. Such transactions shall comply with the following conditions: (i) the prospectus of such public offering will include a warning to investors concerning the possible performance of such transactions, their duration and conditions, (ii) such transactions may be performed by agents who have participated in the organization and coordination of placing and offering the Notes, (iii) such transactions will not exceed thirty calendar days as of the first day the secondary trading of the securities in the relevant market occurred, (iv) stabilization transactions aimed at avoiding or moderating abrupt alterations of the trading price of the securities in the primary placement through a book building process (as is the case of this offering) by auction or public bidding may be performed, (v) no stabilization transactions performed during the authorized period will be conducted at prices higher than those at which such security was traded in authorized markets, in transactions between parties who do not participate in the organization, placement and distribution of the securities, and (vi) the agents who perform stabilization transactions pursuant to the conditions described above, will inform the markets of the individualization of such transactions. Stabilization transactions will be made public by the markets, whether in the case of each individual transaction or the daily closing of the transactions.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive, an offer of securities described in the Offering Memorandum may not be made to the public in that Member State other than:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) to fewer than 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 Purchaser nominated by us for any such offer; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of securities shall require us or any Initial Purchaser to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this Offering Memorandum, the expression an “offer of the Notes to the public” in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State.

The European Economic Area selling restriction is in addition to any other selling restriction set out in this Offering Memorandum.

United Kingdom

This Offering Memorandum is only being distributed in the United Kingdom to, and is only directed at, (a) investment professionals falling within both Article 14(5) of the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) Order 2001, as amended (the “CIS Promotion Order”) and Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “General Promotion Order”), and (b) high net worth companies and other persons falling within both Article 22(2)(a) to (d) of the CIS Promotion Order and Article 49(2)(a) to (d) of the General Promotion Order.

Grand Duchy of Luxembourg

The Notes may not be offered or sold to the public in the Grand Duchy of Luxembourg, directly or indirectly, and neither this Offering Memorandum nor any circular, prospectus, form of application, advertisement, communication or other material may be distributed, or otherwise made available in, or from or published in, the Grand Duchy of Luxembourg, except for the sole purpose of the admission to trading and listing of the Notes on the Luxembourg Stock Exchange and except in circumstances which do not constitute a public offer of securities to the public.

Hong Kong

The Notes have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) (“SFO”) of Hong Kong and any rules made thereunder; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (“Companies Ordinance”) or which do not constitute an offer to the public within the meaning of the Companies Ordinance. No advertisement, invitation or document relating to the Notes have been or may be issued or has been or may be in the possession of any person for the purposes of issue, whether in Hong Kong or elsewhere, 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) other than with respect to Notes

which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made thereunder.

Singapore

This Offering Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Offering Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (a) to an institutional investor or other person specified in Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), (b) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to compliance with conditions set forth in the SFA.

Where the Notes are subscribed or purchased under Section 275 by a relevant person which is: (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries’ rights and interest in that trust shall not be transferable for six (6) months after that corporation or that trust has acquired the Notes under Section 275 of the SFA except: (i) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA; (ii) where no consideration is given for the transfer; or (iii) where the transfer is by operation of law.

Canada

The Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus supplement (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (“NI 33-105”), the Initial Purchasers are not required to comply with the disclosure requirements of NI 33-105 regarding the Initial Purchaser’s conflicts of interest in connection with this offering.

LISTING AND GENERAL INFORMATION

1. The Notes have been accepted for clearance through DTC, Euroclear and Clearstream. The CUSIP and ISIN numbers for the Notes are as follows:

	Restricted Global Note	Regulation S Global Note
CUSIP.....	00786P AC8	P0092M AE3
ISIN	US00786PAC86	USP0092MAE32
Common Code.....	156089133	156089150

The Notes are listed and admitted for trading in Merval and in MAE, and application has been made to list the Notes on the Luxembourg Stock Exchange and admitted for trading in the Euro MTF Market.

2. Copies of our latest audited consolidated and company annual financial statements and unaudited consolidated and company quarterly financial statements, may be obtained at our offices. Copies of our by-laws, as well as the Indenture (including a form of the Notes), will be available at our offices.

3. The issuance of the Notes and their terms and conditions were authorized at a meeting of our shareholders held on November 30, 2016, and by a resolution of our board of directors approved on December 2, 2016.

4. Except as disclosed in this Offering Memorandum, there has been no material adverse change in our financial position since December 31, 2015, the date of the latest Audited Consolidated Financial Statements included in this Offering Memorandum.

5. Except as disclosed in this Offering Memorandum, we are not involved in any litigation or arbitration proceedings relating to claims or amounts that are material in the context of this offering, nor so far as we are aware is any such litigation or arbitration pending or threatened.

6. The EU Saving Directive requires member states to provide to the tax authorities of other member states details of payments of interest and other similar income paid by a person to an individual in another member state, except that Austria, Belgium and Luxembourg will instead impose a withholding system for a transitional period unless during such period they elect otherwise.

7. As long as the Notes are listed on the official list of the Luxembourg Stock Exchange and admitted for trading in the Euro MTF Market; and as long as the rules of the Luxembourg Stock Exchange so require, we will publish any notices to the Noteholders on the website of the Luxembourg Stock Exchange, www.bourse.lu, or by any other means satisfactory to the Luxembourg Stock Exchange.

LEGAL MATTERS

The validity of the Notes and certain legal matters in connection with this offering will be passed upon for us by Greenberg Traurig, LLP, New York, New York. Certain legal matters with respect to Argentine law will be passed upon for us by M. & M. Bomchil Abogados, Buenos Aires, Argentina. Certain legal matters with respect to the Notes will be passed upon for the Initial Purchasers by Cadwalader, Wickersham & Taft LLP, New York, New York. Certain legal matters with respect to Argentine law will be passed upon for the Initial Purchasers by Marval O'Farrell & Mairal, Buenos Aires, Argentina.

INDEPENDENT ACCOUNTANTS

The Audited Consolidated Financial Statements have been audited by Price Waterhouse & Co. S.R.L., a member firm of the PricewaterhouseCoopers global network, independent accountants ("PwC"), as stated in their audit report dated November 2, 2016.

With respect to our Unaudited Interim Financial Statements, PwC has performed the procedures for a review of interim financial information specified in the International Standard for Review Engagements No. 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" (ISRE 2410) and issued a review report dated November 2, 2016.

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Unaudited Interim Condensed Consolidated Financial Statements of AA2000 as of September 30, 2016 and for the nine-month period ended September 30, 2016 and September 30, 2015

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Aeropuertos Argentina 2000 S.A.

Consolidated Financial Statements
At December 31, 2015, 2014 and 2013

Aeropuertos Argentina 2000 S.A.

Consolidated Financial Statements
At December 31, 2015, 2014 and 2013

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AR\$ = Argentine Peso
US\$ = US Dollar

Aeropuertos Argentina 2000 S.A.

Registration number with the Superintendency of Corporations: 1645890

Legal address:

Suipacha 268 - Piso 12º - Autonomous
City of Buenos Aires

Principal activity:

Use, management and operation of
airports

Consolidated Financial Statements

At December 31, 2015, 2014 and 2013

DATE OF REGISTRATION WITH THE PUBLIC REGISTRY OF COMMERCE:

Of the By-laws:

February 18, 1998

Of the last modification of the By-laws:

December 19, 2012

Registration number with the Superintendence of
Corporations:

1645890

Expiration date of the company:

February 17, 2053

Parent Company:

Corporación América S.A.

Legal address:

Honduras 5673 -

Autonomous City of Buenos Aires

Principal activity:

Investments and financing

Participation of the Parent Company
in common stock and total votes:

45.90%

CAPITAL STOCK (Note 16)		
	Subscribed	Paid-in
	AR\$	
Issued as of December 31, 2015		
79,105,489 Class "A" common shares of AR\$ 1 par value and 1 vote each	79,105,489	79,105,489
79,105,489 Class "B" common shares of AR\$ 1 par value and 1 vote each	79,105,489	79,105,489
61,526,492 Class "C" common shares of AR\$ 1 par value and 1 vote each	61,526,492	61,526,492
38,779,829 Class "D" common shares of AR\$ 1 par value and 1 vote each	38,779,829	38,779,829
592,958,817 Preferred shares of AR\$ 1 par value with no voting rights	592,958,817	592,958,817
	851,476,116	851,476,116

Aeropuertos Argentina 2000 S.A.

Registration number with the Superintendency of Corporations: 1645890

Consolidated Statements of Comprehensive Income

For the years ended at December 31, 2015, 2014 and 2013

	12.31.15	12.31.14	12.31.13
	AR\$	AR\$	AR\$
Continuous Operations			
Revenue (Note 4)	5,982,385,520	4,681,498,448	2,985,291,463
IFRIC 12- paragraph 14 Credit (Note5)	1,399,128,467	1,126,700,190	790,751,048
Cost of services (Note 10)	(3,210,306,704)	(2,502,731,109)	(1,753,418,119)
IFRIC 12- paragraph 14 Debit	(1,397,214,089)	(1,125,351,882)	(790,067,663)
Gross Profit	2,773,993,194	2,180,115,647	1,232,556,729
Distribution and selling expenses (Note 10)	(406,786,490)	(287,768,617)	(209,526,011)
Administrative expenses (Note 10)	(401,883,081)	(261,130,330)	(183,642,965)
Other income and expenses, net	(5,825,227)	2,995,613	(3,501,695)
Operating profit	1,959,498,396	1,634,212,313	835,886,058
Finance Income (Note 4)	210,020,221	78,627,591	45,116,092
Finance Costs (Note 4)	(1,469,063,466)	(869,320,196)	(659,082,805)
Income from investment accounting for by the equity method	-	(531,670)	-
Income before Income Tax	700,455,151	842,988,038	221,919,345
Income tax (Note 4)	(242,381,092)	(295,813,315)	(79,615,554)
Income for the year for continuous operations	458,074,059	547,174,723	142,303,791
Net Income for the year	458,074,059	547,174,723	142,303,791
Other comprehensive income	-	-	-
Comprehensive income for the year	458,074,059	547,174,723	142,303,791
Income attributable to:			
Shareholders	456,216,345	546,732,624	144,022,537
Non-Controlling Interest	1,857,714	442,099	(1,718,746)
Earnings per share basic and diluted attributable to shareholders of the Company during the year	1.7261	2.0716	0.5064
(shown in AR\$ per share) from continuous operations			

The accompanying notes are an integral part of these Consolidated Financial Statements.

Aeropuertos Argentina 2000 S.A.

Registration number with the Superintendency of Corporations: 1645890

Consolidated Statements of Financial Position

At December 31, 2015, 2014 and 2013

	12.31.15	12.31.14	12.31.13			
	AR\$					
Assets						
Non-Current Assets						
Property, plant and equipment (Note 12)	14,529,506	10,407,285	11,859,293			
Intangible Assets (Note 5)	6,335,190,375	5,166,021,068	4,256,848,065			
Deferred income tax assets	1,262,400	1,222,986	2,986,134			
Other receivables (Note 4)	1,093,190	8,213,708	112,553,606			
Total Non-Current Assets	6,352,075,471	5,185,865,047	4,384,247,098			
Current Assets						
Other receivables (Note 4)	41,486,924	49,596,165	26,146,996			
Trade receivables, net (Note 4)	589,247,286	472,434,848	220,163,770			
Other Assets	1,316,414	1,124,144	1,339,029			
Cash and cash equivalents (Note 4)	605,194,140	469,575,414	212,893,335			
Total Current Assets	1,237,244,764	992,730,571	460,543,130			
Total assets	7,589,320,235	6,178,595,618	4,844,790,228			
Shareholders' Equity and Liabilities						
Equity attributable to Shareholders:						
Common shares	258,517,299	258,517,299	258,517,299			
Preferred shares	592,958,817	581,332,174	569,933,504			
Share Premium	137,280,595	137,280,595	137,280,595			
Legal and facultative reserve	1,471,417,574	935,951,593	803,687,726			
Retained earnings	456,216,345	547,092,624	144,022,537			
Subtotal	2,916,390,630	2,460,174,285	1,913,441,661			
Non-Controlling Interest	5,141,009	3,283,295	1,272,864			
Total Shareholders' Equity	2,921,531,639	2,463,457,580	1,914,714,525			
Liabilities						
Non-Current Liabilities						
Accounts payable and others (Note 4)	19,445,745	1,565,663	1,739,106			
Borrowings (Note 6)	2,506,445,133	2,005,615,717	1,808,331,654			
Deferred income tax liability	106,690,411	135,027,259	133,349,074			
Provisions and other charges (Note 9)	134,403,735	51,745,658	44,830,737			
Total Non-Current liabilities	2,766,985,024	2,193,954,297	1,988,250,571			
Current Liabilities						
Fee payable to the Argentine National Government (Note 7)	89,674,994	86,331,097	131,067,828			
Accounts payable and others (Note 4)	801,683,611	616,450,035	530,365,176			
Income tax, net of prepayments	41,742,541	218,172,473	19,218,085			
Borrowings (Note 6)	715,603,095	434,753,198	147,736,886			
Provisions and other charges (Note 9)	252,099,331	165,476,938	113,437,157			
Total Current Liabilities	1,900,803,572	1,521,183,741	941,825,132			
Total Liabilities	4,667,788,596	3,715,138,038	2,930,075,703			
Total Shareholders' Equity and Liabilities	7,589,320,235	6,178,595,618	4,844,790,228			

The accompanying notes are an integral part of these Consolidated Financial Statements.

Aeropuertos Argentina 2000 S.A.
 Registration number with the Superintendency of Corporations: 1645890

Consolidated Statements of Changes in Equity
 At December 31, 2015, 2014 and 2013

Attributable to equity holders of the Company									
	Capital Stock Common Shares	Capital Stock Preferred Shares	Share Premium	Legal Reserve	Facultative Reserve	Retained Earnings	Total	Non- Controlling interest	Total Shareholders' Equity
AR\$									
Balances at 01.01.15	258,517,299	581,332,174	137,280,595	59,181,176	876,770,417	547,092,624	2,460,174,285	3,283,295	2,463,457,580
Resolution of the Shareholders' Meeting dated April 28, 2015. (Note 20)	-	11,626,643		- 27,336,631	508,129,350	(547,092,624)	-	-	-
Net Income for the year	-	-	-	-	-	456,216,345	456,216,345	1,857,714	458,074,059
Balances at 12.31.15	258,517,299	592,958,817	137,280,595	86,517,807	1,384,899,767	456,216,345	2,916,390,630	5,141,009	2,921,531,639
Balances at 01.01.14	258,517,299	569,933,504	137,280,595	51,980,049	751,707,677	144,022,537	1,913,441,661	1,272,864	1,914,714,525
Changes in Non-Controlling Interest	-	-	-	-	-	-	-	1,568,332	1,568,332
Resolution of the Shareholders' Meeting dated April 21, 2014	-	11,398,670		- 7,201,127	125,422,740	(144,022,537)	-	-	-
Resolution of the Shareholders' Meeting dated April 21, 2014	-	-	-	-	(360,000)	360,000	-	-	-
Net Income for the year	-	-	-	-	-	546,732,624	546,732,624	442,099	547,174,723
Balances at 12.31.14	258,517,299	581,332,174	137,280,595	59,181,176	876,770,417	547,092,624	2,460,174,285	3,283,295	2,463,457,580
Balances at 01.01.13	258,517,299	558,758,337	137,280,595	39,495,433	525,675,141	249,692,319	1,769,419,124	2,991,610	1,772,410,734
Resolution of the Shareholders Meeting dated April 11, 2013	-	11,175,167		- 12,484,616	226,032,536	(249,692,319)	-	-	-
Net Income for the year	-	-	-	-	-	144,022,537	144,022,537	(1,718,746)	142,303,791
Balances at 12.31.13	258,517,299	569,933,504	137,280,595	51,980,049	751,707,677	144,022,537	1,913,441,661	1,272,864	1,914,714,525

The accompanying notes are an integral part of these Consolidated Financial Statements.

Aeropuertos Argentina 2000 S.A.
 Registration number with the Superintendency of Corporations: 1645890
Consolidated Statements of Cash Flows
 For the years ended December 31, 2015, 2014 and 2013

NOTES	12.31.15	12.31.14	12.31.13
			AR\$
Cash Flows from operating activities			
Net income for the year	458,074,059	547,174,723	142,303,791
<i>Adjustment for:</i>			
Deductions of intangible assets	5	30,659,348	9,020,471
Amortization of intangible assets	5	198,330,959	162,916,462
Specific allocation of accrued and unpaid income	7	89,674,994	58,305,620
Impairment of intangible assets	5	968,853	968,853
Deductions of property, plant and equipment	12	-	907,214
Depreciation of property, plant and equipment	12	1,924,600	1,885,198
Bad debts provision	8	19,566,879	17,052,605
Bad debts recovered	8	-	(10,352,896)
Income tax	13	242,381,092	295,813,315
Unpaid borrowing Interest costs		28,514,278	24,700,537
Accrued deferred revenues and additional consideration	9	(47,881,047)	(48,702,957)
Adjustment to present value of tax credits		-	(35,201,266)
Accrued and unpaid Exchange differences		913,235,111	540,633,115
Provision for contingencies	9	675,007	3,119,511
<i>Changes in operating assets and liabilities:</i>			
Changes in trade receivables		(136,379,317)	(258,970,787)
Changes in other receivables		15,229,759	116,091,995
Changes in other assets		(192,270)	214,885
Changes in accounts payable and others		203,113,658	85,901,416
Changes in liabilities for current income tax		(17,739,048)	(10,974,483)
Changes in provisions and other charges		216,486,510	107,657,659
Changes in fee payable to the Argentine National Government		(86,331,097)	(103,042,351)
Changes in borrowings		115,238,776	111,730,599
Acquisition of intangible assets		(1,378,723,386)	(1,098,075,133)
Income tax paid		(429,448,238)	(82,433,111)
Net cash provided by operating activities		437,379,480	476,935,870
Cash Flow for investing activities			
Acquisition of property, plant and equipment	12	(6,046,821)	(433,190)
Net Cash Flow used in investing activities		(6,046,821)	(433,190)
Cash flow from financing activities			
New Borrowings		134,500,000	-
Reimbursement of funds		-	1,568,332
Borrowings paid - principal	6	(458,530,914)	(144,821,067)
Borrowings paid - interest	6	(268,342,893)	(251,673,852)
Net Cash Flow used in financing activities		(592,373,807)	(394,926,587)
(Decrease) / Increase in cash and cash equivalents		(161,041,148)	81,576,093
Changes in cash and cash equivalents			
Cash and cash equivalents at the beginning of the year (*)		198,989,016	78,975,958
(Decrease) / Increase in cash and cash equivalents		(161,041,148)	81,576,093
Foreign Exchange differences		171,531,025	38,436,965
Cash and cash equivalents at the end of the year (*)		209,478,893	198,989,016
Transactions that do not represent changes in cash and cash equivalents:			
Acquisition of intangible assets through liabilities for finance leases		20,405,081	28,625,057
Dividends on preferred shares		11,859,176	11,626,643

(*) Does not include restricted cash at the beginning and at the end of the year for AR\$270,586,398 and AR\$395,715,247 respectively at December 31, 2015.
 Does not include restricted cash at the beginning and at the end of the year for AR\$133,917,377 and AR\$270,586,398 respectively at December 31, 2014.
 Does not include restricted cash at the beginning and at the end of the year for AR\$133,917,377 and AR\$133,917,377 respectively at December 31, 2013.

The accompanying notes are an integral part of these Consolidated Financial Statements.

Aeropuertos Argentina 2000 S.A.

Registration number with the Superintendence of Corporations: 1645890

Notes to the Consolidated Financial Statements

At December 31, 2015, 2014 and 2013

NOTE 1 - COMPANY ACTIVITIES

Aeropuertos Argentina 2000 S.A. (“AA2000” or the “Company”) was incorporated in the Autonomous City of Buenos Aires on January 28, 1998, after the consortium of companies won the national and international bid for the concession rights for the use, management and operation of the “A” Group of the Argentine National Airport System. “A” Group includes 33 airports which operate in Argentina.

On February 9, 1998, the Company entered into a concession agreement with the Argentine National Government. Pursuant to the terms of the concession agreement, the Company has been granted the concession for the use, management and operation of the “A” Group of the National Airport System for a thirty-year term commencing on February 13, 1998, which may be extended by the Argentine National Government under certain circumstances for an additional term of 10 years.

On April 3, 2007, the Company and the Government signed the “Memorandum of Agreement Project for the Adaptation of the Concession Agreement for the Use, Management and Operation of the “A” Group of the Airport System” (the “Agreement”), which modified the Concession Agreement. The Memorandum of Agreement became effective on December 13, 2007 upon publication of Decree 1799/2007, dated December 4, 2007, in the Official Gazette. Unless otherwise stated, the term “Concession Agreement” makes reference to the Concession Agreement modified by the Memorandum of Agreement.

As from July 24, 2012 the Company operates and manages the Airport of Termas de Rio Hondo according to agreements signed between the Company and the Province of Santiago del Estero. On March 21, 2013, the Argentine National Government through Decree N° 303/2013, confirmed the inclusion of the airport in the National Airport System, however, at December 31, 2015, its inclusion into the “A” Group was still pending.

Main terms and conditions of the Concession Agreement:

1.1. Balance in favor of the Argentine National Government

Through the approval of the Agreement, the Argentine National Government and the Company agreed upon a process for the settlement of such mutual claims.

Aeropuertos Argentina 2000 S.A.

Registration number with the Superintendence of Corporations: 1645890

Notes to the Consolidated Financial Statements

At December 31, 2015, 2014 and 2013 (Cont.)

NOTE 1 - COMPANY ACTIVITIES (Contd.)

1.1 Balance in favor of the Argentine National Government (Contd.)

The Company has withdrawn all claims and appeals previously filed against the Argentine National Government. In turn, the Regulating Agency of the National Airport System (ORSNA) agreed to dismiss the summary proceedings initiated against The Company as a result of the failure to pay the fee.

As a result of the withdrawal of the mutual claims, the total amount payable to the Argentine National Government amounted to AR\$ 849.16 million, which was paid by the Company as detailed below:

- 22.9% (AR\$ 195 million) by depositing an amount equal to 7% of the revenues arising from the international tariffs to be collected from 2006 to 2013. Unpaid balances accrued interest of 2% p.a., payable monthly.
- 18.61% (AR\$ 158 million) through the issuance of Negotiable Obligations convertible in common shares to be issued in pesos, which accrued annual interest of 2%, capitalizable until 2013. The Argentine National Government could, as the holder of the convertible notes, convert them into common shares. The Company has issued Negotiable Obligations which were converted in common shares for AR\$ 158,000,000 representing 15% of the Company's common shares.
- 58.43% (AR\$ 496.16 million) in redeemable preferred shares which are convertible into common shares, in Argentine Pesos, accruing a fixed annual dividend of 2% of the par value of the preferred shares (the same conditions as the mechanism for restating the concessionaire's pending obligations) capitalizable until 2019. Additionally, as from 2020, the Argentine National Government can convert the preferred shares into common shares, to the extent Aeropuertos Argentina 2000 S.A. has not redeemed them prior to that date, up to a 12.5% per year of the initial preferred shares amount. The redeemable preferred shares at the option of the issuer, result in its classification within shareholders' equity, to the extent the option has not been exercised or cannot be duly exercised.

The Company has issued 496,161,413 preferred shares, AR\$ 1 par value and one vote each.

Pursuant to the holding of the abovementioned preferred shares, the Argentine National Government has the right to appoint one regular Director and one alternate Director and a one syndic and one alternate syndic.

Aeropuertos Argentina 2000 S.A.

Registration number with the Superintendence of Corporations: 1645890

Notes to the Consolidated Financial Statements

At December 31, 2015, 2014 and 2013 (Cont.)

NOTE 1 - COMPANY ACTIVITIES (Contd.)

1.1 Balance in favor of the Argentine National Government (Contd.)

On June 9, 2011 the Argentine National Government notified the Company its intention to convert the Negotiable Obligations into class D common shares of the Company. The Board of Directors meeting held on December 27, 2011 approved the issuance of 38,779,829 class D common shares ARS 1 par value and 1 vote each. On December 29, 2011 the Shareholders' Meeting reformed articles 2.01 and 4.01 of the Company's bylaws to reflect the conversion of the negotiable obligations.

As a result of the abovementioned conversion in December 2011, the Company cancelled its debt with the Argentine National Government, which amounted to AR\$ 158,000,000 of principal and AR\$18,060,424 of interests, resulting in an increase of issued capital of AR\$ 38,779,829 and a share premium of AR\$137,280,595.

As owner of 38,779,829 common shares class D the Argentine National Government has the right to appoint an additional regular director and an alternate.

1.2. Consideration payable to the Argentine National Government

Under the terms of the Concession Agreement, the Company is required to, on a monthly basis; allocate an amount equal to 15% of the revenues derived from the Concession, as follows:

- 11.25% of total revenues to a trust for funding infrastructure works of the National Airport Systems.

30 % of such funds will be contributed directly to the National Social Security Administration (ANSES). The Secretary of Transportation, with previous authorization from the ORSNA, will determine the works in any airport of the country whether at airports under the concession agreement or not. The Company could present the ORSNA proposed works projects which, together with ORSNA's proposals will be presented to the Secretary of Transportation who will decide upon the use of the trust funds.

- 1.25% of total revenues to a trust fund to study, control and regulate the Concession, which is to be administered and managed by the ORSNA
- 2.5% of total revenues to a trust for funding of infrastructure works for the "A" Group of the National Airports System.

Aeropuertos Argentina 2000 S.A.

Registration number with the Superintendence of Corporations: 1645890

Notes to the Consolidated Financial Statements

At December 31, 2015, 2014 and 2013 (Cont.)

NOTE 1 - COMPANY ACTIVITIES (Contd.)

1.2. Consideration payable to the Argentine National Government (Contd.)

The Argentine Secretary of Transportation, under the authority of the Ministry of Interior and Transportation adopted Resolution No. 291/2009 (published in the Official Gazette on January 7, 2010) approved the model of the “Trust Agreement for the Strengthening of the National Airport System” in accordance with the guidelines established in the Memorandum of Agreement.

This Trust Agreement for the Strengthening of the National Airport System provides in its Article 15 that, with prior intervention of the Secretary of Transportation and authorization of the ORSNA, the Company may settle trust payment obligations through the assignment of credits arising from the rendering of aeronautical and/or airport services under the concession.

On December 29, 2009 the Company, as Trustor, and Banco de la Nación Argentina, as Trustee, entered into the “Trust Agreement for the Strengthening of the National Airport System” (hereinafter “the Development Trust”). This Development Trust was also signed by the Secretary of Transportation and the ORSNA.

As from June 2010, the Company has been allocating 15% of their revenues to the Development Trust (See Note 7).

1.3. Tariff schedule

The Company is entitled to receive the fees established in the tariff schedule for aeronautical services.

Through Resolution N° 9/09 dated January 28, 2009, the ORNSA approved the Review of the Financial Projection of Income and Expenses for the period 2006-2007.

Resolution ° 10/09 of the ORSNA which approves the Tariff Schedule to be applied in all airports of the National Airport System was published in the Official Gazette on February 4, 2009. (See Note 15)

Through Resolution N° 60/10 dated October 14, 2010 the ORSNA approved the Review of the Financial Projection of Income and Expenses at December 31, 2009.

Aeropuertos Argentina 2000 S.A.

Registration number with the Superintendence of Corporations: 1645890

Notes to the Consolidated Financial Statements

At December 31, 2015, 2014 and 2013 (Cont.)

NOTE 1 - COMPANY ACTIVITIES (Contd.)

1.3. Tariff schedule (Contd.)

ORSNA Resolution N° 125/11 dated December 21, 2011 substitutes article 2 of Resolution 60/10 regarding the balancing of variables in the Financial Projection of Income and Expenses through a tariff increase of 16% and 17%, respectively in the Regional and International Airport passenger tariffs and an increase of 15% in the Domestic Airport passenger tariff.

The Official Gazette on December 22, 2011 published ORSNA Resolution N° 126/11, which approves the Tariff Schedule to be applied in the National Airports System (see Note 15).

Through Resolution N° 115/12 dated November 2, 2012 the ORSNA approved the Review of Financial Projections of Income and Expenses at December 31, 2010.

ORSNA Resolution N° 117/12, published in the Official Gazette of November 14, 2012 approves the Tariff Schedule to be applied in all airports of the National Airports System.

Resolution N° 44/14 of the ORSNA dated March 31, 2014 approved the Review of Financial Projection of Income and Expenses at December 31, 2011 and December 31, 2012.

ORSNA Resolution N° 45/14 published in the Official Gazette on April 8, 2014 approves the Tariff Schedule to be applied in all airports of the National Airports System (see Note 15).

Resolution N° 73/15 of the ORSNA approved the Tariff Schedule applicable to passengers in the National Airport System to be applied to air tickets issued as from July 1, 2015.

Through Resolution N° 167/15 dated November 20, 2015 the ORSNA approved the Review of Financial Projection of Income and Expenses at December 31, 2013 and December 31, 2014.

ORSNA Resolution N° 168/15 published in the Official Gazette N° 33.263 on November 24, 2015, approves the Tariff Schedule to be applied in all airports of the National Airport System (see note 15).

Aeropuertos Argentina 2000 S.A.

Registration number with the Superintendence of Corporations: 1645890

Notes to the Consolidated Financial Statements

At December 31, 2015, 2014 and 2013 (Cont.)

NOTE 1 - COMPANY ACTIVITIES (Contd.)

1.4. Investments

The Concession Agreement requires AA2000 to develop a master plan for each of its airports, which should lay out the investment commitments for each airport during the term of the Concession Agreement, taking into consideration the expected demand for aeronautical and non-aeronautical services.

The ORSNA has approved the following plans for the use of each airport:

- (i) Aeropuerto Jorge Newbery through ORSNA Resolution N° 72/08 and its modification by Resolution N° 123/12
- (ii) Aeropuerto de Ezeiza through ORSNA Resolution N° 38/09
- (iii) Aeropuerto de Córdoba through ORSNA Resolution 93-10
- (iv) Aeropuerto San Fernando through ORSNA Resolution N° 6/11. Through Resolution N° 157/13 approved an amended Plan of Use
- (v) Aeropuerto Bariloche through ORSNA Resolution N° 7/11
- (vi) Aeropuerto Mendoza through ORSNA Resolution N° 8/11
- (vii) Aeropuerto de Iguazú through ORSNA Resolution N° 9/11
- (viii) Aeropuerto de Tucumán through ORSNA Resolution N° 47/11
- (ix) Aeropuerto de Resistencia through ORSNA Resolution N° 48/11
- (x) Aeropuerto de Comodoro Rivadavia through ORSNA Resolution N° 49/11
- (xi) Aeropuerto de Mar del Plata through ORSNA Resolution N° 50/11
- (xii) Aeropuerto de Río Gallegos through ORSNA Resolution N° 51/11
- (xiii) Aeropuerto de San Juan through ORSNA Resolution N° 56/11
- (xiv) Aeropuerto de Salta through ORSNA Resolution N° 70/11
- (xv) Aeropuerto de Paraná through ORSNA Resolution N° 84/11
- (xvi) Aeropuerto de Río Grande through ORSNA Resolution N° 85/11
- (xvii) Aeropuerto de Santa Rosa through ORSNA Resolution N° 98/11
- (xviii) Aeropuerto de Posadas through ORSNA Resolution N° 114/11
- (xix) Aeropuerto de Catamarca through ORSNA Resolution N° 115/11
- (xx) Aeropuerto de La Rioja through ORSNA Resolution N° 116/11
- (xxi) Aeropuerto de Puerto Madryn through ORSNA Resolution N° 117/11
- (xxii) Aeropuerto de Reconquista through ORSNA Resolution N° 16/12
- (xxiii) Aeropuerto de Santiago del Estero through ORSNA Resolution N° 18/12
- (xxiv) Aeropuerto de Villa Reynolds, San Luis through ORSNA Resolution N° 19/12

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Notes to the Consolidated Financial Statements

At December 31, 2015, 2014 and 2013 (Cont.)

NOTE 1 - COMPANY ACTIVITIES (Contd.)

1.4. Investments (Contd.)

- (xxv) Aeropuerto de General Pico, La Pampa through ORSNA Resolution N° 34/12
- (xxvi) Aeropuerto de Río Cuarto, Córdoba through ORSNA Resolution N°35/12
- (xxvii) Aeropuerto de Jujuy through ORSNA Resolution N°45/12
- (xxviii) Aeropuerto de Malargüe through ORSNA Resolution N° 47/12
- (xxix) Aeropuerto de Esquel through ORSNA Resolution N° 66/12
- (xxx) Aeropuerto de San Luis through ORSNA Resolution N° 146/13
- (xxxi) Aeropuerto de Formosa through ORSNA Resolution N° 147/13
- (xxxii) Aeropuerto de Viedma through ORSNA Resolution N° 148/13
- (xxxiii) Aeropuerto de San Rafael through ORSNA Resolution N° 149/13

Likewise, the ORSNA has approved the Master Plans of the following airports:

- (i) Bariloche through ORSNA Resolution N° 143/14;
- (ii) Iguazu through ORSNA Resolution N° 146/14;
- (iii) Mendoza through ORSNA Resolution N° 147/14;
- (iv) Ezeiza through ORSNA Resolution N° 158/14;
- (v) Cordoba through ORSNA Resolution N° 72/15;
- (vi) Comodoro Rivadavia through ORSNA Resolution N° 109/15 and
- (vii) Rio Gallegos through ORSNA Resolution N° 110/15

The Company should make the investments established in the schedule of investments detailed in the Memorandum of Agreement, which establishes the Company's investment commitments from 2006 to the end of the Concession Agreement, i.e. to 2028. Total investment commitments (expressed in December 2005 constant argentine pesos) for the period January 1, 2006 to February 13, 2028 amount to AR\$ 2,158.4 million.

The agreement also contemplates (i) the remediation of environmental liabilities that were previously the responsibility of the Argentine National Government; (ii) additional infrastructure works at the "A" Group of the National Airport System; and (iii) projects necessary to develop a Program for the protection and integration of disabled users.

ORSNA approved the Program under Resolution N° 5/10.

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Notes to the Consolidated Financial Statements

At December 31, 2015, 2014 and 2013 (Cont.)

NOTE 1 - COMPANY ACTIVITIES (Contd.)

1.4. Investments (Contd.)

Compliance with the schedule of investments will be assessed by the ORSNA, which approved the “Investments Record” through Resolution N° 48/10 and the “Rules for authorization, supervision, certification and approval of construction projects” through Resolution N° 36/08.

The ORSNA has included in the Investment Record following amounts:

- \$ 68,517,154 corresponding to the fiscal year 2006 (Resolution ORSNA N° 1/09);
- \$ 88,047,021 corresponding to the fiscal year 2007 (Resolution ORSNA N°10/10);
- \$ 132,602,168 corresponding to the fiscal year 2008 (Resolutions ORSNA N°42/10, N°4/11 y N° 28/12);
- \$ 163,310,083 corresponding to the fiscal year 2009 (Resolutions ORSNA N°4/11);
- \$ 428,498,874 corresponding to the fiscal year 2010 (Resolutions ORSNA N° 28/12 y N° 55/15);
- \$ 642,618,900 corresponding to the fiscal year 2011 (Resolutions ORSNA N° 55/15 y N° 131/15);
- \$ 763,579,100 corresponding to the fiscal year 2012 (Resolutions ORSNA N° 131/15 y N° 177/15);
- \$ 398,022,573 corresponding to the fiscal year 2013 (Resolution ORSNA N° 177/15);

Through note USG 065-12 dated May 9, 2012 the ORSNA notified the Company that the Board of Directors’ Meeting in Open Session N° 3/12 notified the “Annual Program 2012 of Works and Investments – Portfolio of Projects 2012”.

Through note USG N° 55-13, dated May 23, 2013, the ORSNA notified the Company that the Board of Directors’ meeting in Open Session dated May 20, 2013 in Memorandum N° 6/13 approved the “Portfolio of Projects 2013/2014”.

On July 12, 2013 ARSA and AUSA made a proposal to the Company concerning the possibility to make a pre-payment of the fees for the rent of space, services and aeronautical fees (aircraft parking fees and landing fees) to allow the Company to perform complementary works to those in the “Portfolio of Projects 2013/2014” and which are considered a priority to the better development of airport services.

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Notes to the Consolidated Financial Statements

At December 31, 2015, 2014 and 2013 (Cont.)

NOTE 1 - COMPANY ACTIVITIES (Contd.)

1.4. Investments (Contd.)

Through note AA2000 DIR-553/13 the Company notified the ORSNA of the proposal of ARSA and AUSA.

In the Open Meeting of the Board of Directors' of the ORSNA as per Memorandum N°9/13, the ORSNA reviewed the mentioned proposal and nullified the "Portfolio of Projects for the year 2013/2014" previously approved.

Likewise, in such Meeting the ORSNA approved a new "Portfolio of Projects 2013/2014" that incorporates the "Complementary Portfolio of Projects 2013/2014" whose works will be considered as part of the work commitments between December 2014 and December 2015 respectively.

The ORSNA Board of Directors dated May 29, 2014 approved the Portfolio of Projects for the year 2014 being later modified as per Meeting of such entity dated June 26, 2014.

Through note USG N° 83-15 the ORSNA notified the Company that their Board of Directors' meeting dated June 12, 2015 approved the Portfolio of Projects 2015.

Through note ORSNA N° 078-16 the Company was notified of the Annual Works Plan 2016.

1.5. Transfer of assets used to provide the services

At the end of the Concession, AA2000 shall transfer to the Government, free of charge, all assets in use until that date for the provision of services to ensure continuity of the rendering of services either by the Government or a future concessionaire under the same conditions, and with the same quality standards.

1.6. Guarantee for fulfillment of the investments

In order to guarantee performance of the works under the investment plan, the Company shall enter into a guarantee before March 31 of each year for an amount equal to 50% of the works planned for that year.

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Notes to the Consolidated Financial Statements

At December 31, 2015, 2014 and 2013 (Cont.)

NOTE 1 - COMPANY ACTIVITIES (Contd.)

1.6. Guarantee for fulfillment of the investments (Contd.)

The Company has contracted a surety bond amounting to AR\$ 1,465,586,500 to comply with the guarantee.

1.7. Guarantee for fulfillment of the Concession Contract

It was agreed that a guarantee may be offered, to the satisfaction of ORSNA consisting in the pledge of securities, property and/or real estate mortgages, as well as surety bonds.

In order to comply with this clause the Company has set up a surety bond for the amount of AR\$ 410,562,963.

1.8. Insurances

Additionally the Company shall enter into a civil liability insurance policy for a minimum amount of AR\$ 300,000,000.

The company has contracted insurance for U\$S 500,000,000.

1.9. Limitations to the transfer of shares

The shares in AA2000 could not be pledged without prior authorization of the ORSNA. The shareholders of AA2000 could only change their stake ownership or sell their shares with the prior authorization of the ORSNA.

Furthermore, a private shareholder which holds shares of the Company for at least 5 years, should maintain a minimum of 10% of the capital stock.

It is established that the Company cannot merge or spin off during the term of the Concession Agreement.

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Notes to the Consolidated Financial Statements

At December 31, 2015, 2014 and 2013 (Cont.)

NOTE 1 - COMPANY ACTIVITIES (Contd.)

1.10. Public Offering of Shares

The Company is authorized to make a public offering of its common shares and to list them for trading on the Buenos Aires Stock Exchange (BCBA) and/or other stock markets in Argentina, provided it complies with the requirements of the National Securities Commission (CNV) and the applicable regulations, and also on other recognized markets.

To that effect, the Company, on its Shareholders' Meeting on August 7, 2008 decided to enter the public offering and list shares for trading through the issuance of up to 65,000,000 of shares to be made public in the Argentine capital stock market and/or overseas and consequently filed with the CNV and the BCBA for admission to the public offering regime of up to 30% of its capital stock. The Memorandum of Agreement specifically states that once the public offering of AA2000 shares is effective, the Argentine National Government may extend the term of the Concession for a period of 10 years, with the prior approval of the ORSNA.

In the context of the Memorandum of Agreement, the Company has requested the extension of the Concession Agreement from the National Government and to the ORSNA. At December 31, 2015, it was still pending resolution.

Due to non-favorable market conditions for the public offering of its shares, the Company has decided not to become public temporarily, awaiting more favorable conditions.

The Board of Directors' Meeting on March 22, 2011 called for a Shareholders' Meeting on April 11 to make certain changes to the terms and conditions of increase of the capital stock and consequently to the issuance of shares to be offered and certain articles of the company by laws.

The Shareholders' Meeting dated April 29, 2011 decided that due to certain issues regarding the public offering and trading of shares which were being analyzed by the Board, the meeting called for April 11 would be held once those matters had been defined.

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Notes to the Consolidated Financial Statements

At December 31, 2015, 2014 and 2013 (Cont.)

NOTE 1 - COMPANY ACTIVITIES (Contd.)

1.10. Public Offering of Shares (Contd.)

The following clauses were included in the Memorandum of Agreement:

- (i) Regarding the concessionaire's activities as operator: with prior approval of the Regulatory Authority, the Company is authorized to operate other airports, including airports abroad.
- ii) Regarding the use and availability of space: in the event of violations in the use and availability of spaces within the airport, and for the purpose of guaranteeing the Company's full use and operation, the ORSNA can be requested, if properly supported, the initiation of legal proceedings to evict the sub-concessionaires in public spaces in accordance with the procedures of Law No. 17091, as long as it has been proved that there is a negative impact to the quality of the airport services or problems in the continuance and proper rendering of the service.
- (iii) Regarding longer terms for special undertakings: with the authorization given by the Enforcement Authority, the Company may enter into certain commercial contracts for works over periods exceeding the term of the concession.
- (iv) Regarding platform operations: the Company will be responsible for the control and coordination of operations and activities on the platform, under the supervision of the Aeronautical Authority which is responsible for airport safety.
- (v) Regarding payment of tariffs and aeronautical revenues: revenues from the Concession and the actual collection of aeronautical revenues are essential to the sustainability of the airport services. Therefore, the ORSNA, through Resolution No. 22/08, approved the "Regulations for the collection of airport tariffs".
- (vi) financing: authorization is granted to assign cash flows in guarantee and, in the event that such assignment is through a trust fund, it may remain effective even in the event of early termination of the concession.

The ORSNA has prepared an "Integral and Compiled Text of the Concession Agreement" project, which has been commented by the Company. Such comments were analyzed in the ORSNA's Directors' Meeting held on December 9, 2008.

The ORSNA has submitted the final project of "Integral and Compiled Text of the Concession Agreement" to the Ministry of Federal Planning, Public Investment and Services for its approval and issuance of the relevant decree.

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Notes to the Consolidated Financial Statements

At December 31, 2015, 2014 and 2013 (Cont.)

NOTE 2 - BASIS FOR CONSOLIDATION

The consolidated financial statements include the assets, liabilities and results of the following subsidiaries (hereafter the Group)

Entity (1)	Number of common shares	Percentage of participation of the Company in the capital and votes	Book Value 31.12.15	Shareholders' Equity closing	Income for the year	AR\$
Servicios y Tecnología Aeroportuarios S.A. (2)	14,398,848	99.30%	10,548,271	10,622,629	1,879,912	
Cargo & Logistics SA.	5,566,259	98.63%	8,319,943	8,435,444	(1,135,146)	
Paoletti América S.A.	6,000	50.00%	25,916	51,832	(6,029)	
Texelrío S.A. (3)	84,000	70.00%	15,462,079	20,374,398	6,215,269	
Villalonga Furlong S.A (4)	123,700	1.46%	157,565	10,792,149	(1,147,942)	

(1) Companies incorporated in Argentina.

(2) Includes adjustments under IFRS for the preparation and presentation of the corresponding financial statements.

(3) Shareholders Equity includes 4,000,000 of preferred shares.

(4) The Company directly and indirectly owns 98.52% of the capital stock and votes of this entity.

The accounting policies of the subsidiaries have been modified, where necessary, to ensure consistent application with the Company's accounting policies.

AA2000 holds 99.3% of the shares of Servicios y Tecnología Aeroportuarios S.A. (Sertear), which purpose is to manage and develop activities related to duty-free zones, import and export operations, exploit and manage airport-related services, provide transportation services (both passenger and cargo), and warehouse usage services.

AA2000 owns 98.63% of the capital stock of Cargo y Logística S.A., holder of 98.42% of the shares of Villalonga Furlong S.A. Villalonga Furlong S.A. is the holder of Class "B" shares of Empresa de Cargas Aéreas del Atlántico Sud S.A., under liquidation, representing 45% of its capital stock. The remaining 55% of the capital stock, (the Class "A" shares) are owned by the Argentine National Government - Ministry of Defense. Empresa de Cargas Aéreas del Atlántico Sud S.A. (which, as of the date of these consolidated financial statements, is under liquida proceedings as a result of the application of the provisions of Section 94 subsection 2 of Commercial Law 19550) was the concessionaire of the exploitation and provision of international air cargo storage, stowage and warehouse services until June 30, 2009. As from that date the services in charge of Empresa de Cargas Aéreas del Atlántico Sud S.A. are performed by AA2000 in accordance with the Bidding Terms and Conditions of the AA2000 concession agreement.

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Notes to the Consolidated Financial Statements

At December 31, 2015, 2014 and 2013 (Cont.)

NOTE 2 - BASIS FOR CONSOLIDATION (Contd.)

The Company holds 50% of the capital stock and votes of Paoletti América S.A. Pursuant to shareholder agreements, AA2000 is in charge of the administration of Paoletti America S.A, and also appoints the Chairman of the Board of Directors, who, in accordance with the corporate by-laws, has a double vote in case of a tie voting. Therefore, the Company has consolidated the assets, liabilities and results of Paoletti América S.A.

NOTE 3 – ACCOUNTING POLICIES

The Consolidated Financial Statements are presented in Argentine Pesos, except when specifically indicates otherwise. These statements were approved by the Board of Directors of the Company on November 2, 2016.

The National Security Commission (CNV) through Technical Resolutions N° 562/09 and 576/10 has established the application of Technical Resolutions N° 26 and 29 of the Argentine Federation of Professional Council in Economic Sciences which adopts the application of IFRS (International Financial Reporting Standards) issued by the IASB (International Accounting Standards Board), for those entities under the public offering regime Law N° 17.811, whether due to capital stock or corporate bonds or because they have requested authorization to list for trading on stock exchanges.

Application of those standards is mandatory for the Company as from the fiscal year beginning on January 1 2012. Therefore, the transition date, as established in the IFRS 1 “First Time Adoption of the IFRS” was January 1, 2011.

The Consolidated Financial Statements of AA2000 have been prepared in accordance with IFRS and IFRIC (International Financial Reporting Interpretations Committee) Interpretations.

These accounting policies have been consistently applied to all the years presented. Unless otherwise stated.

1) Comparative Information

The information included in these special purpose financial statements was extracted from the Financial Statements of AA2000 as of December 31, 2015, 2014 and 2013, timely approved by the Company's Board and Shareholders. Additional information was included in the consolidated financial statements, mainly related to subsequent events as of the date of issuance of the present financial statements.

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Notes to the Consolidated Financial Statements

At December 31, 2015, 2014 and 2013 (Cont.)

NOTE 3 – ACCOUNTING POLICIES (Contd.)

1) Comparative Information (Contd.)

Certain amounts in the financial statements for the years ended December 31, 2014 and 2013 were reclassified for purposes of comparative presentation, according to the high of intangible assets that were revised in the consolidated statements of cash flow as activities operation.

2) Subsidiaries

The Company controls an entity when the group is exposed to, or has the rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The subsidiaries are consolidated as from the date control is transferred to the Company. They are deconsolidated from the date that control ceases. (See Note 2).

Inter-company transactions, balances and unrealized gains or transactions between Group companies are eliminated. Unrealized losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

3) Segment Information

The Company is managed as a single unit, considering all airports as a whole. It does not evaluate the performance of the airports on a standalone basis. Therefore, for the purposes of segment information, there is only one business segment.

The Argentine National Government granted the Company the concession of the “A” Group airports of the National Airports System under the basis of “cross-subsidies”: i.e., the income and funds generated by some of the airports should subsidize the liabilities and investments of the remaining airports, in order for all airports to be compliant with international standards as explained below.

All airports must comply with measures of operative efficiency which are independent from the revenues and funds they generate. All works performed must follow international standards established by the respective agencies (IATA, OACI, etc.).

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Notes to the Consolidated Financial Statements

At December 31, 2015, 2014 and 2013 (Cont.)

NOTE 3 – ACCOUNTING POLICIES (Contd.)

3) Segment Information (Contd.)

Revenues of AA2000 comprised non-aeronautical revenues and aeronautical revenues; the latter being the tariffs determined by the ORSNA and regulated on the basis of the review of the Financial Projection of Income and Expenses in order to verify and preserve the "equilibrium" of the variables on which it was originally based.

The investment decisions are assessed and made with the ORSNA based on the master plans of the airports considering the needs of each airport on the basis of expected passenger flow and air traffic, in the framework of the standards previously mentioned.

4) Property, plant and equipment

Property, plant and equipment is stated at their historical cost, net of depreciations and impairment, if any. The historical cost includes expenses directly attributable to the acquisition of such assets.

Subsequent costs are included in the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost is reliably measured. The carrying value of replaced parts is derecognized. All other maintenance and repair expenses are expensed when incurred. No significant components are observed within this category.

Land is not depreciated. Depreciation on other assets is calculated using a straight-line method over its estimated useful life as follows:

Buildings: 30 years

Vehicles: 60 months

Machinery: 120 months

Installations: 60 months

Furniture and office equipment: 60 months

Data Processing: 36 months

The residual value of the assets and their useful life are reviewed, and adjusted if appropriate, at the end of each year. Changes in the criteria, if any, are recognized as a change in estimate.

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Notes to the Consolidated Financial Statements

At December 31, 2015, 2014 and 2013 (Cont.)

NOTE 3 – ACCOUNTING POLICIES (Contd.)

4) Property, plant and equipment (Contd.)

The carrying value of the assets is written down immediately to its recoverable value if the assets carrying amount exceeds its estimated recoverable value.

5) Intangible Assets

The Company has recognized an intangible asset that represents the right (license) to charge users for the service of airport concession in accordance with IFRIC 12. Intangible assets additions represent mainly infrastructure works performed during the year. Such intangible asset is stated at cost less accumulated amortization, and is amortized on a straight-line basis during the term of the concession.

Assets subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. The impairment loss is recognized for the amount by which the carrying value of the asset exceeds its recoverable value. For the purposes of assessing impairment, the assets are grouped at the lowest levels for which there are separately identifiable cash flows.

6) Trade receivable, net

Trade receivable, net are initially recognized at its fair value and subsequently at its amortized cost using the effective interest method, less provision for bad debts.

Interest calculated using the effective interest method is recognized as finance income.

The provision for bad debts is the difference between the carrying amount of the asset and the present value of estimated future cash flows, discounted at the assets' effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in the Statement of Comprehensive Income.

7) Other assets

Other assets are deferred charges that are valued at historical cost, net of accumulated depreciation.

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Notes to the Consolidated Financial Statements

At December 31, 2015, 2014 and 2013 (Cont.)

NOTE 3 – ACCOUNTING POLICIES (Contd.)

8) Cash and cash equivalents

In the consolidated statements of cash flows cash and cash equivalents include cash in hand, time deposits in financial entities, other short-term highly liquid investments with an original maturity of three months or less and bank overdrafts. In the consolidated statements of financial position, bank overdrafts, if any, are shown within borrowings in current liabilities.

9) Capital Stock

Capital stock is represented by common, non-endorsable shares of AR\$ 1 par value and preferred shares of AR\$ 1 par value.

10) Accounts payable and others

Accounts payable and others are obligations to pay for goods and services that have been acquired in the ordinary course of business. Accounts payable are classified in current liabilities if payment is due within one year or less.

Accounts payable are initially recognized at fair value and subsequently measured at their amortized cost using the effective interest method.

Unpaid salaries, vacations and bonuses, and social contributions, as well as employee termination payments and restructuring costs are recognized at fair value.

11) Borrowings

Borrowings and other financial liabilities are initially recognized at fair value, net of direct transaction costs incurred. Subsequently, borrowings are carried at amortized cost using the effective interest method. Borrowings are classified under current liabilities if payment is expected within a year.

12) Financial Costs

General and specific borrowing costs, attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to get ready for their intended use or sale are added to the cost of such assets until such time as the assets are substantially ready to be used or sold.

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Notes to the Consolidated Financial Statements

At December 31, 2015, 2014 and 2013 (Cont.)

NOTE 3 – ACCOUNTING POLICIES (Contd.)

13) Leases

Leases are classified as financial leases when substantially all risks and rewards of ownership are transferred to the lessee. When those conditions are not met, leases are classified as operating leases.

Assets acquired under financial leases are classified as non-current assets and are valued at the lease commencement at the lower of the present value of the minimum lease payments or at the fair value of the asset acquired. A liability is recognized for the corresponding obligation with the lessor. Financial cost is accrued using the effective interest method and it is included under financial expenses.

Operating leases under fixed rent are expensed on a straight line basis during the term of the lease. Any variable or contingent rent, including the inflation adjustment of fixed rent contracts, is recognized as expense of the period in which payment is probable.

14) Current and deferred income tax

Income tax expense for the year comprises current and deferred income tax and is recognized in the Consolidated Statement of Comprehensive Income.

Deferred income tax is recognized using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Main temporary differences correspond to differences between the book and tax value of property, plant and equipment and intangible assets, mainly due to different depreciation and amortization criteria, and differences from capitalization of interest during construction. Deferred assets and liabilities are measured at the tax rate expected to apply in the period in which the asset is realized or the liability settled, based on the tax laws enacted or substantially enacted at the end of the year. Under IFRS, the deferred tax assets (liabilities) are classified as non-current assets (liabilities). Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences derived from the investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in a foreseeable future.

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Notes to the Consolidated Financial Statements

At December 31, 2015, 2014 and 2013 (Cont.)

NOTE 3 – ACCOUNTING POLICIES (Contd.)

15) Provisions

Provisions are recognized in the consolidated financial statements when:

- a) The Group has a present obligation (legal or constructive) as a result of past events,
- b) It is probable that an outflow of resources will be required to settle such obligation and
- c) The amount can be reliably estimated

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation considering the best available information at the time of the preparation of the consolidated financial statements and are reassessed at each closing date. The discount rate used to determine present value reflects current market assessment, at statements financial position date, of the time value of money, and the risks specific to the obligation.

16) Revenues

The Company generates revenues from the following activities:

- a) Aeronautical services provided to users and aeronautical operators in the airports. Main aeronautical services include passenger use fees, aircraft landing fees and aircraft parking fees;
- b) Non Aeronautical revenues mainly obtained from commercial activities within the airports. Main non-aeronautical revenues include warehouse usage, use of space, car parking, etc.

The Company also receives revenues from warehouse usage.

Revenues for use of space by retail stores can be either contracted as a fixed or variable amount.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for the sale of services, stated net of discounts and value added taxes. The Group recognizes revenues in the period the services are rendered, when the amounts can be reliably measured, when it is likely that future economic benefits will flow to the entity and when the specific criteria for each of the activities has been met, as previously mentioned.

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Notes to the Consolidated Financial Statements

At December 31, 2015, 2014 and 2013 (Cont.)

NOTE 3 – ACCOUNTING POLICIES (Contd.)

16) Revenues (Contd.)

The Group performs construction activities as part of the obligations derived from the investment plan established in the Concession Agreement mentioned in Note 1. In accordance with IFRIC 12 paragraph 14 the Group recognizes construction revenues and costs during the construction period, which are shown in the Statement of Comprehensive Income under “IFRIC 12 – paragraph 14 Credit” and “IFRIC 12 – paragraph 14 Debit”, respectively.

17) Distribution of dividends

The distribution of dividends to the Company shareholders is recognized as a liability in the consolidated financial statements in the year the dividends are approved by the shareholders.

18) Changes in accounting policies and disclosures

New accounting standards and interpretations issued by the IASB that are effective at December 31, 2015 and have been adopted by the Company

There have been no new standards, changes or interpretations that are effective for the year beginning January 1, 2015 that are significant to the Company.

17) Distribution of dividends (Contd.)

New accounting standards and interpretations issued by the IASB not effective at December 31, 2015 and not early adopted

IAS 1 “Presentation of financial statements”

On December 2014, the IASB issued amendments to IAS 1 “Presentation of financial statements” incorporating guides for the presentation of the financial statements and is applicable to the financial statements beginning January 1, 2016, with early adoption permitted.

The Company is currently assessing the impact of the application of such amendments.

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Notes to the Consolidated Financial Statements

At December 31, 2015, 2014 and 2013 (Cont.)

NOTE 3 – ACCOUNTING POLICIES (Contd.)

18) Changes in accounting policies and disclosures (Contd.)

NIIF 9 “Financial Instruments”

On July 2014, the IASB amended IFRS 9 “Financial Instruments” and establishes new requirements for the classification and measurement of financial assets and liabilities, which are applicable to financial statements for fiscal years beginning January 1, 2018.

The Company is analyzing the impact of the application of IFRS 9.

IFRS 15 “Revenue from contracts with customers”

In May 2014, the IASB issued IFRS 15 “Revenue from contracts with customers”, that is effective to annual periods as from January 1, 2018, allowing for its early adoption.

The objective of IFRS 15 is to establish the principles that an entity shall apply to report to users of financial information about the nature, amount, timing and uncertainty of revenues and cash flows arising from contracts with customers.

The core principle is that an entity will recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The Company is analyzing the impact of the application of IFRS15, however, it is expected that its application will not have a significant impact on the results of the operations or on the financial position of the Company.

IFRS 16 “Leases”

In January 2016 the IASB issued IFRS 16 “Leases” establishing new criteria for recognition, measurement, presentation and disclosure of leases, eliminating the classification of operating and finance leases established by IAS 17. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value.

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Notes to the Consolidated Financial Statements

At December 31, 2015, 2014 and 2013 (Cont.)

NOTE 3 – ACCOUNTING POLICIES (Contd.)

18) Changes in accounting policies and disclosures (Contd.)

Such agreements should be disclosed as leased assets (right to use an asset) or as fixed assets at the present value of minimum lease payments. The lease liability is initially measured at the present value of the lease payments payable over the lease term. This standard is applicable to fiscal years beginning January 1, 2019, allowing for early adoption if IFRS 15 is adopted.

The Company is analyzing the impact of the application of IFRS 16.

At the date of issuance of these financial statements there are no other standards, changes or interpretations issued by the IASB and IFRIC that are not yet effective and are expected to have a significant effect on the Company.

19) Estimates

The preparation of financial statements in accordance with IFRS requires the use of estimates. It also requires management to exercise its judgment in the process of applying the Group accounting policies.

In the preparation of these Consolidated Financial Statements the significant areas of judgement by management in the application of the Company's accounting policies and the main areas of assumptions and estimates are consistently as those applied in the Consolidated Financial Statements for the year ended December 31, 2014 and 2013 and are mentioned in Note 23.

20) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the corresponding functional currency i.e the currency of the primary economic environment in which the entity operates. The functional currency of all group entities is the Argentine peso, which is also the presentation currency of the consolidated financial statements.

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Notes to the Consolidated Financial Statements

At December 31, 2015, 2014 and 2013 (Cont.)

NOTE 3 – ACCOUNTING POLICIES (Contd.)

20) Foreign currency translation (Contd.)

The Company has evaluated and concluded that at the date of the financial statements the conditions established in the IAS 29 “Financial Reporting for Hyperinflationary Economies” are unmet in order to consider Argentina as a hyperinflationary economy. At the end of the reported period, considering the Argentine peso does not gather the characteristics to be considered as a currency from a hyperinflationary economy according to the guidelines established in the Standard and the government expectations towards the reduction of the inflation level, the current consolidated financial statements have not been re-expressed in constant currency.

These consolidated financial statements have been prepared under the historical cost convention.

Transactions and balances

Transactions in foreign currency are translated into the functional currency using the exchange rates prevailing at the transaction dates (or valuation where items are re-measured).

Foreign exchange gains and losses and losses resulting from the settlement of such transactions and from the translation at year-end of the assets and liabilities denominated in foreign currency are recognized in the statement of comprehensive income.

Foreign exchange gain and losses are shown in “Finance Income” and/or “Finance Expense” of the statement of income.

Exchange rates used are the following: buying rate for monetary assets and selling rate for monetary liabilities, applicable at year-end according to Banco Nación, and at the foreign currency exchange rate applicable at the transaction date.

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Notes to the Consolidated Financial Statements

At December 31, 2015, 2014 and 2013 (Cont.)

NOTE 4 - BREAKDOWN OF CERTAIN ITEMS OF THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AND THE CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	12.31.15	12.31.14	12.31.13
	AR\$		
Cash and cash equivalents			
Cash and funds in custody	12,020,230	6,635,853	6,885,598
Banks	584,000,469	423,722,434	203,869,268
Checks not yet deposited	9,173,441	8,475,702	2,138,469
Time deposits	-	30,741,425	-
	605,194,140	469,575,414	212,893,335
Trade receivables, net			
Trade receivables	621,134,380	475,017,860	239,294,189
Related parties (Note 7)	4,161,769	9,057,309	14,737,102
Checks - postdated checks	13,429,218	18,806,794	6,055,145
Provision for bad debts (Note 8)	(49,478,081)	(30,447,115)	(39,922,666)
	589,247,286	472,434,848	220,163,770
Other current receivables			
Expenses to be recovered	5,188,920	3,579,231	3,697,386
Guarantees granted	7,661,745	4,389,460	3,307,625
Tax credits	17,075,983	32,292,901	11,264,310
Prepaid Insurance	9,033,592	8,373,503	5,471,366
Other	2,526,684	961,070	2,406,309
	41,486,924	49,596,165	26,146,996
Other non-current receivables			
Tax credits	1,093,190	1,338,975	104,448,732
Prepaid expenses	-	6,874,733	6,874,733
Provisions for tax credits	-	-	(645,444)
Tax on minimum notional income	-	-	1,875,585
	1,093,190	8,213,708	112,553,606

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Notes to the Consolidated Financial Statements

At December 31, 2015, 2014 and 2013 (Cont.)

NOTE 4 – BREAKDOWN OF CERTAIN ITEMS OF THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AND THE CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Contd.)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Contd.)

	12.31.15	12.31.14	12.31.13
	AR\$		
Accounts payable and other - current			
Obligations payable	192,265,099	143,973,312	78,388,517
Suppliers	297,805,468	222,105,107	205,737,637
Foreign suppliers	12,509,880	5,381,953	3,539,793
Related parties (Note 7)	55,742,025	68,387,701	127,411,751
Salaries and social security liabilities	207,223,848	163,137,115	94,706,790
Other fiscal liabilities	36,137,291	13,464,847	20,580,688
	801,683,611	616,450,035	530,365,176
Accounts payable and other - non current			
Tax liabilities	19,445,745	1,565,663	1,739,106
	19,445,745	1,565,663	1,739,106

CONSOLIDATED STATEMENTS COMPREHENSIVE INCOME

OF

Revenues			
Aeronautical revenues	2,852,881,272	2,358,353,243	1,514,032,159
Non-Aeronautical revenues	3,129,504,248	2,323,145,205	1,471,259,304
	5,982,385,520	4,681,498,448	2,985,291,463
Finance Income			
Interest	10,201,558	12,859,027	2,691,291
Foreign exchange differences	199,818,663	65,768,564	42,424,801
	210,020,221	78,627,591	45,116,092
Finance Expenses			
Interest	(310,221,436)	(250,806,007)	(193,195,261)
Foreign exchange differences	(1,158,842,030)	(618,514,189)	(465,887,544)
	(1,469,063,466)	(869,320,196)	(659,082,805)
	(1,259,043,245)	(790,692,605)	(613,966,713)
Income Tax			
Current	(270,521,102)	(292,140,657)	(86,809,908)
Deferred	28,140,010	(3,672,658)	7,194,354
	(242,381,092)	(295,813,315)	(79,615,554)

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Notes to the Consolidated Financial Statements

At December 31, 2015, 2014 and 2013 (Cont.)

NOTE 5 – INTANGIBLE ASSETS

	2015	2014	2013
	AR\$	AR\$	AR\$
Original values			
Balances as of the beginning of the year	6,136,288,384	5,033,681,856	4,252,920,132
Acquisitions	1,399,128,467	1,126,700,190	790,751,048
Deductions	(30,659,348)	(23,124,809)	(9,020,471)
Impairment (1)	(968,853)	(968,853)	(968,853)
Balances as of the end of the year	7,503,788,650	6,136,288,384	5,033,681,856
Accumulated amortization			
Balances as of the beginning of the year	(970,267,316)	(776,833,791)	(613,917,329)
Amortization (Note 10)	(198,330,959)	(193,433,525)	(162,916,462)
Balances as of the end of the year	(1,168,598,275)	(970,267,316)	(776,833,791)
Total net book value	6,335,190,375	5,166,021,068	4,256,848,065

(1) Corresponds to impairment of goodwill of the purchase of Texelrío S.A.

No interest costs have been capitalized during the years ended December 31, 2015, 2014 and 2013.

NOTE 6 – BORROWINGS

	12.31.15	12.31.14	12.31.13
	AR\$	AR\$	AR\$
Non-current	2,506,445,133	2,005,615,717	1,808,331,654
Current	715,603,095	434,753,198	147,736,886
Total	3,222,048,228	2,440,368,915	1,956,068,540

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Notes to the Consolidated Financial Statements

At December 31, 2015, 2014 and 2013 (Cont.)

NOTE 6 – BORROWINGS (Contd.)

Changes in borrowings:

	AR\$
Year ended at December 31, 2015	
Balance at January 1, 2015	2,440,368,915
New borrowings	154,905,081
Payments	(726,873,807)
Accrued interests	268,881,903
Foreign exchange differences	1,084,766,136
Balance at December 31, 2015	3,222,048,228
Year ended at December 31, 2014	
Balance at January 1, 2014	1,956,068,540
New borrowings	28,625,057
Payments	(396,494,919)
Accrued interests	273,100,157
Foreign exchange differences	579,070,080
Balance at December 31, 2014	2,440,368,915
Year ended at December 31, 2013	
Balance at January 1, 2013	1,535,574,057
New borrowings	24,838,114
Payments	(282,867,070)
Accrued interests	200,755,264
Foreign exchange differences	477,768,175
Balance at December 31, 2013	1,956,068,540

The Negotiable Obligations issued in December, 2010 at a 10.75% interest rate are guaranteed by a collateral trust assignment of certain of the Company's aeronautical revenues. At December 31, 2015, 2014 and 2013 the item Cash and cash equivalents of the Consolidated Statements of Financial Position includes AR\$341,918,900, AR\$241,517,251 and AR\$ 112,606,010, respectively corresponding to this trust.

The Negotiable Obligations issued in April 2010 are guaranteed by a collateral trust assignment of certain of the Company's aeronautical revenues. At December 31, 2015, 2014 and 2013 the item cash and cash equivalents of the Consolidated Statements of Financial Position includes AR\$53,796,347, AR\$29,069,147 and AR\$ 21,311,367 corresponding to this trust.

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Notes to the Consolidated Financial Statements

At December 31, 2015, 2014 and 2013 (Cont.)

NOTE 6 – BORROWINGS (Contd.)

	12.31.15	12.31.14	12.31.13
	AR\$		
Non-current			
Bank borrowings	45,755,985	-	-
Negotiable Obligations	2,432,978,978	1,991,688,915	1,815,390,189
Finance lease liabilities	39,115,395	28,212,890	10,114,531
Cost of issuance of Negotiable Obligations	(11,405,225)	(14,286,088)	(17,173,066)
	<u>2,506,445,133</u>	<u>2,005,615,717</u>	<u>1,808,331,654</u>
Current			
Bank borrowings	48,539,336	-	15,269,764
Negotiable Obligations	630,977,403	421,155,174	124,441,061
Argentine National Government	-	3,958,121	3,940,369
Related Parties (Note 7)	18,800,421	-	-
Finance lease liabilities	20,172,914	12,526,882	6,972,671
Cost of issuance of Negotiable Obligations	(2,886,979)	(2,886,979)	(2,886,979)
	<u>715,603,095</u>	<u>434,753,198</u>	<u>147,736,886</u>
	<u>3,222,048,228</u>	<u>2,440,368,915</u>	<u>1,956,068,540</u>

The carrying amounts and fair value of borrowings are as follows:

	Carrying amount	Fair value	Carrying Amount	Fair value
	12.31.15	12.31.14		
		AR\$		
Bank borrowings				
Bank borrowings	94,295,321	94,295,321	-	-
Negotiable Obligations	3,049,664,177	3,230,180,519 (1)	2,395,671,022	2,498,412,994 (1)
Argentine National Government	-	-	3,958,121	3,958,121
Related Parties (Note 7)	18,800,421	18,800,421	-	-
Finance lease liabilities	59,288,309	59,288,308	40,739,772	40,739,772
Total	3,222,048,228	3,402,564,569	2,440,368,915	2,543,110,887

Aeropuertos Argentina 2000 S.A.

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Notes to the Consolidated Financial Statements

At December 31, 2015, 2014 and 2013 (Cont.)

NOTE 6 – BORROWINGS (Contd.)

	Carrying amount	Fair Value
12.31.13		
AR\$		
Bank borrowings	15,269,764	15,269,763
Negotiable Obligations	1,919,771,205	1,852,057,932 (1)
Argentine National Government	3,940,369	3,940,369
Related Parties (Note 7)	-	-
Finance lease liabilities	17,087,202	17,087,202
Total	1,956,068,540	1,888,355,266

(1) Valuation at quotation prices (not adjusted) in active markets for identical assets or liabilities Fair Value level 2 under IFRS 13 hierarchy. There are no financial instruments measured at fair value.

NOTE 7 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES

AA2000 entered into technical and operational assistance agreements and technology and know-how transfer agreements with Società Esercizi Aeroportuali Spa (SEA), and Corporación América Sudamericana S.A. (CAS) and Ogden Corporation.

In accordance with the Concession Agreement AA2000 should maintain for a term of 5 years (until February 13, 2003) an operational assistance agreement with SEA as the airport operator.

On March 7, 2005 the Company reached an agreement with CAS agreeing on the price of the services, reducing the originally determined price and agreeing on the settlement of the unpaid fees. Additionally, it was decided to continue the service until December 31, 2009, for a price up to December 31, 2004 equivalent to 0.75% and 1% thereafter of Aeropuertos Argentina 2000 S.A.'s billing, net of value added taxes.

CAS also notified the Company that it had been assigned the rights of Covanta Energy Corporation (formerly Ogden Corporation) according to the technology transfer agreement, and agreed to a schedule of payments.

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Notes to the Consolidated Financial Statements

At December 31, 2015, 2014 and 2013 (Cont.)

NOTE 7 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Contd.)

On May 5, 2010, the technical assistance agreement with CAS was extended until December 31, 2014.

On October 29, 2010 CAS notified the Company the assignment of services under the agreement, thus as from November 1, 2010 the services were provided by Proden S.A.

In April 2013, through a notification sent to Proden, payments corresponding to the aforementioned agreement ceased.

In January 2008 CAS, and AA2000 signed a debt acknowledgement at December 31, 2007 and agreed on the interest applicable to the past due and unpaid balances at that date.

In November 2009, CAS offered The Company to change the debt repayment schedule given the current global financial conditions and particularly the situation of AA2000, offering to refinance the unpaid amounts in 24 monthly payments starting at the earliest of the final implementation of the financing the Company was negotiating with financial institutions.

Furthermore, SEA transferred CASA the abovementioned unpaid credits and CASA notified us of its intention to change the payment schedule to the schedule mentioned in the preceding paragraph.

At December 31, 2015, 2014 and 2013, there is no pending liability for abovementioned items.

In connection with foreign exchange transactions in connection with the technical and administrative assistance agreements with CAS and Ogden Corporation, on November 23, 2012 The Company was notified of a foreign exchange summon initiated by the Banco Central de la República Argentina (Central Bank of the Republica Argentina or BCRA) regarding compliance with the existing legislation.

On February 4, 2013, AA2000 presented defense procedures to the BCRA rejecting the allegations of such entity. On July, 2016 the favorable ruling for the company was issued, that firm to the filing date of these financial statement sentences being.

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Notes to the Consolidated Financial Statements

At December 31, 2015, 2014 and 2013 (Cont.)

NOTE 7 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Contd.)

In June 2016, the Company received a determination from the Federal Administration of Public Revenue (AFIP) was objecting the abovementioned items corresponding to the fiscal years 2009 to 2012 resulting in a claim for unpaid income tax based on considering those foreign exchange transactions as undocumented payments. The Company appealed such determination to the Argentine Tax Court and based on the lawyers assessment, there is a high likelihood of a favorable result for AA2000. Considering certain deductions that the Company believes would be applicable to the amounts claimed, the net exposure in favor of AFIP would amount to AR\$63 million plus interest.

Balances with other related companies at December 31, 2015, 2014 and 2013 are as follows:

	12.31.15	12.31.14	12.31.13
	AR\$		
Trade receivables, net – Current			
Other related companies	4,161,769	9,057,309	14,737,102
	<u>4,161,769</u>	<u>9,057,309</u>	<u>14,737,102</u>
Accounts payable and other - Current			
Other related companies	55,742,025	68,387,701	127,411,751
	<u>55,742,025</u>	<u>68,387,701</u>	<u>127,411,751</u>
Borrowings			
Other related companies	18,800,421	-	-
	<u>18,800,421</u>	<u>-</u>	<u>-</u>
Provisions and other current charges			
Other related companies	426,249	426,249	426,249
	<u>426,249</u>	<u>426,249</u>	<u>426,249</u>

During the years ended December 31, 2015, 2014 and 2013 the Company expensed AR\$44,098,439, AR\$35,047,240 and AR\$21,599,586 respectively, management services, compliance and internal audit services, IT, software and accounting computer systems and rental lease and office maintenance services with Proden S.A. During the years ended December 31, 2015, 2014 and 2013 transactions infrastructure assets with Helpport amounted to AR\$170,984,213, AR\$271,316,072 and AR\$364,416,887 respectively, and operating costs with Helpport for the years ended at December 31, 2015, 2014 and 2013 for AR\$34,959,903, AR\$21,789,502 and 10,942,287, respectively.

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Notes to the Consolidated Financial Statements

At December 31, 2015, 2014 and 2013 (Cont.)

NOTE 7 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Contd.)

At December 31, 2015 the Company has borrowings with Corporación America S.A. for AR\$ 18,800,421.

At December 31, 2015, 2014 and 2013 the Company owed the Argentine National Government AR\$89,674,994, AR\$86,331,097 and AR\$131,067,828 respectively, corresponding to the specific allocation of revenues of each year (see Note 10) and has recorded a receivable (shown as intangible assets) for AR\$971,849,858, AR\$528,647,207 and AR\$202,603,980 corresponding to the Development Trust to fund the infrastructure works of AA2000 (Note 1.2 and 5)

Furthermore, compensation to key management was AR\$30,238,537, AR\$26,528,923 and AR\$21,023,973 for the years ended December 31, 2015, 2014 and 2013 respectively.

Corporación America S.A. is the direct owner of 45.90% of the common shares of the Company, and an indirect owner through Corporación America Sudamericana S.A of 29.75% of the common shares of the Company, therefore is the immediate controlling entity of the Company.

Corporación America S.A is controlled by Cedicor S.A, which is the owner of the 95.37% of its capital stock. Cedicor S.A is 100% controlled by American International Airports LLC.

The ultimate beneficiary of the Company is Southern Cone Foundation. Its purpose is to manage its assets through decisions adopted by its independent Board of Directors. The potential beneficiaries are members of the Eurnekian family and religious, charitable and educational institutions.

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Notes to the Consolidated Financial Statements

At December 31, 2015, 2014 and 2013 (Cont.)

NOTE 8 – PROVISIONS

	Provisions for receivables impairment
	AR\$
Year ended December 31, 2015	
Balance at January 1, 2015	30,447,115
Increases (Note 10)	19,566,879
Used during the year	(535,913)
Balance at December 31, 2015	49,478,081
Year ended December 31, 2014	
Balance at January 1, 2014	39,922,666
Increases (Note 10)	17,052,605
Reversals (Note 10)	(10,352,896)
Used during the year	(15,991,653)
Deconsolidation	(183,607)
Balance at December 31, 2014	30,447,115
Year ended at December 31, 2013	
Balance at January 1, 2013	23,739,917
Increases (Note 10)	17,053,542
Used during the year	(870,793)
Balance at December 31, 2013	39,922,666

Aeropuertos Argentina 2000 S.A.
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Notes to the Consolidated Financial Statements
 At December 31, 2015, 2014 and 2013 (Cont.)

NOTE 9 – PROVISIONS AND OTHER CHARGES

	Litigation	Related parties	Deferred income	Trust for works –		Customer prepayments	Upfront Fees from concessionaires	Other	Total
				Portfolio of Projects 2012/2014 (Note 1.4)	Guarantees received				
AR\$									
At January 1, 2015	7,652,837	426,249	33,692,413	28,456,950	16,253,132	84,527,602	45,784,101	429,312	217,222,596
Increases	675,007	-	15,170,976	362,541,079	24,283,945	255,916,787	43,008,446	-	701,596,240
Decreases	(1,003,284)	-	-	(357,071,610)	(17,542,012)	(108,393,005)	-	(424,812)	(484,434,723)
Accruals	-	-	(20,729,660)	-	-	-	(27,151,387)	-	(47,881,047)
At December 31, 2015	7,324,560	426,249	28,133,729	33,926,419	22,995,065	232,051,384	61,641,160	4,500	386,503,066
At January 1, 2014	17,043,753	426,249	27,685,961	17,846,440	15,247,939	52,426,601	27,586,451	4,500	158,267,894
Increases	-	-	44,271,945	276,073,902	15,746,344	125,210,759	29,382,938	424,812	491,110,700
Decreases	(9,280,558)	-	-	(265,463,392)	(14,741,151)	(93,109,758)	(747,824)	-	(383,342,683)
Accruals	(110,358)	-	(38,265,493)	-	-	-	(10,437,464)	-	(48,813,315)
At December 31, 2014	7,652,837	426,249	33,692,413	28,456,950	16,253,132	84,527,602	45,784,101	429,312	217,222,596
At January 1, 2013	14,634,379	426,249	23,379,494	-	12,094,292	-	18,400,999	19,500	68,954,913
Increases	3,119,511	28,197	27,859,711	115,124,332	5,829,374	52,426,601	16,451,621	-	220,839,347
Decreases	(710,137)	(28,197)	-	(97,277,892)	(2,675,727)	-	(989,178)	(15,000)	(101,696,131)
Accruals	-	-	(23,553,244)	-	-	-	(6,276,991)	-	(29,830,235)
At December 31, 2013	17,043,753	426,249	27,685,961	17,846,440	15,247,939	52,426,601	27,586,451	4,500	158,267,894

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Notes to the Consolidated Financial Statements

At December 31, 2015, 2014 and 2013 (Cont.)

NOTE 10 - COSTS OF SALES, ADMINISTRATIVE AND DISTRIBUTION AND SELLING EXPENSES

Item	Cost of sales	Administrative expenses	Distribution and selling expenses	Total at 12.31.15	Total at 12.31.14	Total at 12.31.13
				AR\$		
Specific allocation of revenues	865,992,133	-	-	865,992,133	678,009,482	430,950,168
Airport services and maintenance	962,864,949	37,410,956	7,060,298	1,007,336,203	710,400,063	493,863,814
Amortization of intangible assets	194,084,583	4,144,327	102,049	198,330,959	193,433,525	162,916,462
Depreciation of property, plant and equipment	1,924,451	-	149	1,924,600	1,885,198	1,849,644
Salaries and social security contributions	903,341,265	150,963,748	38,179,395	1,092,484,408	817,588,882	586,261,139
Fees for services	15,866,103	50,064,946	4,526,976	70,458,025	49,378,852	33,810,478
Public utilities and contributions	126,683,105	1,077,252	1,644,694	129,405,051	110,898,869	82,812,046
Taxes	24,286,564	65,228,928	305,592,134	395,107,626	309,195,265	196,755,464
Office expenses	79,880,288	87,669,384	5,199,502	172,749,174	135,386,427	96,194,411
Insurance	20,060,969	610,841	-	20,671,810	16,706,805	11,872,627
Advertising expenses	-	-	24,910,182	24,910,182	11,069,488	17,312,233
Bad debts charges	-	-	19,566,879	19,566,879	6,699,709	17,053,542
Board of Directors and Supervisory Committee fees	-	540,000	-	540,000	432,000	1,990,000
Operational know-how and technical assistance fees	-	-	-	-	-	6,774,821
Other	15,322,294	4,172,699	4,232	19,499,225	10,545,491	6,170,246
Total at 12.31.15	3,210,306,704	401,883,081	406,786,490	4,018,976,275	-	-
Total at 12.31.14	2,502,731,109	261,130,330	287,768,617		3,051,630,056	-
Total at 12.31.13	1,753,418,119	183,642,965	209,526,011		-	2,146,587,095

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NOTE 11- FOREIGN CURRENCY ASSETS AND LIABILITIES

Item	Foreign currency type and amount at 12.31.15	Foreign exchange rates	Amount in Local currency at 12.31.15	Amount in local currency at 12.31.14	Amount in local currency at 12.31.13
AR\$					
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	US\$ 26,914,893	12.9400	348,278,715	247,178,000	117,103,322
	Euros 491	14.0684	6,908	10,501	31,013
Trade receivable	US\$ 9,084,517	12.9400	117,553,650	233,033,190	174,456,984
	Euros 556	14.0684	7,822	5,707	4,971
Other receivable	US\$ 504,500	12.9400	6,528,230	4,263,572	3,269,665
Total current assets			472,375,325	484,490,970	294,865,955
Total assets			472,375,325	484,490,970	294,865,955
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable and others	US\$ 1,092,013	13.0400	14,239,850	2,649,570	6,141,041
	Euros 46,380	14.2097	659,046	508,548	311,236
Borrowings	US\$ 49,823,909	13.0400	649,703,773	431,781,257	120,909,102
Provisions and other charges	US\$ 4,614,340	13.0400	60,170,994	-	-
Total current liabilities			724,773,663	434,939,375	127,361,379
NON-CURRENT LIABILITIES					
Borrowings	US\$ 188,835,327	13.0400	2,462,412,664	2,018,097,892	1,815,390,189
Provisions and other charges	US\$ 5,209,739	13.0400	67,934,997	-	-
Total non-current liabilities			2,530,347,661	2,018,097,892	1,815,390,189
Total liabilities			3,255,121,324	2,453,037,267	1,942,751,568
Net liability position			2,782,745,999	1,968,546,297	1,647,885,613

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NOTE 12 – PROPERTY, PLANT AND EQUIPMENT

	Land and buildings	Vehicles and machinery	Installations	Assets in transit	Furniture and office equipment	Construction in progress	Total
	AR\$						
Year ended December 31, 2015							
Net book value at January 1, 2015	3,321,826	3,039,651	30,752	2,038,925	9,662	1,966,469	10,407,285
Acquisitions	-	5,022,000	-	-	-	1,024,821	6,046,821
Transfers	(42,008)	2,076,154	1,837	(2,038,925)	2,942	-	-
Depreciation	(312,526)	(1,602,373)	(4,761)	-	(4,940)	-	(1,924,600)
Net book value at December 31, 2015	2,967,292	8,535,432	27,828	-	7,664	2,991,290	14,529,506
Year ended December 31, 2014							
Net book value at January 1, 2014	3,634,352	3,899,903	39,989	2,737,985	13,785	1,533,279	11,859,293
Acquisitions	-	-	-	-	-	433,190	433,190
Depreciation	(312,526)	(860,252)	(9,237)	(699,060)	(4,123)	-	(1,885,198)
Net book value at December 31, 2014	3,321,826	3,039,651	30,752	2,038,925	9,662	1,966,469	10,407,285
Year ended December 31, 2013							
Net book value at January 1, 2013	3,946,878	905,704	50,154	3,437,045	3,015,929	1,046,502	12,402,212
Acquisitions	-	1,526,000	-	-	201,162	486,777	2,213,939
Transfers	-	1,739,622	-	-	(1,739,622)	-	-
Deductions	-	-	-	-	(907,214)	-	(907,214)
Depreciation	(312,526)	(271,423)	(10,165)	(699,060)	(556,470)	-	(1,849,644)
Net book value at December 31, 2013	3,634,352	3,899,903	39,989	2,737,985	13,785	1,533,279	11,859,293

NOTE 13 – INCOME TAX

The tax on the Group's income before tax differs from the theoretical amount that could have been obtained using the weighted average tax rate applicable to the results of the consolidated companies as follows:

	12.31.15	12.31.14	12.31.13
	AR\$		
Income before income tax	700,455,151	842,988,038	221,919,345
Tax calculated at applicable tax rate	245,159,303	295,045,813	77,040,651
Tax effects of:			
Differences at applicable tax rate	(2,778,211)	767,502	2,574,903
Income Tax Expense	242,381,092	295,813,315	79,615,554

The enacted tax rate was 35%.

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 At December 31, 2015, 2014 and 2013 (Cont.)

NOTE 13 – INCOME TAX (Contd.)

Changes in assets and liabilities for deferred tax for each year have been the following:

Deferred tax assets:						
Item	Trade receivable, net	Related parties	Other receivables	Provisions and other charges	Borrowings	Total
AR\$						
Balances at 12.31.13	13,908,670	125,839	12,352,227	17,399,578	3,480,307	47,266,621
Changes in the year:						
Charged to income	(3,252,181)	-	(12,352,227)	5,765,425	1,422,321	(8,416,662)
Balance at 12.31.14	10,656,489	125,839	-	23,165,003	4,902,628	38,849,959
Changes in the year:						
Charged to income	6,821,417	-	-	6,337,564	(4,161,533)	8,997,448
Balance at 12.31.15	17,477,906	125,839	-	29,502,567	741,095	47,847,407
Deferred tax liabilities:						
Item	Intangible Assets and Property, Plant and Equipment	Borrowings	Accounts payable and other			Total
Balances at 12.31.13	168,498,974	8,012,481	886,782			177,398,237
Changes in the year:						
Charged to income	(4,712,220)	-	(31,784)			(4,744,004)
Balance at 12.31.14	163,786,754	8,012,481	854,998			172,654,233
Changes for the year:						
Charged to income	(19,378,815)	-	-			(19,378,815)
Balances at 12.31.15	144,407,939	8,012,481	854,998			153,275,418
Net Balance at 12.31.13						(129,895,363)
Net Balance at 12.31.14						(133,568,021)
Charged to income 2014						(3,672,658)
Net Balance at 12.31.15						(105,428,011)
Charged to income 2015						28,140,010

The deferred tax assets due to tax loss carryforwards are recognized to the extent it is expected to be used against future taxable income.

At December 31, 2015 it is expected to use deferred tax assets for AR\$23,887,588 within the next 12 months and AR\$23,959,819 over 12 months. Likewise, it is expected to recover AR\$13,916,362 of the deferred tax liabilities within the next 12 months and AR\$139,359,056 over 12 months.

At December 31, 2015, 2014 and 2013 the company has AR\$ 5,020,940 AR\$ 919,183 and AR\$ 873,820 of unrecognized tax loss carry forward respectively.

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NOTE 14 – OTHER RESTRICTED ASSETS

Other than what is mentioned in Notes 1 and 6, Other Receivables in Current assets at December 31, 2015 include AR\$7,603,515 corresponding to guarantees granted to third parties in connection with lease agreements.

NOTE 15 - REVIEW OF THE FINANCIAL PROJECTIONS OF INCOME AND EXPENSES UNDER THE CONCESSION AGREEMENT

On January 28, 2009 the ORNSA approved the Review of the Financial Projections of Income and Expenses for the period 2006-2007 through Resolution No. 9/09.

The abovementioned Review resulted in the need for balancing the Financial Projection of Income and Expenses for the Concession based on an average tariff increase of 35.7%, applying this percentage to all international tariffs except to the Tariff for the Use of Airport Walkways.

Since the Memorandum of Agreement established the convenience and appropriateness of granting rebates on international airport fees to those airlines that comply with payment deadlines equivalent to 30% of the value of the tariffs included in the tariff schedule under the Memorandum of Understanding, a further fee rebalancing was established by proportionally increasing the Tariff for the Use of the International air terminals.

Resolution No. 10/09 of the ORSNA, which approves the Tariff Schedule to be applied in all airports of the National Airport System, was published in the Official Gazette on February 4, 2009.

Resolution No. 60/10 of the ORSNA dated October 14, 2010 approved the Review of the Financial Projection of Income and Expenses at December 31, 2009.

This review shows the need for balancing the Financial Projection of Income and Expenses for the Concession based on an average tariff increase of 15% applicable to the Tariff for the Use of International and Regional Air terminal, for those airports in the First and Second Categories.

It also established the Tariff for the Use of Domestic Air terminal at AR\$ 17.40 for the airports in the First Category and AR\$ 12.60 for the remaining airports of the National Airport System.

Further, the resolution provisions maintain the validity of the of Resolution 10/09 regarding the convenience and appropriateness of granting rebates on international airport tariffs, so that the resulting tariff is equivalent to the one that would be obtained by applying a 30% discount on the values established in Exhibit II of the Memorandum of Understanding.

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At December 31, 2015, 2014 and 2013 (Cont.)

NOTE 15 - REVIEW OF THE FINANCIAL PROJECTION OF INCOME AND EXPENSES UNDER THE CONCESSION AGREEMENT (Contd.)

ORSNA Resolution N° 125/11 dated December 21, 2011 replaced article 2 of Resolution 6/10 in connection with the balancing of variables in the Financial Projection of Income and Expenses through a tariff increase of the Tariff for the Use of the Regional and International Airport of 16% and 17% respectively, and an increase of 15% in the Tariff for the Use of Domestic Airport.

The Official Gazette on December 22, 2011 published ORSNA Resolution N° 126/11 approving the Tariff Schedule to be applied in all airports of the National Airport System.

Further, as from the validity of the Tariff Schedule approved by ORSNA Resolution N° 126/11, ORSNA Resolution N° 10/09 is no longer in effect, with the consequent modifications of the Tariff Schedule approved by decree 1799/07.

Through Resolution No.115 dated November 7, 2012 the ORSNA approved the Review of the Financial Projection of Income and Expenses at December 31, 2010.

Such Review resulted in a balance the Financial Projection of Income and Expenses for the Concession based on a tariff [variation] of 14.6%, on the Tariff for the Use of International and Regional Air Terminal, applicable in airports in the First and Second Categories and of a 14.3% for the Tariff for the Use of Domestic Air Terminal in all categories of airports.

Consistent with previous reviews, the applicability of the pertinent parts of Resolution 10/9 regarding the convenience of applying rebates on international airport tariffs so that the resulting tariff is equivalent to the one that would be obtained by applying 30% discount on the values included in Exhibit II of the Memorandum of Understanding remain valid.

The Official Gazette on November 14, 2012 published ORSNA Resolution N°117/12 reflecting the approval of the Tariff Schedule to be applied in all airports of the National Airport System.

With the increase in tariffs, a "New Equity for the Specific Allocation for Revenues of the Portfolio of Projects as per article 7 Inc. e) of the Development Trust, which applies to the financing of infrastructure works of the "Portfolio of Projects of the year 2012".

ORSNA Resolution N°118/12 dated November 7, 2012 instructs the Banco de la Nación Argentina as Trustee of the Trust for the Strengthening of the National Airport System to open a Trust account to be called "Trust Account for the Specific Allocation of Revenue for the Portfolio of Projects 2012".

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NOTE 15 - REVIEW OF THE FINANCIAL PROJECTION OF INCOME AND EXPENSES FOR THE CONCESSION AGREEMENT (Contd.)

Through Resolution 254/13 of the Secretariat of Transport that modifies the Development Trust, the ORSNA issued Resolution ORSNA N° 77/13 dated May 22,2013, that modifies the Resolution N° 118/12 as follows: (a) Instructs the Banco Nación that upon changes to the Development Trust adopts Resolution N° 254/13 of the Secretary of Transportation determining the opening and operation of the Trust account for the Specific Allocation of Works for the Portfolio of Projects 2012 as per Resolution N° 118/12; (b) take as operative the Trust Account for the Specific Allocation of Works for the Portfolio of Projects 2012 that should be integrated and executed according to destination, modality and guidelines established in Attachment I of Resolution N° 118/12 and (c) modifies Items iii, iv, and v of Attachment I of Resolution N° 118/12.

Resolution N°44 dated March 31, 2014 of the ORSNA approved the Review of the Financial Projection of Income and Expense at December 31, 2011 and December 31, 2012 and maintains the validity of ORSNA Resolution 10/09 regarding rebates on international airport fees so that the resulting tariff reflects a 30% discount from the values included in Exhibit II of the Memorandum of Understanding. -Dto 1799/07- applying such rebates on those airlines which have timely honored their payments.

Several tariff adjustments resulted from the abovementioned ORSNA Review. The Tariff for the Use of International Air Terminals increased from U\$S37.32 to U\$S43.93, the Tariff for the Use of Regional Air Terminals increased from U\$S16.48 to U\$S19.39 and the Tariff for the Use of Domestic Air Terminals increased from AR\$ 19.07 to AR\$ 22.91.

Also, updated certain items charged by the Negotiation Unit Freight Terminal.

The Official Gazette on April 8, 2014 published ORSNA Resolution N° 45/14 with the approval of the Tariff Schedule to be applied in all airports of the National Airport System.

With the increase in tariffs it is created a new "Trust for Special Allocation of Revenues for Strengthening of material Investments of A Group". It will be regulated according to the "Rules for AA2000 contracting with trust funds of the Trust Assets Account for the Financing of Investments in Airports of Group A of the National Airport System and/or the Trust Account for the Financing of Works of the National Airport System" approved by Resolution N° 65/10.

The Company through notifications AA2000-DIR-806/14 and AA2000-DIR-1032/14 has requested by means of the corresponding administrative procedure, the reconsideration and/or correction of certain aspects of the review of the Financial Projection of Income and the creation of a new Trust account.

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NOTE 15 - REVIEW OF THE FINANCIAL PROJECTION OF INCOME AND EXPENSES FOR THE CONCESSION (Contd.)

Resolution N°167 dated November 20, 2015 of the ORSNA approved the Review of the Financial Projection of Income and Expense at December 31, 2013 and December 31, 2014 and maintains the validity of ORSNA Resolution 10/09 regarding rebates on international airport fees so that the resulting tariff reflects a 30% discount from the values included in Exhibit II of the Memorandum of Agreement. -Decree 1799/07- applying such rebates on those airlines which have timely honored their payments.

Up to the next revision the Tariff for the Use of the International Air Terminal remains at U\$S 4.57 and the Tariff of the Regional Air Terminal at U\$S 2.05.

In addition it is required to modify point ii) of the Attachment II of Resolution 45/14 regarding assets in trusts.

As a consequence of the Review the ORSNA approved through Resolution 168 several tariff adjustments. The passenger use fee of international air terminals goes from U\$S43.93 to U\$S57.00. The passenger use fee of regional air terminals goes from U\$S19.39 to U\$S25.16 and passenger use fee of domestic air terminal goes from \$22.91 to \$29.73.

NOTE 16 - CAPITAL STOCK

At December 31, 2015 capital stock is as follows:

	Par Value
	AR\$
Paid-in and subscribed	851,476,116
Registered with the Public Registry of Commerce	<u>851,476,116</u>

The Company's capital stock is comprised of 258,517,299 common shares of AR\$ 1 par value and one vote each and 592,958,817 preferred non-voting shares of AR\$ 1 par value. Preferred shares will have voting rights on the following matters: i) partial or total capital reimbursement; ii) during the period benefits of preferred shareholders are granted but not yet received iii) the appointment of a full and an alternate director and a full and an alternate syndic; and iv) in the remaining cases established by Corporate Law No. 19550.

The Ordinary General Special Meeting of class A, B, C and D and Special of preferred shares on April 21, 2014 decided an increase of preferred shares, resulting in an increase of capital stock from AR\$ 828,450,803 to AR\$ 839,849,473 and was registered in the Public Registry of Commerce on October 24, 2014 under the number 20.778, L° 71 of Corporations.

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NOTE 16 - CAPITAL STOCK (Contd.)

The Ordinary General Special Meeting of class A, B, C and D and Special of preferred shares dated April 28, 2015 decided an increase of preferred shares, resulting in an increase of capital stock from AR\$ 839,849,473 to AR\$ 851,476,116 and was registered in The Public Registry of Commerce on October 14, 2015 under the number 19.304, L° 76 of Corporations.

The Ordinary General Special Meeting of class A, B, C and D and Special of preferred shares dated April 25, 2016 decided an increase of preferred shares, resulting in an increase of capital stock from AR\$ 851,476,116 to AR\$ 863,335.292 and was registered in The Public Registry of Commerce on September 29, 2016 under the number 18.671 L° 81 of Corporations.

Furthermore, according to the requirements of General Resolution 629 issued by the CNV, the books and accounting records of the Company are located in the fiscal address located in Honduras 5673, Autonomous City of de Buenos Aires. In addition AA2000 has certain supporting accounting and operating documentation in the warehouses of Bank S.A. in the Province of Buenos Aires Garín (Ruta Panamericana km. 37,5), Pacheco (Ruta Panamericana km. 31,5), Munro (Av Fleming 2190) and Avellaneda (General Rivadavia 401).

NOTE 17 - CAPITAL STOCK AND SHARE PREMIUM

As mentioned in Note 16, the Company' s capital stock comprises 258,517,299 common shares of AR\$ 1 par value and one vote each and 592,958,817 preferred non-voting shares of AR\$ 1 par value each.

Under the provisions of the Memorandum of Agreement, the Shareholders' Extraordinary and Special meeting for Class A, B and C of March 6, 2008 and approved by the ORSNA the April 25, 2008 decided to amend the bylaws to include the following decisions:

- Rescind the amendments to the by laws decided by the Shareholders' Extraordinary Meeting of June 24, 2004.

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NOTE 17 - CAPITAL STOCK AND SHARE PREMIUM (Contd.)

- To increase the capital stock from AR\$ 100,000,000 to AR\$ 219,737,470 through the capitalization of the “capital adjustment” account and to issue the following shares:

- a) 43,105,489, common, registered, non-endorsable Class A shares of AR\$ 1 par value and one vote each;
- b) 43,105,489, common, registered, non-endorsable Class B shares of AR\$ 1 par value and one vote each; c) 33,526,492, common, registered, non-endorsable Class C shares of AR\$ 1 par value and one vote each.

The abovementioned capital increase will be subscribed by the shareholders in proportion to their shareholdings.

- To increase the capital stock up to AR\$ 715,898,883, through the issuance of 496,161,413 non-voting preferred shares of AR\$ 1 par value; all the shares were subscribed by the Argentine National Government. Preference rights on preferred shares comprise: (i) a fixed annual cumulative dividend equivalent to 2% of the nominal value of the preferred shares; and (ii) liquidation preference rights. Preferred shares will have voting rights in the cases indicated in Note 16.

Consequently, the capital stock is as follows:

- (i) 79,105,489 class A common shares of AR\$1 par value and 1 vote each;
- (ii) 79,105,489 class B common shares of AR\$ 1 par value and 1 vote each;
- (iii) 61,526,492 class C common shares of AR\$ 1 par value and 1 vote each;
- (iv) 496,161,413 preferred shares of AR\$ 1 par value without right to vote.

- To issue Negotiable Obligations convertible into shares for a total face amount of AR\$ 158,000,000 to be placed without public offering and fully subscribed by the Argentine National Government.

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NOTE 17 - CAPITAL STOCK AND SHARE PREMIUM (Contd.)

- To increase the capital stock as set forth by section 17 of the Negotiable Obligations Law in the proportion necessary to meet future conversion requests as well as the corresponding authorization for the issue of shares as agreed by the Board of Directors.

Furthermore, the Shareholders' Extraordinary and Special Meeting held on August 7, 2008 decided, among other, changing the by-laws, subject to the approval of ORSNA, based on the following amendments:

- (i) Increasing the company's capital stock for up to AR\$ 65,000,000. Creation of subclasses "R" and "L" shares and issuance of up to 65,000,000 ordinary shares A, B, C and subclass L shares. Admission to the regime of public offering of shares. Subclass "L" shares of one peso (AR\$ 1) par value and one (1) vote each will be placed for public offering, subject to the prior authorization from the ORSNA.
- (ii) Filing with the National Securities Commission for authorization under the public offering regime of the new subclass L shares to be issued by the Company and filing for listing of those shares on the Buenos Aires Stock Exchange, Mercado Abierto Electrónico S.A. or other Argentine or foreign self-regulated stock exchanges or markets, delegated to the Board of Directors or other persons authorized by the Board.
- (iii) Amendment to articles II, III, IV, VI and VIII of the by-laws and incorporation of articles IX, X and XI to the by-laws. Approval of the new text of the by-laws.
- (iv) Appointment of Caja de Valores S.A. as register.

The Shareholders' meeting held on April 29, 2011 decided that due to the existence of certain issues regarding the admission to the public offering of shares and the increase of capital stock which were being analyzed by the Board, the admission to the public offering regime, the increase in capital stock and the by-laws reform would be discussed in a further Meeting that will be held once such topics had been defined.

The Company presented to the consideration of the ORSNA the conditions under which the shares would be placed in the aforementioned public offering. Up to date, the ORSNA has not yet given authorization pursuant to the provisions of Article 26 of The Agreement.

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NOTE 17 - CAPITAL STOCK AND SHARE PREMIUM (Contd.)

At June 9, 2011 the Argentine National Government notified the Company its intention to convert all their negotiable obligations into common shares class D of the Company. The Board's meeting of December 27, 2011 decided the issuance of 38,779,829 shares, common shares class D of AR\$ 1 par value and 1 vote each. On December 29, 2011 the Shareholders' meeting decided to reform articles 2.01 and 4.01 of the by-laws to reflect the conversion of the negotiable obligations. Such conversion generated a share premium of AR\$ 137,280,595.

At December 31, 2015 the capital stock was represented by: (i) 79,105,489 class A subclass R common shares; (ii) 79,105,489 class B subclass R common shares; (iii) 61,526,492 class C subclass R common shares; (iv) 38,779,829 class D common shares; (v) 592,958,817 preferred shares of AR\$ 1 par value without right to vote; and (vi) subclass L common shares issued under the public offering regime.

The Board of Directors has eight members nominated yearly and the same number of alternates. Each of the classes A, B and C has the right to appoint two regular directors and two alternates and class D has the right to appoint one regular director and an alternate. The Argentine National Government as holder of preferred shares has the right to appoint one additional regular director and an alternate.

On June 30, 2011 the Company was notified that the Società per Azioni Esercizi Aeroportuali S.E.A. transferred to Cedicor S.A., direct parent company of Corporación America S.A., a total of 21,973,747 common, registered non-endorseable Class A shares of AR\$ 1 par value and one vote each, representing 8.5% of the capital stock and votes of AA2000. To be in effect, such transfer needs to be authorized by the ORSNA.

On July 13, 2011 the Company was notified that Riva S.A.I.I.C.F.A. transferred to Cedicor S.A., direct parent company of Corporación America S.A. 2,197,375 common class B shares of AR\$ 1 par value and one vote each, representing 0.85% of the capital stock and votes of AA2000. To be in effect, such transfer needs to be authorized by the ORSNA.

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NOTE 18 - DIVIDENDS ON PREFERRED SHARES

Preferred shares in favor of the Argentine National Government (see Note 1), whose issuance were approved by the Shareholders' Meeting of the Company held on March 6, 2008 accrue a preferential dividend of 2% of their nominal value, payable in preferred shares, which shall be cumulative in case that the Company does not generate liquid and realized earnings.

Shareholders' General Ordinary, Extraordinary and Special meeting held on April 24, 2009 resolved to pay dividends for AR\$ 30,369,048 through the issuance of 30,369,048 preferred shares of AR\$ 1 par value each under the same terms of the preferred shares issued in favor of the Argentine National Government as per Class A, B and C Shareholders' General Ordinary and Special Meeting provisions held on March 6, 2008. Preferred shares were fully subscribed by the Argentine National Government.

In addition, the Shareholders' General Ordinary and Special meeting held on March 19, 2010 decided to pay dividends in the amount of AR\$ 10,530,609 through the issuance of 10,530,609 preferred shares of AR\$ 1 par value each under the same issue terms of the preferred shares issued in favor of the Argentine National Government as per Class A, B and C Shareholders' General Extraordinary and Special Meeting provisions held on March 6, 2008. Preferred shares are fully subscribed by the Argentine National Government.

The Shareholders' General Ordinary, Extraordinary and Special Meeting held on December 29, 2011 decided to pay dividends of AR\$ 10,741,221 through the issuance of 10,741,221 preferred shares of AR\$ 1 par value each under the same issue terms of the preferred shares issued in favor of the Argentine National Government as per class "A", "B" and "C" shareholders' General, Extraordinary and Special meeting provisions held on March 6, 2008. Preferred shares are fully subscribed by the Argentine National Government.

Shareholders' General Ordinary, Extraordinary and Special meeting of Class A, B, C and D and special of preferred shares held on May 2, 2012 decided to pay dividends of AR\$ 10,956,046 through the issuance of 10,956,046 preferred shares of AR\$ 1 par value each under the same issue terms of the preferred shares issued in favor of the Argentine National Government as per class "A", "B" and "C" shareholder's general, extraordinary and special meeting provisions held on March 6, 2008 and clause 14 and attachment VII of The Memorandum of Understanding for the Restatement of the Concession Agreement. Preferred shares are fully subscribed by the Argentine National Government.

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Notes to the Consolidated Financial Statements

At December 31, 2015, 2014 and 2013 (Cont.)

NOTE 18 - DIVIDENDS ON PREFERRED SHARES (Contd.)

Shareholders' General Ordinary, Extraordinary and Special meeting of Class A, B, C and D and special of preferred shares held on April 11, 2013 decided to pay dividends of AR\$ 11,175,167 through the issuance of 11,175,167 preferred shares of AR\$ 1 par value each under the same terms of issuance as the preferred shares issued in favor of the Argentine National Government as per class "A", "B" and "C" shareholder's general, extraordinary and special meeting provisions held on March 6, 2008 and clause 14 and attachment VII of The Memorandum of Understanding for the Restatement of the Concession Agreement. Preferred shares are fully subscribed by the Argentine National Government.

Shareholders' General Ordinary, Extraordinary and Special meeting of Class A, B, C and D and special of preferred shares held on April 21, 2014 decided to pay dividends of AR\$ 11,398,670 through the issuance of 11,398,670 preferred shares of AR\$ 1 par value each under the same issue terms as the preferred shares issued in favor of the Argentine National Government as per class "A", "B" and "C" shareholder's general, extraordinary and special meeting provisions held on March 6, 2008 and clause 14 and attachment VII of The Memorandum of Understanding for the Restatement of the Concession Agreement. Preferred shares are fully subscribed by the Argentine National Government.

Shareholders' General Ordinary, Extraordinary and Special meeting of Class A, B, C and D and special of preferred shares held on April 28, 2015 decided to pay dividends for AR\$ 11,626,643 through the issuance of 11,626,643 preferred shares of AR\$ 1 par value each under the same issue terms of the preferred shares issued in favor of the Argentine National Government as per class "A", "B" and "C" shareholders' general, extraordinary and special meeting held on March 6, 2008 and clause 14 and attachment VII of The Memorandum of Understanding for the Restatement of the Concession Agreement. Preferred shares are fully subscribed by the Argentine National Government.

Shareholders' General Ordinary, Extraordinary and Special meeting of Class A, B, C and D and special of preferred shares held on April 25, 2016 decided to pay dividends for AR\$ 11,859,176 through the issuance of 11,859,176 preferred shares of AR\$ 1 par value each under the same issue terms of the preferred shares issued in favor of the Argentine National Government as per class "A", "B" and "C" shareholders' general, extraordinary and special meeting held on March 6, 2008 and clause 14 and attachment VII of The Memorandum of Understanding for the Restatement of the Concession Agreement. Preferred shares are fully subscribed by the Argentine National Government.

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Notes to the Consolidated Financial Statements

At December 31, 2015, 2014 and 2013 (Cont.)

NOTE 19 - DIVIDENDS ON COMMON SHARES

Shareholders' General Ordinary, Extraordinary and Special meeting held on April 24, 2009 decided to pay cash dividends for AR\$ 7,000,000 to be distributed among shareholders of Class A, B and C shares in proportion to their shareholdings and delegated to the Board the determination of the time of payment of dividends.

In addition, Shareholders' General Ordinary and Special Meeting for Classes A, B and C held on March 19, 2010 decided to pay AR\$ 40,000,000 of dividends in cash to be distributed among shareholders of Class A, B and C shares in proportion to their shareholdings and delegated to the Board the determination of the time of payment.

As mentioned in the meeting held on May 11, 2013 the negotiable obligations issued by the Company in April and December 2010 have restrictions to the declaration and distribution of dividends or any other type of profit to shareholders. Those restrictions include a total prohibition for such distributions during the first five years counted as from the issuance of the secured negotiable obligations classes A, B and C issued on April 21, 2010. Nonetheless, the payment of preferred shares dividends is permitted as long as distribution of dividends is legally allowed.

NOTE 20 - RESOLUTIONS OF SHAREHOLDERS' ORDINARY, EXTRAORDINARY AND SPECIAL MEETINGS OF CLASS "A", "B", "C" AND "D" SPECIAL PREFERRED SHARES OF AEROPUERTOS ARGENTINA 2000 S.A. HELD ON APRIL 25, 2016 AND ON APRIL 28, 2015 AND RESOLUTION OF SHAREHOLDERS' ORDINARY AND EXTRAORDINARY GENERAL MEETING HELD ON JULY 18, 2016

The shareholder's general ordinary, extraordinary and special meeting of Class "A", "B", "C" and "D" and special of preferred shares held on April 25, 2016 decides among other issues:

- That the income of the year ended at December 31, 2015 has the following destination:
 - (i) \$22,810,817 for the constitution of the legal reserve;

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Notes to the Consolidated Financial Statements

At December 31, 2015, 2014 and 2013 (Cont.)

NOTE 20 - RESOLUTIONS OF SHAREHOLDERS' ORDINARY, EXTRAORDINARY AND SPECIAL MEETINGS OF CLASS "A", "B", "C" AND "D" SPECIAL PREFERRED SHARES OF AEROPUERTOS ARGENTINA 2000 S.A. HELD ON APRIL 25, 2016 AND ON APRIL 28, 2015 AND RESOLUTION OF SHAREHOLDERS' ORDINARY AND EXTRAORDINARY GENERAL MEETING HELD ON JULY 18, 2016 (Contd.)

- (ii) \$11,859,176 to the distribution of dividends corresponding to the preferred shares subscribed by the Argentine National Government according to the resolution of the general extraordinary meeting of the Company's shareholders held on March 6, 2008 and clause 14 and attachment VII of The Memorandum of Understanding for the Restatement of the Concession Agreement, payable in preferred shares;
- (iii) The remaining \$421,546,352 is allocated together with the facultative reserve to the compliance of the works of the year 2015, that totalize \$511,546,352, to the constitution of two facultative reserves a) to secure compliance of works committed to the year 2016, for \$210,000,000; and b) to guarantee the payment of dividends when the Company is in condition to distribute for \$301,546,352.

- Issue 11,859,176 preferred shares of \$1 par value under the same terms of the preferred shares issued in favor of the Argentine National Government as per Class A, B and C Shareholder's General, Extraordinary and Special Meeting held on March 6, 2008
- Increase the capital stock from \$851,476,116 to \$863,335,292 i.e., in the amount of \$11,859,176 (eleven million, eight hundred fifty nine thousand, one hundred and seventy six pesos) through the issuance of 11,859,176 preferred shares of \$1 (one peso) par value, with no vote; and
- That the preferred shares are subscribed fully by the Argentine National Government.

The shareholders' general ordinary, extraordinary and special meeting of Class "A", "B", "C" and "D" and special of preferred shares held on April 28, 2015 decides among other issues:

Aeropuertos Argentina 2000 S.A.

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Notes to the Consolidated Financial Statements

At December 31, 2015, 2014 and 2013 (Cont.)

NOTE 20 - RESOLUTIONS OF SHAREHOLDERS' ORDINARY, EXTRAORDINARY AND SPECIAL MEETINGS OF CLASS "A", "B", "C" AND "D" SPECIAL PREFERRED SHARES OF AEROPUERTOS ARGENTINA 2000 S.A. HELD ON APRIL 25, 2016 AND ON APRIL 28, 2015 AND RESOLUTION OF SHAREHOLDERS' ORDINARY AND EXTRAORDINARY GENERAL MEETING HELD ON JULY 18, 2016 (Contd.)

- That income of the year ended at December 31, 2014 has the following destination:

- (i) AR\$27,336,631 for the constitution of the legal reserve;
- (ii) AR\$11,626,643 to dividends corresponding to the preferred shares subscribed by the Argentine National Government according to the provisions of the general extraordinary meeting of the Company's shareholders held on March 6, 2008 and clause 14 and attachment VII of The Memorandum of Understanding for the Restatement of the Concession Agreement, payable in preferred shares; and
- (iii) The remaining AR\$508,129,350 is allocated together with the facultative reserve to the compliance of the works of the year 2014, that totalize AR\$533,129,350, to the constitution of two facultative reserves a) to secure compliance of works committed to the year 2015, for AR\$90,000,000; and b) to guarantee the payment of dividends when the Company is in condition to distribute for AR\$443,129,350.

- Issuance of 11,626,643 preferred shares for AR\$1 par value under the same terms of the preferred shares issued in favor of the Argentine National Government as per Class A, B and C Shareholders' General, Extraordinary and Special Meeting held on March 6, 2008

- Increase the capital stock from AR\$839,849,473 to AR\$851,476,116 i.e., in the amount of AR\$ 11,626,643 (eleven million, six hundred twenty six thousand, six hundred and forty three Argentine pesos) through the issuance of 11,626,643 preferred shares of AR\$1 (one peso) par value, with no vote.

- That the preferred shares are fully subscribed by the Argentine National Government.

On the other hand, the ordinary and extraordinary general meeting held on July 18, 2016 resolved, among other issues in society implementing the audit committee.

Aeropuertos Argentina 2000 S.A.

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Notes to the Consolidated Financial Statements

At December 31, 2015, 2014 and 2013 (Cont.)

NOTE 20 - RESOLUTIONS OF SHAREHOLDERS' ORDINARY, EXTRAORDINARY AND SPECIAL MEETINGS OF CLASS "A", "B", "C" AND "D" SPECIAL PREFERRED SHARES OF AEROPUERTOS ARGENTINA 2000 S.A. HELD ON APRIL 25, 2016 AND ON APRIL 28, 2015 AND RESOLUTION OF SHAREHOLDERS' ORDINARY AND EXTRAORDINARY GENERAL MEETING HELD ON JULY 18, 2016 (Contd.)

The Article X of the By-laws was amended by removing paragraph stating that the audit committee would begin to take effect at the time that the company be admitted to the system of public offering of its shares. In turn, the rules of procedure of the audit committee was approved.

This reform was registered with the Public Register on October 11, 2016, under number 19,601 of Book 81 of Corporations.

NOTE 21 – EARNINGS PER SHARE

The Shareholders' General Extraordinary Meeting held on March 6, 2008, approved by the ORSNA on April 25, 2008, earnings per share is calculated as net income for the year less accrued preferred shares dividends for the year, divided by the number of common shares.

NOTE 22 – FINANCIAL RISK MANAGEMENT

Foreign exchange risk

A substantial portion of the revenues of the Company are stated in US dollars or are related to billing in US dollars, such as the fees collected from non-aeronautical concessionaries (which are calculated as a percentage of the billing of those concessionaries, which is also stated in US dollars) and, to a lesser extent, in Argentine pesos.

Our operational income is exposed to exchange rate fluctuations to foreign currencies. A key factor in the determination of our financial income and expenses are foreign exchange differences on assets and liabilities in foreign currencies.

Borrowings in foreign currency at December 31, 2015 were AR\$3,112,116,437 out of a total debt of AR\$4,667,788,596. The Company does not use derivative financial instruments to cover for such exposures, as an important percentage of our revenues is denominated in US dollars or related to US dollars, as previously mentioned.

Aeropuertos Argentina 2000 S.A.

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Notes to the Consolidated Financial Statements

At December 31, 2015, 2014 and 2013 (Cont.)

NOTE 22 – FINANCIAL RISK MANAGEMENT (Contd.)

Based on our consolidated financial position at December 31, 2015 a variation in the exchange rate of AR\$ 0.10 against the US dollar would have resulted in an increase or reduction of AR\$3,650,505 in the consolidated assets and AR\$24,962,587 in the consolidated liabilities.

Price risk

As set forth in the Memorandum of Agreement, the ORSNA should review each year the financial projections of the Company between January 1, 2006 and February 13, 2028 (expressed in constant Argentine pesos of December 31, 2005) in connection with, among other items, aeronautical and non-aeronautical revenues, operation costs and investment commitments and could revise the specific allocation of revenues and/or aeronautical service tariffs and/or investment obligations of the Company to preserve the economic and financial “equilibrium” of the Concession Agreement, as established per Attachment V of the Agreement and the parameters established by the ORSNA for the Procedure of Revision of the Financial Projection of Income and Expenses. See Note 15 of the consolidated financial statements.

Credit Risk

Financial instruments that could be subject to concentration of credit risk consist of cash, cash equivalents, accounts receivable and short term investments.

The Company places its cash and cash equivalents, investments and other financial instruments in several first rate banking and financial institutions, therefore reducing the credit exposure risk of having only one entity. The Company has not had significant losses in such accounts.

Credit Risk (Contd.)

Trade receivables of the Company are mainly aeronautical revenues from airlines and the fee to be charged to concessionaries. The Company has a depends mainly on two of its airports (Ezeiza and Aeroparque) and could be affected by any condition that affects those airports. Furthermore, the Company depends on key clients, such as Aerolineas Argentinas SA, VRG Linhas Aereas SA and LAN Airlines SA. The Company has not had significant losses as a result of non-performance of the sub-concessionaries.

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Notes to the Consolidated Financial Statements

At December 31, 2015, 2014 and 2013 (Cont.)

NOTE 22 – FINANCIAL RISK MANAGEMENT (Contd.)

The ORSNA decided to apply a 30% discount rates for international aeronautical tariffs applicable to those tariffs established in the Attachment II of the Agreement for those airlines that timely honored their payments. Since the application of this discount rate, most airlines are complying timely with their payments.

Liquidity risk

The financial condition, the liquidity of the Company and the need for cash are influenced by different factors, including its ability to generate cash flows from operations; the level of indebtedness, payment of interest and principal, which impact the net financial losses of the Company; the interest rates in the local and international markets and the investments commitments within the investment plan framework, the master plan, the additional investments in long-term assets and the working capital needs.

The following table analyzes the Group non-derivative financial liabilities and net settled derivative financial liabilities, into relevant maturity grouping based on the remaining period in the consolidated statements of financial position to the contractual maturity date. Amounts in the table are undiscounted contractual cash flows.

In thousands of AR\$	Total	1st Quarter 2016	2nd Quarter 2016	3rd Quarter 2016	4th Quarter 2016	2016	2017	2018-2028
Long-term liabilities (1)	4,646,396	921,974	172,658	168,148	330,763	1,593,543	920,612	2,132,241
Leases	59,288	5,043	5,043	5,043	5,043	20,173	22,687	16,428
Purchase obligations (2)	926,474	259,413	240,883	222,354	203,824	926,474	-	-
Other obligations	206,656	-	-	-	206,656	206,656	-	-
Total Contractual Obligations	5,838,814	1,186,430	418,584	395,545	746,286	2,746,846	943,299	2,148,669

(1) Includes Fees payable to the Argentine National Government, Accounts Payable, Negotiable Obligations (Principal and Interest) and local borrowings.

(2) Includes pending payable purchase commitments at 12/31/2015

Interest rate risk

Interest rate risk of the Company arises from its financial borrowings. Borrowings issued at variable rate expose the Company to the increase of interest expense when market interest rates increase, while the borrowings issued at a fixed rate expose the Company to fair value interest rate risk. The Company analyzes its interest rate exposure on a dynamic basis, being the general policy of the Company to maintain most of its financing at a fixed rate.

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Notes to the Consolidated Financial Statements

At December 31, 2015, 2014 and 2013 (Cont.)

NOTE 22 – FINANCIAL RISK MANAGEMENT (Contd.)

Interest rate risk (Contd.)

The weighted average interest rate for debt instruments denominated in Argentine pesos is 28.62% for 2015.

Total borrowings of the Company at a variable rate at December 31, 2015 amounts to AR\$92,935,770 (2.88% of total borrowings).

Capital Management

The objectives of the Group when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders to maintain an optimal capital structure to reduce the cost of capital.

The Negotiable Obligations issued in the year 2010 establish certain commitments for the Company. At the date of this Consolidated Financial Statements AA2000 has complied with all obligations assumed.

Consistent with others in the industry, the Group monitors capital on the basis on the indebtedness ratio. This ratio is calculated as the net debt divided by total capital. The net debt is calculated as the total borrowings (including “current and non-current borrowings” as shown in the consolidated statements of financial position) less the cash and cash equivalents. Total capital is calculated as the total Shareholders Equity of the consolidated statement of financial position).

	12.31.15	12.31.14	12.31.13
	AR\$		
Total borrowings	3,222,048,228	2,440,368,915	1,956,068,540
Less: Cash and cash equivalents	(605,194,140)	(469,575,414)	(212,893,335)
Net debt	2,616,854,088	1,970,793,501	1,743,175,205
Total shareholders' equity	2,921,531,639	2,463,457,580	1,914,714,525
Indebtedness ratio	89.57%	80.00%	91.04%

Financial assets are shown in other receivables and financial liabilities are shown under financial liabilities at amortized cost.

NOTE 23 – ACCOUNTING ESTIMATES AND JUDGMENTS

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the corresponding actual results. The estimates and judgments that have a significant risk to causing a material adjustment to the carrying value of the assets and liabilities within the next financial year are addressed below.

Aeropuertos Argentina 2000 S.A.

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Notes to the Consolidated Financial Statements

At December 31, 2015, 2014 and 2013 (Cont.)

NOTE 23 – ACCOUNTING ESTIMATES AND JUDGMENTS (Contd.)

Income Taxes:

The Group is subject to income tax. A high level of judgment is required to determine the provision for income tax. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. When the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax in the year in which such determination is made.

Bad debts:

The Company makes estimates to calculate at a certain time the provision for bad debts. Judgments regarding provision for bad debts are conducted based on an individual analysis of the portfolio of customers.

Contingencies:

Finally, estimates related to contingencies and other risks are analyzed on the basis of likelihood of occurrence and estimated amount considering the opinion of the legal advisors of the Company.

NOTE 24 – CREDIT QUALITY OF FINANCIAL ASSETS

The credit quality of the financial assets that are neither past due nor impaired can be assessed based on external credit ratings or through the historical information about counterparty default rates:

	2015	2014	2013
	AR\$		
Clients			
Group 1	-	-	-
Group 2	493,839,560	433,943,636	207,670,482
Group 3	95,407,726	38,491,212	12,493,288
Total unimpaired trade receivables	589,247,286	472,434,848	220,163,770

Group 1 – New customers / related parties (less than 6 months)

Group 2 – Existing customers / related parties (more than 6 months) with no defaults in the past.

Group 3 – Existing customers / related parties (more than 6 months) with some defaults in the past. All defaults were fully recovered.

Note: None of the borrowings to related parties is past due nor impaired

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Notes to the Consolidated Financial Statements

At December 31, 2015, 2014 and 2013 (Cont.)

NOTE 24 – CREDIT QUALITY OF FINANCIAL ASSETS (Contd.)

Breakdown of financial assets into maturity grouping based on the remaining period in the consolidated statements of financial position date to the maturity date is as follows:

Item	Due dates						Without established term	Total
	Past due	1st. Q	2nd. Q	3rd.Q	4th Q	Beyond 4th Q		
	AR\$							
Trade receivables net	55,443,551	520,454,075	9,672,229	3,518,258	159,173		-	- 589,247,286

NOTE 25 – CONTINGENCIES

The Group has contingent liabilities for litigations in respect of legal claims arising in the ordinary course of business. It is not anticipated that any material liabilities will arise from the contingent liabilities other than those provided for:

a) Legal actions for airport fees

Section 2 of Decree 577/2002 states that “all airport fees for international flights, including neighboring countries, included in the Tariff Schedules are expressed in US dollars...”. Emergency Decree 1910/2002, published in the Official Gazette on October 1, 2002, ratified Decree 577/2002. Decree 1799/07 guaranteed that the tariff schedule would remain effective.

Different aircraft operators and some consumer associations filed motions in court challenging the application of the abovementioned regime.

On August 26, 2008, the Argentine Supreme Court ruled on the case “Mexicana de Aviación v. Government *et al*” [Mexicana de Aviación c/ EN y otros] and confirmed the validity of the provisions that prescribed that domestic airport fees are denominated in local currency and international airport fees are denominated in US dollars (Decrees 577/02, 1910/02 and 1799/07)..

At December 31, 2015 open claims remained with American Airlines and Lufthansa, courts have not yet ruled, however there is no intent of the parties to continue the proceedings.

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Notes to the Consolidated Financial Statements

At December 31, 2015, 2014 and 2013 (Cont.)

NOTE 25 – CONTINGENCIES (Contd.)

Regarding passenger airport fees, the Supreme Court dismissed the legal action filed by the Asociación Vecinal Belgrano C and other consumer associations referring to the “Mexicana” case. (Sentence dated June 13, 2013).

b) Tax claims

Claims on Stamp taxes

The provinces of Río Negro, San Luis and Salta have made claims for unpaid stamp tax and notified the Company of the assessed amounts of unpaid stamp taxes applicable to the Concession Agreement. Below is a summary of the status of each claim:

• *Province of Río Negro*

On April 25, 2000, AA2000 received a claim for AR\$ 508,586.44 corresponding to unpaid stamp tax due to (i) alleged incorrect calculation of stamp tax, as it was calculated based on the present value of the fee instead of its nominal value, (ii) the assumption that the guarantees agreed with the Argentine National Government should have been included and (iii) considering late payment of the tax. The Company answered the demand, claimed its nullity and challenged the calculation made.

On December 14, 2000, AA2000 was notified by the provincial Tax Authorities of a claim for AR\$ 956,344 including interest as of December 29, 2000. On January 8, 2001, AA2000 rejected the assessment made. On June 10, 2003 the amount claimed was AR\$ 1,346,810. The Company appealed the assessment

On August 9, 2004 Resolution No. 812 issued by the General Tax Authorities rejected the appeal. On August 24, 2004 the Company filed an administrative appeal which was rejected by Resolution No. 758 of the Treasury Department on May 17, 2005. A new appeal was presented with no resolution to date.

• *Province of San Luis*

On December 27, 2002, the Province of San Luis claimed of AR\$ 775,228.86 for stamp tax differences and the Social Health Fund (*Fondo Social para la Salud - FO.SO.SA.*) under the Concession Agreement. The judge added AR\$ 542,660.86 to the sum claimed by the province for interest, expenses and fees.

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Notes to the Consolidated Financial Statements

At December 31, 2015, 2014 and 2013 (Cont.)

NOTE 25 – CONTINGENCIES (Contd.)

On October 20, 2004, the Provincial Administration of Public Revenue notified the Company of Resolution No. 4285-DPIP-2004 accepting the netting request filed by the Company and assigned the amount withheld through application of the collection regime of AR\$ 773,785.81 to the Company's stamp tax and *FO.SO.SA.* debt.

In accordance with Resolution No. 4285-DPIP-2004, a new amount was claimed for AR\$ 372,964.73 corresponding to stamp tax and other. The judge decided to reduce the amount of [EMBARGO] to AR\$ 372,964.73.

On November 10, 2004, the Company made a voluntary filing in the legal proceeding requesting the release of the EMBARGO, and filed a motion to dismiss alleging lack of jurisdiction of venue, title inhibition and claims being litigated in another suit. The Court ordered a stay of the proceedings at the request of the Company.

The courts dismissed the motions and sentenced against the Company, which cannot be appealed. Legal fees of the province attorneys were appealed by AA2000. On December 6, 2012 the Chamber confirmed the fees assigned to the representatives of the State Attorney and partially reversed the decision of the judge in the Court of first Instance reducing the fees of legal representatives of the Province Direction of Public Income of San Luis to 10% (AR\$ 5,639). Expenses were determined against plaintiff and defendant. Fees to the representatives of the State Attorney were assessed at AR\$44,308 (AR\$40,280 for the main process and AR\$4.028 for the incident); Fees of the legal representatives of the Province Direction of Public Income of San Luis were: AR\$17,723 (AR\$16,112 for the main process and AR\$1,611 for the incident). Fees were paid by AA2000.

Likewise, although the principal claimed had been paid on June 28, 2010 the Company was notified of the claim alleging a difference in favor of the Province of AR\$ 1,533,817.45, which was challenged by AA2000, currently pending a court decision.

Other tax proceedings

The Company received claims from certain municipal districts in connection with local fees and taxes which, according to its legal advisors are unlikely to be successful.

“Free translation from the original in Spanish for publication in Argentine”

INDEPENDENTS AUDITORS' REPORT

To the Shareholders, President and Directors of
Aeropuertos Argentina 2000 S.A.
Legal address: Suipacha 268 - 12th Floor
City of Buenos Aires
Tax Code No. 30-69617058-0

Report on financial statements

We have audited the accompanying consolidated financial statements of Aeropuertos Argentina 2000 S.A. and its subsidiaries, including the consolidated statements of financial position at December 31, 2015, 2014 and 2013 the consolidated statements of comprehensive income, of changes in equity and of cash flows for the year then ended, and a summary of the significant accounting policies and other explanatory notes.

Responsibility of Direction

The Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements under the International Financial Reporting Standards (IFRS) as approved by the International Accounting Standards Board (IASB), adopted as Argentine professional accounting standards by the Argentine Federation of Professional Councils in Economic Sciences (FACPCE), and incorporated into the regulations of the National Securities Commission (CNV). Further, the Board of Directors is responsible for the existence of adequate internal control to prepare the consolidated financial statements free of any significant distortions due to misstatements or irregularities. Our responsibility is to issue an opinion on the consolidated financial statements based on the audit performed with the scope of paragraph “Responsibility of auditors”.

Responsibility of auditors

Our responsibility is to express an opinion on the attached consolidated financial statements, based on our audit. We performed our audit in accordance with International Standards on Auditing (ISAs). These standards were adopted as review standard in Argentina through Technical Pronouncement No. 32 of the FACPCE, as approved by the International Auditing and Assurance Standards Board (IAASB) and they require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and other information disclosed in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the consolidated financial statements due to fraud or error. In making those risk assessments, the auditor must consider internal control relevant to the Company's preparation and reasonable presentation of the consolidated

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financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant estimates made by the Company's management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements mentioned in the first paragraph, present fairly, in all material respects, the consolidated financial position of Aeropuertos Argentina 2000 S.A. and its subsidiaries at December 31, 2015, 2014 and 2013 and the consolidated comprehensive income and cash flows for the fiscal year then ended, in accordance with International Financial Reporting Standards.

Report on compliance with current regulations

In accordance with current regulations, we report that, in connection with Aeropuertos Argentina 2000 S.A.:

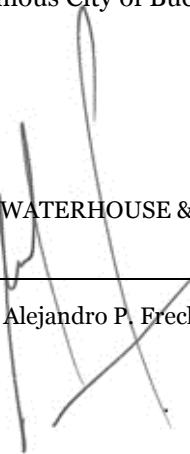
- a) the consolidated financial statements of Aeropuertos Argentina 2000 S.A. are transcribed into the "Inventory and Balance Sheet" book and as regards those matters that are within our competence, they are in compliance with the provisions of the Commercial Companies Law and pertinent resolutions of the National Securities Commission;
- b) the separate financial statements of Aeropuertos Argentina 2000 S.A. arise from accounting records kept in all formal respects in conformity with legal regulations, which maintain the security and integrity conditions based on which they were authorized by the National Securities Commission;
- d) at December 31, 2015 the debt accrued by Aeropuertos Argentina 2000 S.A. in favor of the Argentine Integrated Social Security System according to the Company's accounting records amounted to \$ 31,449,132.28, none of which was claimable at that date.
- e) In accordance with article 21, paragraph e), chapter III, section IV, title II of the regulation of the National Securities Commission, we report that total fees for auditing and related services billed to the Company during the fiscal year ended December 31, 2015 account for:
 - e.1) 72.30% of the total fees for services billed to the Company for all items during that fiscal year;
 - e.2) 55.55% of the total fees for services for auditing and related services billed to the Company, its parent companies, subsidiaries and related companies during that year;
 - e.3) 39.26% of the total fees for services billed to the Company, its parent companies, subsidiaries and related companies for all items during that year;



f) We have applied money laundering abatement and anti-terrorist financing procedures for Aeropuertos Argentina 2000 S.A. foreseen in the professional standards issued by the Professional Council in Economic Sciences of the Autonomous City of Buenos Aires.

Autonomous City of Buenos Aires, November 2, 2016

PRICE WATERHOUSE & CO. S.R.L.
(Partner)
Alejandro P. Frechou

A handwritten signature in black ink, appearing to read 'Alejandro P. Frechou', is written over the typed name. The signature is somewhat stylized and includes a large, sweeping 'A'.

Aeropuertos Argentina 2000 S.A.

Condensed Consolidated Interim Financial Statements
At September 30, 2016 and 2015

Aeropuertos Argentina 2000 S.A.

Condensed Consolidated Interim Financial Statements

At September 30, 2016 and 2015

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AR\$ = Argentine Peso

US\$ = US Dollar

Aeropuertos Argentina 2000 S.A.

Registration number with the Superintendency of Corporations: 1645890

Legal address:

Suipacha 268 - Piso 12º - Autonomous
City of Buenos Aires

Principal activity:

Use, management and operation of
airports

Condensed Consolidated Interim Financial Statements

At September 30, 2016 and 2015

DATE OF REGISTRATION WITH THE PUBLIC REGISTRY OF COMMERCE:

Of the By-laws: February 18, 1998

Of the last modification of the By-laws: December 19, 2012

Registration number with the Superintendence of
Corporations: 1645890

Expiration date of the company: February 17, 2053

Parent Company: Corporación América S.A.

Legal address: Honduras 5673 -

Autonomous City of Buenos Aires

Investments and financing

Principal activity:

Participation of the Parent Company

in common stock and total votes:

45.90%

CAPITAL STOCK (Note 16)		
	Subscribed	Paid-in
	AR\$	
Issued as of September 30, 2016		
79,105,489 Class "A" common shares of AR\$ 1 par value and 1 vote each	79,105,489	79,105,489
79,105,489 Class "B" common shares of AR\$ 1 par value and 1 vote each	79,105,489	79,105,489
61,526,492 Class "C" common shares of AR\$ 1 par value and 1 vote each	61,526,492	61,526,492
38,779,829 Class "D" common shares of AR\$ 1 par value and 1 vote each	38,779,829	38,779,829
592,958,817 Preferred shares of AR\$ 1 par value with no voting rights	604,817,993	604,817,993
	863,335,292	863,335,292

Aeropuertos Argentina 2000 S.A.

Registration number with the Superintendency of Corporations: 1645890

Condensed Consolidated Statements of Comprehensive Income

For the nine-month periods ended September 30, 2016 and 2015

	Three months ended		Nine months ended	
	09.30.16	09.30.15	09.30.16	09.30.15
	AR\$			
Continuous Operations				
Revenue (Note 4)	2,807,025,801	1,552,109,494	7,430,712,752	4,286,999,944
IFRIC 12- paragraph 14 Credit (Note 5)	827,002,172	345,410,388	1,749,395,477	1,040,889,989
Cost of services (Note 10)	(1,328,892,544)	(869,688,877)	(3,594,090,198)	(2,363,706,343)
IFRIC 12- paragraph 14 Debit	(826,287,072)	(344,909,135)	(1,747,651,829)	(1,039,502,351)
Gross Profit	1,478,848,357	682,921,870	3,838,366,202	1,924,681,239
Distribution and selling expenses (Note 10)	(187,959,913)	(105,487,947)	(484,537,704)	(278,270,607)
Administrative expenses (Note 10)	(153,079,331)	(86,922,384)	(427,170,554)	(246,577,095)
Other income and expenses, net	(13,128,720)	714,595	(11,833,772)	(1,725,211)
Operating profit	1,124,680,393	491,226,134	2,914,824,172	1,398,108,326
Finance Income (Note 4)	23,455,833	17,933,560	168,057,164	48,539,024
Finance Costs (Note 4)	(139,076,198)	(163,474,229)	(816,481,051)	(444,722,300)
Income from associates accounted for by the equity method	-	(57,669)	-	(155,709)
Income before Income Tax	1,009,060,028	345,627,796	2,266,400,285	1,001,769,341
Income tax (Note 4)	(350,519,297)	(132,899,015)	(784,722,123)	(348,229,504)
Income for the period for continuous operations	658,540,731	212,728,781	1,481,678,162	653,539,837
Net Income for the period	658,540,731	212,728,781	1,481,678,162	653,539,837
Other comprehensive income	-	-	-	-
Comprehensive income for the period	658,540,731	212,728,781	1,481,678,162	653,539,837
Income attributable to:				
Shareholders	658,708,404	213,060,781	1,479,931,567	652,054,726
Non-Controlling Interest	(167,673)	(332,000)	1,746,595	1,485,111
Earnings per share basic and diluted attributable to shareholders of the Company during the year (shown in AR\$ per share) from continuous operations	2.5357	0.8114	5.6964	2.4936

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements, which should be read in conjunction with the audited consolidated financial statements for the fiscal year ended December 31, 2015.

Aeropuertos Argentina 2000 S.A.

Registration number with the Superintendency of Corporations: 1645890

Condensed Consolidated Statements of Financial Position

At September 30, 2016 and December 31, 2015

	09.30.16	12.31.15		
	AR\$			
Assets				
Non-Current Assets				
Property, plant and equipment	17,509,390	14,529,506		
Intangible Assets (Note 5)	7,823,225,409	6,335,190,375		
Deferred income tax assets	1,692,636	1,262,400		
Other receivables (Note 4)	928,187	1,093,190		
Total Non-Current Assets	7,843,355,622	6,352,075,471		
Current Assets				
Trade receivables (Note 4)	716,630,184	589,247,286		
Other receivables (Note 4)	86,469,319	41,486,924		
Other Assets	1,830,089	1,316,414		
Cash and cash equivalents (Note 4)	1,212,954,429	605,194,140		
Total Current Assets	2,017,884,021	1,237,244,764		
Total assets	9,861,239,643	7,589,320,235		
Shareholders' Equity and Liabilities				
Equity attributable to Shareholders:				
Common shares	258,517,299	258,517,299		
Preferred shares	604,817,993	592,958,817		
Share Premium	137,280,595	137,280,595		
Legal and facultative reserve	1,915,774,743	1,471,417,574		
Retained earnings	1,479,931,567	456,216,345		
Subtotal	4,396,322,197	2,916,390,630		
Non-Controlling Interest	6,887,604	5,141,009		
Total Shareholders' Equity	4,403,209,801	2,921,531,639		
Liabilities				
Non-Current Liabilities				
Accounts payable and others (Note 4)	8,238,368	19,445,745		
Borrowings (Note 6)	2,366,979,557	2,506,445,133		
Deferred income tax liability	86,062,518	106,690,411		
Provisions and other charges (Note 9)	57,633,910	134,403,735		
Total Non-Current liabilities	2,518,914,353	2,766,985,024		
Current Liabilities				
Fee payable to the Argentine National Government (Note 7)	137,477,028	89,674,994		
Accounts payable and others (Note 4)	1,094,711,160	801,683,611		
Income tax payable, net of prepayments	649,729,665	41,742,541		
Borrowings (Note 6)	814,217,208	715,603,095		
Provisions and other charges (Note 9)	242,980,428	252,099,331		
Total Current Liabilities	2,939,115,489	1,900,803,572		
Total Liabilities	5,458,029,842	4,667,788,596		
Total Shareholders' Equity and Liabilities	9,861,239,643	7,589,320,235		

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements, which should be read in conjunction with the audited consolidated financial statements for the fiscal year ended December 31, 2015.

Aeropuertos Argentina 2000 S.A.
 Registration number with the Superintendency of Corporations: 1645890

Consolidated Statements of Changes in Equity
 At September 30, 2016 and 2015

Attributable to equity holders of the Company

	Capital Stock Common Shares	Capital Stock Preferred Shares	Share Premium	Legal Reserve	Facultative Reserve	Retained Earnings	Total	Non- Controlling interest	Total Shareholders' Equity
	AR\$								
Balances at 01.01.16	258,517,299	581,332,174	137,280,595	59,181,176	1,384,899,767	456,216,345	2,916,390,630	5,141,009	2,921,531,639
Resolution of the Shareholders' Meeting dated April 25, 2016. (Note 16)	-	11,626,643		- 27,336,631	508,129,350 (547,092,624)		-	-	-
Net Income for the period	-	-	-	-	-	1,479,931,567	1,479,931,567	1,746,595	1,481,678,162
Balances at 09.30.16	258,517,299	604,817,993	137,280,595	109,328,624	1,806,446,119	1,479,931,567	4,396,322,197	6,887,604	4,403,209,801
Balances at 01.01.15	258,517,299	581,332,174	137,280,595	59,181,176	876,770,417	547,092,624	2,460,174,285	3,283,295	2,463,457,580
Resolution of the Shareholders' Meeting dated April 28, 2015	-	11,626,643		- 27,336,631	508,129,350 (547,092,624)		-	-	-
Net Income for the period	-	-	-	-	-	652,054,726	652,054,726	1,485,111	653,539,837
Balances at 09.30.15	258,517,299	592,958,817	137,280,595	86,517,807	1,384,899,767	652,054,726	3,112,229,011	4,768,406	3,116,997,417

The accompanying notes are an integral part of these Condensed Consolidated Interim Financial Statements, which should be read in conjunction with the audited consolidated financial statements for the fiscal year ended December 31, 2015.

Aeropuertos Argentina 2000 S.A.
 Registration number with the Superintendency of Corporations: 1645890
Consolidated Statements of Cash Flows
 For the nine-month periods ended September 30, 2016 and 2015

	NOTES	09.30.16	09.30.15
		AR\$	
Cash Flows from operating activities			
Net income for the period		1,481,678,162	653,539,837
<i>Adjustment for:</i>			
Deductions of intangible assets	5	31,906,944	21,460,265
Amortization of intangible assets	5	228,726,860	148,497,224
Impairment of intangible assets	5	726,639	726,639
Specific allocation of accrued and unpaid income	7	137,477,028	76,145,600
Depreciation of property, plant and equipment		2,108,556	1,382,092
Bad debts provision	12	29,911,751	14,592,180
Income from associates accounted for by the equity method		-	155,709
Income tax	4	784,722,123	348,229,504
Accrued and unpaid borrowing interest costs		33,158,469	27,957,139
Accrued deferred revenues	9	(113,444,341)	(30,026,862)
Accrued and unpaid Exchange differences and other financial results		470,725,372	201,539,728
Provision for litigation	9	3,426,849	71,403
<i>Changes in operating assets and liabilities:</i>			
Changes in trade receivables		(157,294,649)	(79,130,117)
Changes in other receivables		(44,817,392)	16,446,844
Changes in other assets		(513,675)	90,020
Changes in accounts payable and others		281,820,172	149,578,188
Changes in liabilities for current income tax		(60,984,496)	(269,477,625)
Changes in provisions and other charges		24,128,764	172,760,273
Changes in fee payable to the Argentine National Government		(89,674,994)	(86,331,097)
Changes in borrowings		180,088,072	161,460,428
Acquisition of intangible assets		(1,737,999,703)	(1,030,492,215)
Income tax paid		(136,808,632)	(110,005,622)
Net cash provided by operating activities		1,349,067,879	389,169,535
Cash Flow for investing activities			
Acquisition of property, plant and equipment		(5,088,440)	(5,870,040)
Net Cash Flow used in investing activities		(5,088,440)	(5,870,040)
Cash flow from financing activities			
New Borrowings		-	117,000,000
Borrowings paid - principal	6	(595,579,009)	(331,225,973)
Borrowings paid - interest	6	(288,697,526)	(197,774,076)
Net Cash Flow used in financing activities		(884,276,,535)	(412,000,049)
Increase / (Decrease) in cash and cash equivalents		459,702,904	(28,700,554)
Changes in cash and cash equivalents			
Cash and cash equivalents at the beginning of the period (*)		209,478,893	198,989,016
(Decrease) / Increase in cash and cash equivalents		459,702,904	(28,700,554)
Foreign Exchange differences		68,727,709	26,293,708
Cash and cash equivalents at the end of the period (*)		737,909,506	196,582,170
Transactions that do not represent changes in cash and cash equivalents:			
Acquisition of intangible assets through liabilities for finance leases		11,395,774	10,397,774
Dividends on preferred shares		9,072,270	8,894,382

(*) Does not include restricted cash at the beginning and at the end of the period for AR\$ 395,715,247 and AR\$ 475,044,923 respectively at September 30, 2016.
 Does not include restricted cash at the beginning and at the end of the period for AR\$ 270,586,398 and AR\$ 278,994,798 respectively at September 30, 2015.

The accompanying notes are an integral part of these Condensed Consolidated Interim Financial Statements, which should be read in conjunction with the audited consolidated financial statements for the fiscal year ended December 31, 2015.

Aeropuertos Argentina 2000 S.A.

Registration number with the Superintendence of Corporations: 1645890

Notes to the Condensed Consolidated Interim Financial Statements

At September 30, 2016, presented in comparative form

NOTE 1 - COMPANY ACTIVITIES

Aeropuertos Argentina 2000 S.A. ("AA2000" or the "Company") was incorporated in the Autonomous City of Buenos Aires on January 28, 1998, after the consortium of companies won the national and international bid for the concession rights for the use, management and operation of the "A" Group of the Argentine National Airport System. "A" Group includes 33 airports which operate in Argentina.

On February 9, 1998, the Company entered into a concession agreement with the Argentine National Government. Pursuant to the terms of the concession agreement, the Company has been granted the concession for the use, management and operation of the "A" Group of the National Airport System for a thirty-year term commencing on February 13, 1998, which may be extended by the Argentine National Government under certain circumstances for an additional term of 10 years.

On April 3, 2007, the Company and the Argentine National Government signed the "Memorandum of Agreement Project for the Adaptation of the Concession Agreement for the Use, Management and Operation of the "A" Group of the Airport System" (the "Agreement" or "Memorandum of Agreement"), which modified the Concession Agreement. The Memorandum of Agreement became effective on December 13, 2007 upon publication of Decree 1799/2007, dated December 4, 2007, in the Official Gazette. Unless otherwise stated, the term "Concession Agreement" makes reference to the Concession Agreement modified by the Memorandum of Agreement.

As from July 24, 2012 the Company operates and manages the Airport of Termas de Rio Hondo according to agreements signed between the Company and the Province of Santiago del Estero. On March 21, 2013, the Argentine National Government through Decree N° 303/2013, confirmed the inclusion of the airport in the National Airport System, however, at December 31, 2015, its inclusion into the "A" Group was still pending.

Main terms and conditions of the Concession Agreement:

1.1. Balance in favor of the Argentine National Government

Through the approval of the Agreement, the Argentine National Government and the Company agreed upon a process for the settlement of mutual claims.

The Company has withdrawn all claims and appeals previously filed against the Argentine National Government. In turn, the Regulating Agency of the National Airport System (ORSNA) agreed to dismiss the summary proceedings initiated against the Company as a result of the failure to pay the fee.

As a result of the withdrawal of the mutual claims, the total amount payable to the Argentine National Government amounted to AR\$ 849.16 million, which was paid by the Company as detailed below:

- 22.9% (AR\$ 195 million) by depositing an amount equal to 7% of the revenues arising from the international tariffs to be collected from 2006 to 2013. Unpaid balances accrued interest of 2% p.a., payable monthly.

- 18.61% (AR\$ 158 million) through the issuance of Negotiable Obligations convertible at the option of the Argentine National Government, in common shares to be issued in pesos, which accrued annual interest of 2%, capitalizable until 2013.

The Company issued Negotiable Obligations convertible in common shares for AR\$ 158,000,000 representing 15% of the Company's common shares.

Aeropuertos Argentina 2000 S.A.

Registration number with the Superintendence of Corporations: 1645890

Notes to the Condensed Consolidated Interim Financial Statements

At September 30, 2016, presented in comparative form

NOTE 1 - COMPANY ACTIVITIES (Contd.)

1.1 Balance in favor of the Argentine National Government (Contd.)

- 58.43% (AR\$ 496.16 million) in redeemable preferred shares which are convertible into common shares, in Argentine Pesos, accruing a fixed annual dividend of 2% of the par value of the preferred shares (the same conditions as the mechanism for restating the concessionaire's pending obligations) capitalizable until 2019. Additionally, as from 2020, the Argentine National Government can convert the preferred shares into common shares, to the extent Aeropuertos Argentina 2000 S.A. has not redeemed them prior to that date, up to a 12.5% per year of the initial preferred shares amount. The redeemable preferred shares at the option of the issuer, result in its classification within shareholders' equity, to the extent the option has not been exercised or cannot be duly exercised.

The Company has issued 496,161,413 preferred shares, AR\$ 1 par value with no voting rights.

Pursuant to the holding of the abovementioned preferred shares, the Argentine National Government has the right to appoint one regular Director and one alternate Director and a one syndic and one alternate syndic.

On June 9, 2011 the Argentine National Government notified the Company its intention to convert the Negotiable Obligations into class D common shares of the Company. The Board of Directors meeting held on December 27, 2011 approved the issuance of 38,779,829 class D common shares ARS 1 par value and 1 vote each. On December 29, 2011 the Shareholders' Meeting reformed articles 2.01 and 4.01 of the Company's bylaws to reflect the conversion of the negotiable obligations.

As a result of the abovementioned conversion in December 2011, the Company cancelled its debt with the Argentine National Government, which amounted to AR\$ 158,000,000 of principal and AR\$18,060,424 of interests, resulting in an increase of issued capital of AR\$ 38,779,829 and a share premium of AR\$137,280,595.

As owner of 38,779,829 common shares class D the Argentine National Government has the right to appoint an additional regular director and an alternate.

1.2. Consideration payable to the Argentine National Government

Under the terms of the Concession Agreement, the Company is required to, on a monthly basis, allocate an amount equal to 15% of the revenues derived from the Concession, as follows:

- 11.25% of total revenues to a trust for funding infrastructure works of the National Airport System. 30 % of such funds will be contributed directly to the National Social Security Administration (ANSES). The Secretary of Transportation, with previous authorization from the ORSNA, will determine the works in any airport of the country whether at airports under the concession agreement or not. The Company could present the ORSNA proposed works projects which, together with ORSNA's proposals will be presented to the Secretary of Transportation who will decide upon the use of the trust funds.
- 1.25% of total revenues to a trust fund which is to be administered and managed by the ORSNA to control and regulate the Concession,
- 2.5% of total revenues to a trust for funding of infrastructure works for the "A" Group of the National Airports System.

Aeropuertos Argentina 2000 S.A.

Registration number with the Superintendence of Corporations: 1645890

Notes to the Condensed Consolidated Interim Financial Statements

At September 30, 2016, presented in comparative form

NOTE 1 - COMPANY ACTIVITIES (Contd.)

1.2. Consideration payable to the Argentine National Government (Contd.)

The Argentine Secretary of Transportation, under the authority of the Ministry of Interior and Transportation adopted Resolution No. 291/2009 (published in the Official Gazette on January 7, 2010) approved the model of the “Trust Agreement for the Strengthening of the National Airport System” in accordance with the guidelines established in the Memorandum of Agreement.

This Trust Agreement for the Strengthening of the National Airport System provides in its Article 15 that, with prior intervention of the Secretary of Transportation and authorization of the ORSNA, the Company may settle trust payment obligations through the assignment of credits arising from the rendering of aeronautical and/or airport services under the concession.

On December 29, 2009 the Company, as Trustor, and Banco de la Nación Argentina, as Trustee, entered into the “Trust Agreement for the Strengthening of the National Airport System” (hereinafter “the Development Trust”). This Development Trust was also signed by the Secretary of Transportation and the ORSNA.

As from June 2010, the Company has been allocating 15% of their revenues to the Development Trust (See Notes 7 and 10).

1.3. Tariff schedule

The Company is entitled to receive the fees established in the tariff schedule for aeronautical services.

Through Resolution N° 9/09 dated January 28, 2009, the ORSNA approved the Review of the Financial Projection of Income and Expenses for the period 2006-2007.

Resolution ° 10/09 of the ORSNA which approves the Tariff Schedule to be applied in all airports of the National Airport System was published in the Official Gazette on February 4, 2009. (See Note 15)

Through Resolution N° 60/10 dated October 14, 2010 the ORSNA approved the Review of the Financial Projection of Income and Expenses at December 31, 2009.

ORSNA Resolution N° 125/11 dated December 21, 2011 substitutes article 2 of Resolution 60/10 regarding the balancing of variables in the Financial Projection of Income and Expenses through a tariff increase of 16% and 17%, respectively in the Regional and International Airport passenger tariffs and an increase of 15% in the Domestic Airport passenger tariff.

The Official Gazette on December 22, 2011 published ORSNA Resolution N° 126/11, which approves the Tariff Schedule to be applied in the National Airports System.

Through Resolution N°115/12 dated November 2, 2012 the ORSNA approved the Review of Financial Projections of Income and Expenses at December 31, 2010.

ORSNA Resolution N° 117/12, published in the Official Gazette of November 14, 2012 approves the Tariff Schedule to be applied in all airports of the National Airports System.

Resolution N° 44/14 of the ORSNA dated March 31, 2014 approved the Review of Financial Projection of Income and Expenses at December 31, 2011 and December 31, 2012.

Aeropuertos Argentina 2000 S.A.

Registration number with the Superintendence of Corporations: 1645890

Notes to the Condensed Consolidated Interim Financial Statements

At September 30, 2016, presented in comparative form

NOTE 1 - COMPANY ACTIVITIES (Contd.)

1.3. Tariff schedule (Contd.)

ORSNA Resolution N° 45/14 published in the Official Gazette N° 32,861 on April 8, 2014 approves the Tariff Schedule to be applied in all airports of the National Airports System (see Note 15).

Resolution N° 73/15 of the ORSNA approved the Tariff Schedule applicable to passengers in the National Airport System to be applied to air tickets issued as from July 1, 2015.

Through Resolution N° 167/15 dated November 20, 2015 the ORSNA approved the Review of Financial Projection of Income and Expenses at December 31, 2013 and December 31, 2014.

ORSNA Resolution N° 168/15 published in the Official Gazette N° 33,263 on November 24, 2015, approves the Tariff Schedule to be applied in all airports of the National Airport System (see note 13).

1.4. Investments

The Concession Agreement requires AA2000 to develop a master plan for each of its airports, which should lay out the investment commitments for each airport during the term of the Concession Agreement, taking into consideration the expected demand for aeronautical and non-aeronautical services.

The ORSNA has approved the following plans for the use of each airport:

- (i) Aeropuerto Jorge Newbery through ORSNA Resolution N° 72/08 and its modification by Resolution N° 123/12
- (ii) Aeropuerto de Ezeiza through ORSNA Resolution N° 38/09
- (iii) Aeropuerto de Córdoba through ORSNA Resolution 93-10
- (iv) Aeropuerto San Fernando through ORSNA Resolution N° 6/11. Through Resolution N° 157/13 approved an amended Plan of Use
- (v) Aeropuerto Bariloche through ORSNA Resolution N° 7/11
- (vi) Aeropuerto Mendoza through ORSNA Resolution N° 8/11
- (vii) Aeropuerto de Iguazú through ORSNA Resolution N° 9/11
- (viii) Aeropuerto de Tucumán through ORSNA Resolution N° 47/11
- (ix) Aeropuerto de Resistencia through ORSNA Resolution N° 48/11
- (x) Aeropuerto de Comodoro Rivadavia through ORSNA Resolution N° 49/11
- (xi) Aeropuerto de Mar del Plata through ORSNA Resolution N° 50/11
- (xii) Aeropuerto de Río Gallegos through ORSNA Resolution N° 51/11
- (xiii) Aeropuerto de San Juan through ORSNA Resolution N° 56/11
- (xiv) Aeropuerto de Salta through ORSNA Resolution N° 70/11
- (xv) Aeropuerto de Paraná through ORSNA Resolution N° 84/11
- (xvi) Aeropuerto de Río Grande through ORSNA Resolution N° 85/11
- (xvii) Aeropuerto de Santa Rosa through ORSNA Resolution N° 98/11
- (xviii) Aeropuerto de Posadas through ORSNA Resolution N° 114/11
- (xix) Aeropuerto de Catamarca through ORSNA Resolution N° 115/11
- (xx) Aeropuerto de La Rioja through ORSNA Resolution N° 116/11
- (xxi) Aeropuerto de Puerto Madryn through ORSNA Resolution N° 117/11
- (xxii) Aeropuerto de Reconquista through ORSNA Resolution N° 16/12
- (xxiii) Aeropuerto de Santiago del Estero through ORSNA Resolution N° 18/12
- (xxiv) Aeropuerto de Villa Reynolds, San Luis through ORSNA Resolution N° 19/12
- (xxv) Aeropuerto de General Pico, La Pampa through ORSNA Resolution N° 34/12
- (xxvi) Aeropuerto de Río Cuarto, Córdoba through ORSNA Resolution N° 35/12
- (xxvii) Aeropuerto de Jujuy through ORSNA Resolution N° 45/12

Aeropuertos Argentina 2000 S.A.

Registration number with the Superintendence of Corporations: 1645890

Notes to the Condensed Consolidated Interim Financial Statements

At September 30, 2016, presented in comparative form

NOTE 1 - COMPANY ACTIVITIES (Contd.)

1.4. Investments (Contd.)

- (xxviii) Aeropuerto de Malargüe through ORSNA Resolution N° 47/12
- (xxix) Aeropuerto de Esquel through ORSNA Resolution N° 66/12
- (xxx) Aeropuerto de San Luis through ORSNA Resolution N° 146/13
- (xxxi) Aeropuerto de Formosa through ORSNA Resolution N° 147/13
- (xxxii) Aeropuerto de Viedma through ORSNA Resolution N° 148/13
- (xxxiii) Aeropuerto de San Rafael through ORSNA Resolution N° 149/13

Likewise, the ORSNA has approved the Master Plans of the following airports:

- (i) Bariloche through ORSNA Resolution N° 143/14;
- (ii) Iguazu through ORSNA Resolution N° 146/14;
- (iii) Mendoza through ORSNA Resolution N° 147/14;
- (iv) Ezeiza through ORSNA Resolution N° 158/14;
- (v) Cordoba through ORSNA Resolution N° 72/15;
- (vi) Comodoro Rivadavia through ORSNA Resolution N° 109/15 and
- (vii) Rio Gallegos through ORSNA Resolution N° 110/15

The Company should make the investments established in the schedule of investments detailed in the Memorandum of Agreement, which establishes the Company's investment commitments from 2006 to the end of the Concession Agreement, i.e. to 2028. Total investment commitments (expressed in December 2005 constant argentine pesos) for the period January 1, 2006 to February 13, 2028 amount to AR\$ 2,158.4 million.

The agreement also contemplates (i) the remediation of environmental liabilities that were previously the responsibility of the Argentine National Government; (ii) additional infrastructure works at airports of the "A" Group of the National Airport System; and (iii) projects necessary to develop a Program for the protection and integration of disabled users.

ORSNA approved the Program under Resolution N° 5/10.

Compliance with the schedule of investments will be assessed by the ORSNA, which approved the "Investments Record" through Resolution N° 48/10 and the "Rules for authorization, supervision, certification and approval of construction projects" through Resolution N° 36/08.

The ORSNA has included in the Investment Record the following amounts:

- AR\$ 68,517,154 corresponding to the fiscal year 2006 (Resolution ORSNA N° 1/09);
- AR\$ 88,047,021 corresponding to the fiscal year 2007 (Resolution ORSNA N° 10/10);
- AR\$ 132,602,168 corresponding to the fiscal year 2008 (Resolutions ORSNA N° 42/10, N° 4/11 y N° 28/12);
- AR\$ 163,310,083 corresponding to the fiscal year 2009 (Resolutions ORSNA N° 4/11);
- AR\$ 428,498,874 corresponding to the fiscal year 2010 (Resolutions ORSNA N° 28/12 y N° 55/15);
- AR\$ 642,618,900 corresponding to the fiscal year 2011 (Resolutions ORSNA N° 55/15 y N° 131/15);
- AR\$ 763,579,100 corresponding to the fiscal year 2012 (Resolutions ORSNA N° 131/15 y N° 177/15);
- AR\$ 398,022,573 corresponding to the fiscal year 2013 (Resolution ORSNA N° 177/15);

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NOTE 1 - COMPANY ACTIVITIES (Contd.)

1.4. Investments (Contd.)

Through note USG 065-12 dated May 9, 2012 the ORSNA notified the Company that the Board of Directors' Meeting in Open Session N° 3/12 established the "Annual Program 2012 of Works and Investments – Portfolio of Projects 2012".

Through note USG N° 55-13, dated May 23, 2013, the ORSNA notified the Company that the Board of Directors' meeting in Open Session dated May 20, 2013 in Memorandum N° 6/13 approved the "Portfolio of Projects 2013".

On July 12, 2013 ARSA and AUSA made a proposal to the Company concerning the possibility to make a pre-payment of the fees for the rent of space, services and aeronautical fees (aircraft parking fees and landing fees) to allow the Company to perform complementary works to those in the "Portfolio of Projects 2013/2014" and which are considered a priority to the better development of airport services.

Through note AA2000 DIR-553/13 the Company notified the ORSNA of the proposal of ARSA and AUSA.

In the Open Meeting of the Board of Directors' of the ORSNA as per Memorandum N°9/13, the ORSNA reviewed the mentioned proposal and nullified the "Portfolio of Projects for the year 2013/2014" previously approved.

Likewise, in such Meeting the ORSNA approved a new "Portfolio of Projects 2013/2014" that incorporates the "Complementary Portfolio of Projects 2013/2014" whose works will be considered as part of the work commitments between December 2014 and December 2015 respectively.

The ORSNA Board of Directors dated May 29, 2014 approved the Portfolio of Projects for the year 2014 being later modified as per Meeting of such entity dated June 26, 2014.

Through note USG N° 83-15 the ORSNA notified the Company that their Board of Directors' meeting dated June 12, 2015 approved the Portfolio of Projects 2015.

Through note ORSNA N° 078-16 the Company was notified of the Annual Works Plan 2016.

1.5. Transfer of assets used to provide the services

At the end of the Concession, AA2000 shall transfer to the Government, free of charge, all assets in use until that date for the provision of services to ensure continuity of the rendering of services either by the Government or a future concessionaire under the same conditions, and with the same quality standards.

1.6. Guarantee for fulfillment of the investments

In order to guarantee performance of the works under the investment plan, the Company shall enter into a guarantee before March 31 of each year for an amount equal to 50% of the works planned for that year.

The Company has contracted a surety bond amounting to AR\$ 1,465,586,500 to comply with the guarantee.

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NOTE 1 - COMPANY ACTIVITIES (Contd.)

1.7. Guarantee for fulfillment of the Concession Contract

It was agreed that a guarantee may be offered, to the satisfaction of ORSNA consisting in the pledge of securities, property and/or real estate mortgages, as well as surety bonds.

In order to comply with this clause the Company has set up a surety bond for the amount of AR\$ 410,562,963.

1.8. Insurances

Additionally the Company shall enter into a civil liability insurance policy for a minimum amount of AR\$ 300,000,000.

The company has contracted insurance for U\$S 500,000,000.

1.9. Limitations to the transfer of shares

The shares in AA2000 could not be pledged without prior authorization of the ORSNA. The shareholders of AA2000 could only change their stake ownership or sell their shares with the prior authorization of the ORSNA.

Furthermore, a private shareholder that holds shares of the Company for at least 5 years, should maintain a minimum of 10% of the capital stock.

It is established that the Company cannot merge or spin off during the term of the Concession Agreement.

1.10. Public Offering of Shares

The Company is authorized to make a public offering of its common shares and to list them for trading on the Buenos Aires Stock Exchange (BCBA) and/or other stock markets in Argentina, provided it complies with the requirements of the National Securities Commission (CNV) and the applicable regulations, and also on other recognized markets.

To that effect, the Company, on its Shareholders' Meeting on August 7, 2008 decided to enter the public offering and list shares for trading through the issuance of up to 65,000,000 of shares to be made public in the argentine capital stock market and/or overseas and consequently filed with the CNV and the BCBA for admission to the public offering regime of up to 30% of its capital stock. The Memorandum of Agreement specifically states that once the public offering of AA2000 shares is effective, the Argentine National Government may extend the term of the Concession for a period of 10 years, with the prior approval of the ORSNA.

In the context of the Memorandum of Agreement, the Company has requested the extension of the Concession Agreement from the Argentine National Government and to the ORSNA. At September 30, 2016, it was still pending resolution.

Due to non-favorable market conditions for the public offering of its shares, the Company has decided not to become public temporarily, awaiting more favorable conditions.

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Notes to the Condensed Consolidated Interim Financial Statements

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NOTE 1 - COMPANY ACTIVITIES (Contd.)

1.10. Public Offering of Shares (Contd.)

The Board of Directors' Meeting on March 22, 2011 called for a Shareholders' Meeting on April 11, 2011 to make certain changes to the terms and conditions of the increase of the capital stock and consequently to the issuance of shares to be offered and certain articles of the company by-laws.

The Shareholders' Meeting, which was held on April 29, 2011 (instead of April 11) decided that due to certain issues regarding the public offering and trading of shares which were being analyzed by the Board, a new meeting would be held once those matters had been defined. The Company is currently assessing market conditions for an increase of capital stock through public offering.

In addition, the following clauses were included in the Memorandum of Agreement:

- (i) Regarding the concessionaire's activities as operator: with prior approval of the Regulatory Authority, the Company is authorized to operate other airports, including airports abroad.
- (ii) Regarding the use and availability of space: in the event of violations in the use and availability of spaces within the airport, and for the purpose of guaranteeing the Company's full use and operation, the ORSNA can be requested, if properly supported, the initiation of legal proceedings to evict the sub-concessionaires in public spaces in accordance with the procedures of Law No. 17091, as long as it has been proved that there is a negative impact to the quality of the airport services or problems in the continuance and proper rendering of the service.
- (iii) Regarding longer terms for special undertakings: with the authorization given by the Regulatory Authority, the Company may enter into certain commercial contracts for works over periods exceeding the term of the concession.
- (iv) Regarding platform operations: the Company will be responsible for the control and coordination of operations and activities on the platform, under the supervision of the Aeronautical Authority which is responsible for airport safety.
- (v) Regarding payment of tariffs and aeronautical revenues: revenues from the Concession and the actual collection of aeronautical revenues are essential to the sustainability of the airport services. Therefore, the ORSNA, through Resolution No. 22/08, approved the "Regulations for the collection of airport tariffs".
- (vi) financing: authorization is granted to assign cash flows in guarantee and, in the event that such assignment is through a trust fund, it may remain effective even in the event of early termination of the concession.

The ORSNA has prepared an "Integral and Compiled Text of the Concession Agreement" project, which has been commented by the Company. Such comments were analyzed in the ORSNA's Directors' Meeting held on December 9, 2008.

The ORSNA has submitted the final project of "Integral and Compiled Text of the Concession Agreement" to the Ministry of Federal Planning, Public Investment and Services for its approval and issuance of the relevant decree.

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Notes to the Condensed Consolidated Interim Financial Statements

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NOTE 2 - BASIS FOR CONSOLIDATION

The consolidated financial statements include the assets, liabilities and results of the following subsidiaries (hereafter the Group):

Entity (1)	Number of common shares	Percentage of participation of the Company in the capital and votes	Book Value 09.30.16	Shareholders' Equity at closing	Income for the period	AR\$
						AR\$
Servicios y Tecnología Aeroportuarios S.A. (2)	14,398,848	99.30%	13,455,008	13,549,857	2,927,228	
Cargo & Logistics SA.	5,566,259	98.63%	7,199,506	7,299,509	(1,135,935)	
Paoletti América S.A.	6,000	50.00%	27,795	55,590	3,758	
Texelrío S.A. (3)	84,000	70.00%	19,525,030	26,178,614	5,804,216	
Villalonga Furlong S.A (4)	123,700	1.46%	140,981	9,644,728	(1,147,421)	

(1) Companies incorporated in Argentina.

(2) Includes adjustments under IFRS for the preparation and presentation of the corresponding financial statements.

(3) Shareholders Equity includes 4,000,000 of preferred shares.

(4) The Company directly and indirectly owns 98.52% of the capital stock and votes of this entity.

The accounting policies of the subsidiaries have been modified, where necessary, to ensure consistent application with the Company's accounting policies.

AA2000 holds 99.3% of the shares of Servicios y Tecnología Aeroportuarios S.A. (Sertear), which purpose is to manage and develop activities related to duty-free zones, import and export operations, exploit and manage airport-related services, provide transportation services (both passenger and cargo), and warehouse usage services.

AA2000 owns 98.63% of the capital stock of Cargo & Logístics S.A., holder of 98.42% of the shares of Villalonga Furlong S.A. Villalonga Furlong S.A. is the holder of Class "B" shares of Empresa de Cargas Aéreas del Atlántico Sud S.A., under liquidation, representing 45% of its capital stock. The remaining 55% of the capital stock, (the Class "A" shares) are owned by the Argentine National Government - Ministry of Defense. Empresa de Cargas Aéreas del Atlántico Sud S.A. (which, as of the date of these consolidated financial statements, is under liquidation proceedings as a result of the application of the provisions of Section 94 subsection 2 of Commercial Law 19550) was the concessionaire of the exploitation and provision of international air cargo storage, stowage and warehouse services until June 30, 2009. As from that date the services in charge of Empresa de Cargas Aéreas del Atlántico Sud S.A. are performed by AA2000 in accordance with the Bidding Terms and Conditions of the AA2000 concession agreement.

The Company holds 50% of the capital stock and votes of Paoletti América S.A. Pursuant to shareholder agreements, AA2000 is in charge of the administration of Paoletti America S.A, and also appoints the Chairman of the Board of Directors, who, in accordance with the corporate by-laws, has a double vote in case of a tie voting. Therefore, the Company has consolidated the assets, liabilities and results of Paoletti América S.A.

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Notes to the Condensed Consolidated Interim Financial Statements

At September 30, 2016, presented in comparative form

NOTE 3 – ACCOUNTING POLICIES

The Condensed Consolidated Interim Financial Statements have been prepared in accordance with Technical Resolution N° 26 (as modified by Technical Resolutions N° 29 and N° 43) of the Argentine Federation of Professional Council in Economic Sciences, adopted by the National Security Commission (CNV).

The Condensed Consolidated Interim Financial Statements of AA 2000 have been prepared in accordance with IAS 34 “Interim Financial Reporting” issued by the IASB.

The CNV through Technical Resolutions N° 562/09 and 576/10 has established the application of Technical Resolutions N° 26 and 29 of the Argentine Federation of Professional Council in Economic Sciences which adopts the application of IFRS (International Financial Reporting Standards) issued by the IASB (International Accounting Standards Board), for those entities under the public offering regime Law N° 17.811, whether due to capital stock or corporate bonds or because they have requested authorization to list for trading on stock exchanges.

Application of those standards is mandatory for the Company as from the fiscal year beginning on January 1 2012. Therefore, the transition date, as established in the IFRS 1 “First Time Adoption of the IFRS” was January 1, 2011.

The Interim Condensed Consolidated Financial Statements are presented in Argentine Pesos, except when specifically indicates otherwise. These financial statements were approved by the Board of Directors of the Company on November 2, 2016.

The preparation of financial statements in accordance with IFRS requires the use of critical accounting estimates. It also requires management to exercise judgement in the application of the Company’s accounting policies .

The Condensed Consolidated Interim Financial Statements are unaudited and should be read in conjunction with the Consolidated Financial Statements of the Company at December 31, 2015. The results for the nine month periods ended September 30, 2016 and 2015 do not necessarily reflect the proportion of the results of the Company for a full fiscal year.

1) Comparative Information

The balances at September 30, 2015 and December 31, 2015 included in these Condensed Consolidated Financial Statements for comparative purposes, arise from the Financial Statements of the Company as of those dates. Certain amounts of the Consolidated Financial Statements at September 30, 2015 and December 31, 2015 have been reclassified for comparative purposes with those of the current period. Additions to intangible assets shown in the consolidated statement of cash flows have been revised and shown as operating activities.

2) Accounting policies

The accounting policies applied in the preparation of these Consolidated Condensed Interim Financial Statements are consistent with those applied in the Consolidated Financial Statements at December 31, 2015.

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Notes to the Condensed Consolidated Interim Financial Statements

At September 30, 2016, presented in comparative form

NOTE 3 – ACCOUNTING POLICIES (Contd.)

3) *Subsidiaries*

The Company controls an entity when the group is exposed to, or has the rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The subsidiaries are consolidated as from the date control is transferred to the Company. They are deconsolidated from the date that control ceases. (See Note 2).

Inter-company transactions, balances and unrealized gains and losses between Group companies are eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform the Group's accounting policies.

4) *Segment Information*

The Company is managed as a single unit, considering all airports as a whole. It does not evaluate the performance of the airports on a standalone basis. Therefore, for the purposes of segment information, there is only one business segment.

The Argentine National Government granted the Company the concession of the "A" Group airports of the National Airports System under the basis of "cross-subsidies": i.e., the income and funds generated by some of the airports should subsidize the liabilities and investments of the remaining airports, in order for all airports to be compliant with international standards as explained below.

All airports must comply with measures of operative efficiency which are independent from the revenues and funds they generate. All works performed must follow international standards established by the respective agencies (IATA, OACI, etc.).

Revenues of AA2000 comprised non-aeronautical revenues and aeronautical revenues; the latter being the tariffs determined by the ORSNA and regulated on the basis of the review of the Financial Projection of Income and Expenses in order to verify and preserve the "equilibrium" of the variables on which it was originally based.

The investment decisions are assessed and made with the ORSNA based on the master plans of the airports considering the needs of each airport on the basis of expected passenger flow and air traffic, in the framework of the standards previously mentioned.

5) *Estimates*

The preparation of financial statements in accordance with IFRS requires the use of estimates. It also requires management to exercise its judgment in the process of applying the Group accounting policies.

In the preparation of these consolidated financial statements the significant areas of judgement by management in the application of the Company's accounting policies and the main areas of assumptions and estimates are the same as those of the Consolidated Financial Statements for the year ended December 31, 2015.

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Notes to the Condensed Consolidated Interim Financial Statements

At September 30, 2016, presented in comparative form

NOTE 3 – ACCOUNTING POLICIES (Contd.)

6) Provisions

The Company has contingent claims for lawsuits entered in the ordinary course of business. It is not expected any liability other than those provided for in the consolidated financial statements as a result of those claims.

7) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the corresponding functional currency i.e the currency of the primary economic environment in which the entity operates. The functional currency of all group entities is the Argentine peso, which is also the presentation currency of the financial statements.

The Company has evaluated and concluded that as of the date of the financial statements the conditions established in the IAS 29 "Financial Reporting for Hyperinflationary Economies" to consider Argentina as a hyperinflationary economy have not been met. At the end of this reporting period, considering the Argentine peso does not meet the conditions a currency from a hyperinflationary economy according to the guidelines established in the Standard and the government expectations towards the reduction of the levels of inflation, these condensed financial statements have not been restated.

These consolidated financial statements have been prepared under the historical cost convention.

Transactions and balances

Transactions in foreign currency are translated into the functional currency using the exchange rates prevailing at the transaction dates (or valuation where items are re-measured).

Foreign exchange gains and losses and losses resulting from the settlement of such transactions and from the translation at year-end of the assets and liabilities denominated in foreign currency are recognized in the statement of comprehensive income.

Foreign exchange gain and losses are shown in "Finance Income" and/or "Finance Expense" of the statement of income.

Exchange rates used are the following: buying rate for monetary assets and selling rate for monetary liabilities, applicable at year-end according to Banco Nación, and at the foreign currency exchange rate applicable at the transaction date.

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Notes to the Condensed Consolidated Interim Financial Statements

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NOTE 4 - BREAKDOWN OF CERTAIN ITEMS OF THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	09.30.16	12.31.15
	AR\$	
Cash and cash equivalents		
Cash and funds in custody	9,843,207	12,020,230
Banks	629,972,609	584,000,469
Checks not yet deposited	11,419,154	9,173,441
Time deposits	<u>561,719,459</u>	-
	<u>1,212,954,429</u>	<u>605,194,140</u>
Trade receivables, net		
Trade receivables	771,286,069	621,134,380
Related parties (Note 7)	6,044,543	4,161,769
Checks - postdated checks	18,689,404	13,429,218
Provision for bad debts (Note 8)	<u>(79,389,832)</u>	<u>(49,478,081)</u>
	<u>716,630,184</u>	<u>589,247,286</u>
Other current receivables		
Expenses to be recovered	2,864,584	5,188,920
Guarantees granted	5,256,871	7,661,745
Tax credits	65,652,823	17,075,983
Prepaid Insurance	9,162,239	9,033,592
Other	<u>3,532,802</u>	<u>2,526,684</u>
	<u>86,469,319</u>	<u>41,486,924</u>
Other non-current receivables		
Tax credits	<u>928,187</u>	<u>1,093,190</u>
	<u>928,187</u>	<u>1,093,190</u>
Accounts payable and other - current		
Obligations payable	242,957,930	192,265,099
Suppliers	387,142,958	297,805,468
Foreign suppliers	4,508,412	12,509,880
Related parties (Note 7)	139,916,371	55,742,025
Salaries and social security liabilities	240,011,630	207,223,848
Other fiscal liabilities	<u>80,173,859</u>	<u>36,137,291</u>
	<u>1,094,711,160</u>	<u>801,683,611</u>
Accounts payable and other - non current		
Tax liabilities	<u>8,238,368</u>	<u>19,445,745</u>
	<u>8,238,368</u>	<u>19,445,745</u>

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Notes to the Condensed Consolidated Interim Financial Statements

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NOTE 4 – BREAKDOWN OF CERTAIN ITEMS OF THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Contd.)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Three months ended		Nine months ended	
	09.30.16	09.30.15	09.30.16	09.30.15
Revenues			\$	
Aeronautical revenues	1,524,964,455	728,024,656	3,796,742,914	2,097,145,202
Non-aeronautical revenues	1,282,061,346	824,084,838	3,633,969,838	2,189,854,742
	<u>2,807,025,801</u>	<u>1,552,109,494</u>	<u>7,430,712,752</u>	<u>4,286,999,944</u>
Finance income				
Interest	27,753,025	2,473,805	53,623,181	8,331,734
Foreign exchange differences	(4,297,192)	15,459,755	114,433,983	40,207,290
	<u>23,455,833</u>	<u>17,933,560</u>	<u>168,057,164</u>	<u>48,539,024</u>
Finance expenses				
Interest	(100,103,891)	(80,837,563)	(310,818,680)	(215,419,452)
Foreign exchange differences	(38,972,307)	(82,636,666)	(505,662,371)	(229,302,848)
	<u>(139,076,198)</u>	<u>(163,474,229)</u>	<u>(816,481,051)</u>	<u>(444,722,300)</u>
	<u>(115,620,365)</u>	<u>(145,540,669)</u>	<u>(648,423,887)</u>	<u>(396,183,276)</u>
Income tax				
Current	(358,854,868)	(168,933,791)	(805,780,252)	(354,741,455)
Deferred	8,335,571	36,034,776	21,058,129	6,511,951
	<u>(350,519,297)</u>	<u>(132,899,015)</u>	<u>(784,722,123)</u>	<u>(348,229,504)</u>

NOTE 5 – INTANGIBLE ASSETS

	2016	2015
	AR\$	
Original values		
Balances as of the beginning of the year	7,503,788,650	6,136,288,384
Acquisitions	1,749,395,477	1,040,889,989
Deductions	(31,906,944)	(21,460,265)
Impairment (1)	(726,639)	(726,639)
Balances at September 30	9,220,550,544	7,154,991,469
Accumulated amortization		
Balances as of the beginning of the year	(1,168,598,275)	(970,267,316)
Amortization (Note 10)	(228,726,860)	(148,497,224)
Accumulated amortization at September 30	(1,397,325,135)	(1,118,764,540)
Total net book value at September 30	7,823,225,409	6,036,226,929

(1) Corresponds to impairment of goodwill of the purchase of Texelrío S.A.

No interest costs have been capitalized during the periods ended September 30, 2016 and 2015.

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Notes to the Condensed Consolidated Interim Financial Statements

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NOTE 6 – BORROWINGS

	09.30.16	12.31.15
	AR\$	
Non-current	2,366,979,557	2,506,445,133
Current	814,217,208	715,603,095
Total	3,181,196,765	3,222,048,228

Changes in borrowings:

	AR\$
Nine-month period ended September 30, 2016	
Balance at January 1, 2016	3,222,048,228
New borrowings	11,395,774
Payments	(884,276,535)
Accrued interests	292,576,217
Foreign exchange differences	539,453,081
Balance at September 30, 2016	3,181,196,765
Nine-month period ended September 30, 2015	
Balance at January 1, 2015	2,440,368,915
New borrowings	127,397,774
Payments	(529,000,049)
Accrued interests	197,825,967
Foreign exchange differences	227,833,436
Balance at September 30, 2015	2,464,426,043

The Negotiable Obligations issued in December, 2010 at a 10.75% interest rate are guaranteed by a collateral trust assignment of certain of the Company's aeronautical revenues. At September 30, 2016 and 2015 the item Cash and cash equivalents of the Consolidated Statement of Financial Position includes AR\$ 377,347,833 and AR\$ 247,450,040, respectively corresponding to this trust.

The Negotiable Obligations issued in April 2010 are guaranteed by a collateral trust assignment of certain of the Company's aeronautical revenues. At September 30, 2016 and 2015 the item Cash and cash equivalents of the Consolidated Statement of Financial Position includes AR\$97,697,090 and AR\$ 31,544,758 corresponding to this trust.

	09.30.16	12.31.15
	AR\$	
Non-current		
Bank borrowings	21,406,603	45,755,985
Negotiable Obligations	2,314,436,029	2,432,978,978
Finance lease liabilities	40,376,917	39,115,395
Cost of issuance of Negotiable Obligations	(9,239,992)	(11,405,225)
	2,366,979,557	2,506,445,133

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Notes to the Condensed Consolidated Interim Financial Statements

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NOTE 6 – BORROWINGS (Contd.)

	09.30.16	12.31.15
	AR\$	
Current		
Bank borrowings	35,227,275	48,539,336
Negotiable Obligations	754,576,416	630,977,403
Related Parties (Note 7)	-	18,800,421
Finance lease liabilities	27,300,496	20,172,914
Cost of issuance of Negotiable Obligations	(2,886,979)	(2,886,979)
	814,217,208	715,603,095
	3,181,196,765	3,222,048,228

NOTE 7 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES

AA2000 entered into technical and operational assistance agreements and technology and know-how transfer agreements with Società Esercizi Aeroportuali Spa (SEA), and Corporación América Sudamericana S.A. (CAS) and Ogden Corporation.

In accordance with the Concession Agreement AA2000 should maintain for a term of 5 years (until February 13, 2003) an operational assistance agreement with SEA as the airport operator.

On March 7, 2005 the Company reached an agreement with CAS agreeing on the price of the services, reducing the originally determined price and agreeing on the settlement of the unpaid fees. Additionally, it was decided to continue the service until December 31, 2009, for a price up to December 31, 2004 equivalent to 0.75% and 1% thereafter of Aeropuertos Argentina 2000 S.A.'s billing, net of value added taxes.

CAS also notified the Company that it had been assigned the rights of Covanta Energy Corporation (formerly Ogden Corporation) according to the technology transfer agreement, and agreed to a schedule of payments.

On May 5, 2010, the technical assistance agreement with CAS was extended until December 31, 2014.

On October 29, 2010 CAS notified the Company the assignment of services under the agreement, thus as from November 1, 2010 the services were provided by Proden S.A.

In April 2013, through a notification sent to Proden, payments corresponding to the aforementioned agreement ceased.

In January 2008 CAS, and AA2000 signed a debt acknowledgement at December 31, 2007 and agreed on the interest applicable to the past due and unpaid balances at that date.

In November 2009, CAS offered The Company to change the debt repayment schedule given the global financial conditions and particularly the situation of AA2000, offering to refinance the unpaid amounts in 24 monthly payments starting at the earliest of the final implementation of the financing the Company was negotiating with financial institutions or the month of April 2010.

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Notes to the Condensed Consolidated Interim Financial Statements

At September 30, 2016, presented in comparative form

NOTE 7 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Contd.)

Furthermore, SEA transferred CASA the abovementioned unpaid credits and CASA notified us of its intention to change the payment schedule to the schedule mentioned in the preceding paragraph.

At September 30, 2016 and December 31, 2015 there is no pending liability for abovementioned items.

In connection with foreign exchange transactions in connection with the technical and administrative assistance agreements with CAS and Ogden Corporation, on November 23, 2012 The Company was notified of a foreign exchange summon initiated by the Banco Central de la República Argentina (Central Bank of the Republica Argentina or BCRA) regarding compliance with the existing legislation. On February 4, 2013, AA2000 presented defense procedures to the BCRA rejecting the allegations of such entity. In July 2016 a ruling in favor of the Company was issued, and is firm at the date of these financial statement.

In June 2016, the Company received a determination from the Federal Administration of Public Revenue (AFIP) was objecting the abovementioned items corresponding to the fiscal years 2009 to 2012 resulting in a claim for unpaid income tax based on considering those foreign exchange transactions as undocumented payments. The Company appealed such determination to the Argentine Tax Court and believes there is a high likelihood of a favorable result for AA2000. Considering certain deductions that the Company believes would be applicable to the amounts claimed, the net exposure in favor of AFIP would amount to AR\$63 million plus interest.

Balances with other related companies at September 30, 2016 and December 31, 2015 are as follows:

	09.30.16	12.31.15
	AR\$	
Trade receivables, net – Current		
Other related companies	6,044,543	4,161,769
	6,044,543	4,161,769
Accounts payable and other - Current		
Other related companies	139,916,371	55,742,025
	139,916,371	55,742,025
Borrowings		
Other related companies	-	18,800,421
	-	18,800,421
Provisions and other current charges		
Other related companies	426,249	426,249
	426,249	426,249

During the nine-month periods ended September 30, 2016 and 2015 the Company expensed AR\$50,791,245 and AR\$32,021,385 respectively, for management services, compliance and internal audit services, IT, software and accounting computer systems and rental lease and office maintenance services with Proden S.A. During the nine-month periods ended September 30, 2016 and 2015 transactions with Helpport shown as intangible assets amounted to AR\$161,783,153 (including works in the Terminal and Control Tower in Cordoba, runway and platform in Tucuman and parking and thermomechanical installations in Aeroparque, among others) and

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Notes to the Condensed Consolidated Interim Financial Statements

At September 30, 2016, presented in comparative form

NOTE 7 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Contd.)

AR\$140,548,289, respectively, and operating costs with Helpport for the nine-month periods ended September 30, 2016 and 2015 for AR\$30,309,673 and AR\$ 25,078,439, respectively. Also, as of September 30, 2016 the Company has recognized intangible assets for AR\$ 241,608,450 corresponding to works in Mendoza performed by Jose Cartellone – Helpport – UTE.

At December 31, 2015 the Company has borrowings with Corporación America S.A. for AR\$ 18,800,421. At September 30, 2016 the borrowing has been paid, and expensed interests during the period for AR\$ 484,486.

At September 30, 2016 and 2015 the Company owed the Argentine National Government AR\$ 137,477,028 and AR\$ 76,145,600 respectively, corresponding to the specific allocation of revenues of each period (see Note 10) and has recorded a receivable (shown as intangible assets) for AR\$ 1,331,804,718 and AR\$ 844,216,534 respectively, corresponding to the Development Trust to fund the infrastructure works of AA2000 (Notes 1.2 and 5)

Furthermore, compensation to key management was AR\$31,482,632 and AR\$23,072,800 for the nine month periods ended September 30, 2016 and 2015 respectively.

Corporación America S.A. is the direct owner of 45.90% of the common shares of the Company, and an indirect owner through Corporación America Sudamericana S.A of 29.75% of the common shares of the Company, therefore is the immediate controlling entity of the Company.

Corporación America S.A is controlled by Cedicor S.A, which is the owner of the 95.37% of its capital stock. Cedicor S.A is 100% controlled by American International Airports LLC.

The ultimate beneficiary of the Company is Southern Cone Foundation. Its purpose is to manage its assets through decisions adopted by its independent Board of Directors. The potential beneficiaries are members of the Eurnekian family and religious, charitable and educational institutions.

NOTE 8 – PROVISIONS

	Provisions for bad debts
	AR\$
Nine-month period ended September 30, 2016	
Balance at January 1, 2016	49,478,081
Increases (Note 10)	29,911,751
Balance at September 30, 2016	79,389,832
Nine-month period ended September 30, 2015	
Balance at January 1, 2015	30,447,115
Increases (Note 10)	14,592,180
Used during the year	(535,913)
Deconsolidation	44,503,382

Aeropuertos Argentina 2000 S.A.
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NOTE 9 – PROVISIONS AND OTHER CHARGES

	Litigation	Related parties	Deferred income	Trust fund for works of Projects 2012/2014 (Note 1.4)	Guarantees received	Customer prepayments	Upfront Fees from concessionaires	Other	Total
	ARS								
At January 1, 2016	7,324,560	426,249	28,133,729	33,926,419	22,995,065	232,051,384	61,641,160	4,500	386,503,066
Increases	3,426,849	-	114,225,041	397,980,529	19,187,462	7,344,370	4,963,638	179	547,128,068
Decreases	(751,333)	-	-	(379,789,753)	(16,395,750)	(122,631,119)	-	(4,500)	(519,572,455)
Accruals	-	-	(101,210,625)	-	-	-	(12,233,716)	-	(113,444,341)
At September 30, 2016	10,000,076	426,249	41,148,145	52,117,195	25,786,777	116,764,635	54,371,082	179	300,614,338
At January 1, 2015	7,652,837	426,249	33,692,413	28,456,950	16,253,132	84,527,602	45,784,101	429,312	217,222,596
Increases	71,403	-	9,118,620	267,622,588	16,613,430	198,127,687	14,272,346	413,487	506,239,561
Decreases	(353,831)	-	-	(264,997,092)	(6,503,646)	(60,973,319)	-	(424,288)	(333,252,176)
Accruals	-	-	(17,302,090)	-	-	-	(12,724,772)	-	(30,026,862)
At September 30, 2015	7,370,409	426,249	25,508,943	31,082,446	26,362,916	221,681,970	47,331,675	418,511	360,183,119

NOTE 10 - COSTS OF SALES, ADMINISTRATIVE AND DISTRIBUTION AND SELLING EXPENSES

Item	Cost of sales	Administrative expenses	Distribution and selling expenses	Total at 09.30.16	Total at 09.30.15
				AR\$	
Specific allocation of revenues	1,079,267,924	-	-	1,079,267,924	620,445,047
Airport services and maintenance	1,006,082,595	35,457,540	7,409,488	1,048,949,623	728,619,865
Amortization of intangible assets	225,102,332	3,412,126	212,402	228,726,860	148,497,224
Depreciation of property, plant and equipment	2,108,493	-	63	2,108,556	1,382,091
Salaries and social security contributions	949,236,436	148,032,937	38,396,830	1,135,666,203	785,432,159
Fees for services	33,458,136	48,586,603	4,399,008	86,443,747	51,627,969
Public utilities and contributions	151,749,975	1,060,340	1,182,192	153,992,507	97,087,988
Taxes	46,474,845	82,003,258	382,024,821	510,502,924	283,590,968
Office expenses	79,122,535	95,656,042	4,271,269	179,049,846	120,585,020
Insurance	16,985,278	2,413,767	-	19,399,045	14,585,221
Advertising expenses	-	-	16,726,412	16,726,412	7,693,232
Bad debts charges	-	-	29,911,751	29,911,751	14,592,180
Board of Directors and Supervisory Committee fees	-	8,401,500	-	8,401,500	405,000
Other	4,501,649	2,146,441	3,468	6,651,558	14,010,081
Total at 09.30.16	3,594,090,198	427,170,554	484,537,704	4,505,798,456	-
Total at 09.30.15	2,363,706,343	246,577,095	278,270,607	-	2,888,554,045

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Notes to the Condensed Consolidated Interim Financial Statements

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NOTE 11- FOREIGN CURRENCY ASSETS AND LIABILITIES

Item	Foreign currency type and amount at 09.30.16	Foreign exchange rates	Amount in Local currency at 09.30.16	Amount in local currency at 12.31.15
				AR\$
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	US\$ 25,733,267	15.2100	391,402,991	348,278,715
	Euros 308	17.0626	5,255	6,908
Trade receivable	US\$ 25,312,186	15.2100	384,998,349	117,553,650
	Euros -	17.0626	-	7,822
Other receivable	US\$ -	15.2100	-	6,528,230
Total current assets			776,406,595	472,375,325
Total assets			776,406,595	472,375,325
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable and others	US\$ 2,269,739	15.3100	34,749,704	14,239,850
	Euros 1,404	17.213	24,167	659,046
Borrowings	US\$ 50,499,096	15.3100	773,141,160	649,703,773
Provisions and other charges	US\$ 6,750,000	15.3100	103,342,500	60,170,994
Total current liabilities			911,257,531	724,773,663
NON-CURRENT LIABILITIES				
Borrowings	US\$ 153,184,346	15.3100	2,345,252,337	2,462,412,664
Provisions and other charges	US\$ -	15.3100	-	67,934,997
Total non-current liabilities			2,345,252,337	2,530,347,661
Total liabilities			3,256,509,868	3,255,121,324
Net liability position			2,480,103,273	2,782,745,999

NOTE 12 – OTHER RESTRICTED ASSETS

Other than those mentioned in Notes 1 and 6, Current assets at September 30, 2016 - Other Receivables include AR\$5,076,871 corresponding to guarantees granted to third parties in connection with lease agreements.

NOTE 13 - REVIEW OF THE FINANCIAL PROJECTIONS OF INCOME AND EXPENSES UNDER THE CONCESSION AGREEMENT

On January 28, 2009 the ORNSA approved the Review of the Financial Projections of Income and Expenses for the period 2006-2007 through Resolution No. 9/09.

The abovementioned Review resulted in the need for balancing the Financial Projection of Income and Expenses for the Concession based on an average tariff increase of 35.7%, applying this percentage to all international tariffs except to the Tariff for the Use of Airport Walkways.

Since the Memorandum of Agreement established the convenience and appropriateness of granting rebates on international airport fees to those airlines that comply with payment deadlines equivalent to 30% of the value of

Aeropuertos Argentina 2000 S.A.

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NOTE 13 - REVIEW OF THE FINANCIAL PROJECTIONS OF INCOME AND EXPENSES UNDER THE CONCESSION AGREEMENT (Contd.)

the tariffs included in the tariff schedule under the Memorandum of Agreement, a further fee rebalancing was established by proportionally increasing the Passenger Use Fee - International Flights.

Resolution No. 10/09 of the ORSNA, published in the Official Gazette on February 4, 2009, approves the Tariff Schedule to be applied in all airports of the National Airport System.

Resolution No. 60/10 of the ORSNA dated October 14, 2010 approved the Review of the Financial Projection of Income and Expenses at December 31, 2009.

This review showed the need for balancing the Financial Projection of Income and Expenses for the Concession based on an average tariff increase of 15% applicable to the Passenger Use Fee - International and Regional Flights, for those airports in the First and Second Categories.

It also established the Passenger Use Fee - Domestic Flights at AR\$ 17.40 for the airports in the First Category and AR\$ 12.60 for the remaining airports of the National Airport System.

Further, the resolution provisions maintain the validity of the of Resolution 10/09 regarding the convenience and appropriateness of granting rebates on international airport tariffs, so that the resulting tariff is equivalent to the one that would be obtained by applying a 30% discount on the values established in Exhibit II of the Memorandum of Agreement.

ORSNA Resolution N° 125/11 dated December 21, 2011 replaced article 2 of Resolution 60/10 in connection with the rebalancing of variables in the Financial Projection of Income and Expenses through a tariff increase of the Passenger Use Fee - Regional and International Flights of 16% and 17% respectively, and an increase of 15% in the Passenger Use Fee - Domestic Flights.

The Official Gazette on December 22, 2011 published ORSNA Resolution N° 126/11 approving the Tariff Schedule to be applied in all airports of the National Airport System.

Further, as from the validity of the Tariff Schedule approved by ORSNA Resolution N° 126/11, ORSNA Resolution N° 10/09 is no longer in effect, with the consequent modifications of the Tariff Schedule approved by Decree 1799/07.

Through Resolution No.115 dated November 7, 2012 the ORSNA approved the Review of the Financial Projection of Income and Expenses at December 31, 2010.

Such Review resulted in a balance the Financial Projection of Income and Expenses for the Concession based on a tariff increase of 14.6%, on the Passenger Use Fee - International and Regional Flights, applicable in airports in the First and Second Categories and of a 14.3% for the Passenger Use Fee - Domestic Flights in all categories of airports.

Consistent with previous reviews, the applicability of the pertinent parts of Resolution 10/9 regarding the convenience of applying rebates on international airport tariffs so that the resulting tariff is equivalent to the one that would be obtained by applying a 30% discount on the values included in Exhibit II of the Memorandum of Agreement remain valid.

The Official Gazette on November 14, 2012 published ORSNA Resolution N°117/12 reflecting the approval of the Tariff Schedule to be applied in all airports of the National Airport System.

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Notes to the Condensed Consolidated Interim Financial Statements

At September 30, 2016, presented in comparative form

NOTE 13 - REVIEW OF THE FINANCIAL PROJECTIONS OF INCOME AND EXPENSES UNDER THE CONCESSION AGREEMENT (Contd.)

With the increase in tariffs, a new “Trust Fund for Works of the Portfolio of Projects” as per article 7 inc. e) of the Development Trust was created, which applies to the financing of infrastructure works of the “Portfolio of Projects of the year 2012”.

ORSNA Resolution N°118/12 dated November 7, 2012 instructs the Banco de la Nación Argentina as Trustee of the Trust for the Strengthening of the National Airport System to open a Trust account to be called “Trust Fund for Works of 2012 Project”.

Through Resolution 254/13 of the Secretary of Transportation that modifies the Development Trust, the ORSNA issued Resolution ORSNA N° 77/13 dated May 22,2013, that modifies the Resolution N° 118/12 as follows: (a) Instructs the Banco Nación that upon changes to the Development Trust adopts Resolution N° 254/13 of the Secretary of Transportation determining the opening and operation of the Trust Fund for Works of 2012 Project as per Resolution N° 118/12; (b) take as operative the Trust Fund for Works of 2012 Project that should be funded and executed according to destination, modality and guidelines established in Attachment I of Resolution N° 118/12 and (c) modifies Items iii, iv, and v of Attachment I of Resolution N° 118/12.

Resolution N°44 dated March 31, 2014 of the ORSNA approved the Review of the Financial Projection of Income and Expense at December 31, 2011 and December 31, 2012 and maintains the validity of the provisions of ORSNA Resolution 10/09 regarding rebates on international airport fees so that the resulting tariff reflects a 30% discount from the values included in Exhibit II of the Memorandum of Agreement. –Dto 1799/07- applying such rebates on those airlines which have timely honored their payments.

Several tariff adjustments resulted from the abovementioned ORSNA Review. The Passenger Use Fee-International Flights increased from U\$S37.32 to U\$S43.93, the Passenger Use Fees - Regional Flights increased from U\$S16.48 to U\$S19.39 and the Passenger Use Fees - Domestic flights increased from AR\$ 19.07 to AR\$ 22.91.

Also, it updated certain items charged by the Negotiation Unit Freight Terminal.

The Official Gazette on April 8, 2014 published ORSNA Resolution N° 45/14 with the approval of the Tariff Schedule to be applied in all airports of the National Airport System.

With the increase in tariffs a new “Trust Fund for funding Infrastructure Works in Group A Airports” is created, and it will be regulated for use, control and selection of suppliers according to the “Rules for AA2000 contracting with trust funds of the Trust Assets Account for the Financing of Investments in Airports of Group A of the National Airport System and/or the Trust Fund for Funding Infrastructure Works of the National Airport System” approved by Resolution N° 65/10.

The Company through notifications AA2000-DIR-806/14 and AA2000-DIR-1032/14 has requested by means of the corresponding administrative procedure, the reconsideration and/or correction of certain aspects of the review of the Financial Projection of Income and the creation of a new Trust fund.

Resolution N°167 dated November 20, 2015 of the ORSNA approved the Review of the Financial Projection of Income and Expense at December 31, 2013 and December 31, 2014 and maintains the validity of ORSNA

Aeropuertos Argentina 2000 S.A.

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Notes to the Condensed Consolidated Interim Financial Statements

At September 30, 2016, presented in comparative form

NOTE 13 - REVIEW OF THE FINANCIAL PROJECTIONS OF INCOME AND EXPENSES UNDER THE CONCESSION AGREEMENT (Contd.)

Resolution 10/09 regarding rebates on international airport fees so that the resulting tariff reflects a 30% discount from the values included in Exhibit II of the Memorandum of Agreement. -Decree 1799/07- applying such rebates on those airlines which have timely honored their payments.

Also, up to the next revision the rebalancing level for the Passenger Use Fee – International Flights remains at U\$S 4.57 and the Passenger Use Fee -Regional Flights at U\$S 2.05.

In addition it is required to modify point ii) of the Attachment II of Resolution 45/14 regarding assets in trusts.

As a result of the Review the ORSNA approved through Resolution 168 several tariff adjustments. The Passenger Use Fee - International Flights increased from U\$S43.93 to U\$S57.00. The Passenger Use Fee - Regional Flights increased from U\$S19.39 to U\$S25.16 and the Passenger Use Fee - Domestic Flights increased from AR\$22.91 to AR\$29.73.

NOTE 14 - CAPITAL STOCK

At September 30, 2016 capital stock is as follows:

	Par Value
	AR\$
Paid-in and subscribed	863,335,292
Registered with the Public Registry of Commerce	<u>863,335,292</u>

The Company's capital stock is comprised of 258,517,299 common shares of AR\$ 1 par value and one vote each and 604,817,993 preferred non-voting shares of AR\$ 1 par value. Preferred shares will have voting rights under the following circumstances: i) partial or total capital reimbursement; ii) during the period where benefits of preferred shareholders are granted but not yet received iii) for the appointment of a regular and an alternate director and a regular and an alternate syndic; and iv) in the remaining cases established by Corporate Law No. 19550.

The Ordinary General Special Meeting of class A, B, C and D and Special of preferred shares on April 21, 2014 decided an increase of preferred shares, resulting in an increase of capital stock from AR\$ 828,450,803 to AR\$ 839,849,473 and was registered in the Public Registry of Commerce on October 24, 2014 under the number 20.778, L° 71 of Corporations.

The increase of capital stock from AR\$ 851,476,116 to AR\$ 863,335,292 resulting from the issuance of preferred shares decided by the Ordinary General Special Meeting of classes A, B, C and D and Special of preferred shares dated April 25, 2016 was registered in the Public Registry of Commerce on September 29, 2016 under the number 18.671 L° 81 of Corporations.

The increase of capital stock from AR\$ 839,849,473 to AR\$ 851,476,116 resulting from the issuance of preferred shares decided by the Ordinary General Special Meeting of classes A, B, C and D and Special of preferred shares dated April 28, 2015 was registered in the Public Registry of Commerce on October 14, 2015 under the number 19.304, L° 76 of Corporations.

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NOTE 14 - CAPITAL STOCK (Contd.)

Furthermore, according to the requirements of General Resolution 629 issued by the CNV, the books and accounting records of the Company are located in the fiscal address located in Honduras 5673, Autonomous City of de Buenos Aires. In addition AA2000 has certain supporting accounting and operating documentation in the warehouses of Bank S.A. in the Province of Buenos Aires Garín (Ruta Panamericana km. 37.5), Pacheco (Ruta Panamericana km. 31.5), Munro (Av Fleming 2190) and Avellaneda (General Rivadavia 401).

NOTE 15 - DIVIDENDS ON PREFERRED SHARES

Preferred shares dividend accrued in the nine month period ended September 30, 2016 amounts to AR\$ 9,072,270 and will be recorded when approved by the corresponding Shareholders' meeting.

NOTE 16 – RESOLUTION OF SHAREHOLDERS' GENERAL ORDINARY AND EXTRAORDINARY MEETINGS HELD ON APRIL 25, 2016 AND JULY 18, 2016

The Shareholders' General Ordinary, Special Classes A, B, C and D and Special of Preferred Shares held on April 25, 2016 decided, among other matters:

- That the income of the year ended at December 31, 2015 has the following destination:
 - (i) AR\$22,810,817 for the constitution of the legal reserve;
 - (ii) AR\$11,859,176 to the distribution of dividends corresponding to the preferred shares subscribed by the Argentine National Government according to the resolution of the general extraordinary meeting of the Company's shareholders held on March 6, 2008 and clause 14 and attachment VII of The Memorandum of Understanding for the Restatement of the Concession Agreement, payable in preferred shares;
 - (iii) The remaining AR\$421,546,352 is allocated together with the facultative reserve to the compliance of the works of the year 2015, that totalize AR\$511,546,352, to the constitution of two facultative reserves a) to secure compliance of works committed to the year 2016, for AR\$210,000,000; and b) to guarantee the payment of dividends when the Company is in condition to distribute for AR\$301,546,352.
 - (iv) Issue 11,859,176 preferred shares of \$1 par value under the same terms of the preferred shares issued in favor of the Argentine National Government as per Class A, B and C Shareholders General, Extraordinary and Special Meeting held on March 6, 2008
 - (v) Increase the capital stock from AR\$851,476,116 to AR\$863,335,292 i.e., in the amount of AR\$11,859,176 (eleven million, eight hundred fifty nine thousand, one hundred and seventy six pesos) through the issuance of 11,859,176 preferred shares of \$1 (one peso) par value, with no vote; and
 - (vi) That the preferred shares are fully subscribed by the Argentine National Government.

The Shareholders' General Ordinary and Extraordinary meeting held on July 18, 2016 decided, among other matters, the creation of the Audit Committee of the Company. To that extent, the article X of the by-laws was modified, eliminating the paragraph stating that the audit committee will be set up once the Company is admitted in the public offering regime. In addition, it approved the internal rules of procedure of the audit committee.

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Notes to the Condensed Consolidated Interim Financial Statements

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The abovementioned changes were registered in the Public Registry of Commerce on October 11, 2016 under N° 19.601 L° 81 of Corporations.

NOTE 17 – EARNINGS PER SHARE

According to the Shareholders' General Extraordinary Meeting held on March 6, 2008, approved by the ORSNA on April 25, 2008, earnings per share is calculated as net income for the year less accrued preferred shares dividends for the year, divided by the number of common shares.

NOTE 18 – FINANCIAL RISK MANAGEMENT

The activities of the Company are subject to various financial risks: market risk (which includes foreign exchange risk, fair value interest risk and price risk), credit risk and liquidity risk.

These Condensed Consolidated Interim Financial Statements do not include all information and disclosures regarding financial risk management required in the year-end financial statements, therefore it should be read in conjunction with the consolidated financial statements at December 31, 2015.

There have been no significant changes in the risk management policies since the last year-end.



"Free translation from the original in Spanish for publication in Argentina"

REPORT ON REVIEW OF CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

To the Shareholders, President and Directors of
Aeropuertos Argentina 2000 S.A.
Legal address: Suipacha 268 - Floor 12°
City of Buenos Aires
Tax Code: 30-69617058-0

Introduction

We have reviewed the accompanying consolidated condensed interim financial statements of Aeropuertos Argentina 2000 S.A. and its subsidiaries ("the Company"), including the consolidated statement of financial position at September 30, 2016, the consolidated statement of comprehensive income for the nine and three-month periods ended September 30, 2016 and the consolidated statements of changes in equity and of cash flows for the nine-month period then ended and the selected explanatory Notes.

The balances and other information for the year 2015 and for the interim periods are an integral part of these financial statements and, therefore, they should be considered in relation to those financial statements.

Board Responsibility

The Company's Board of Directors is responsible for the preparation and presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS), adopted by the Argentine Federation of Professional Councils in Economic Sciences (FACPCE) as professional accounting standards and added by the National Securities Commission (CNV) to its regulations, as approved by the International Accounting Standard Board (IASB). Therefore, they are responsible for the preparation and presentation of the condensed consolidated interim financial statements mentioned in the first paragraph, in accordance with International Accounting Standard No. 34 "Interim Financial Reporting" (IAS 34).

Scope of our review

Our review was limited to the application of the procedures established in the International Standard on Review Engagements 2410, 'Review of interim financial information performed by the independent auditor of the entity', which was adopted as review standard in Argentina by Technical Pronouncement No. 33 of the FACPCE, as approved by the International Auditing and Assurance Standard Board (IAASB). A review of interim financial information consists of making inquiries to the company personnel responsible for the preparation of the information included in the condensed consolidated interim financial statements and in the performance of analytical and other review procedures. This review is substantially less in scope than an audit conducted in accordance with International Auditing Standards, and consequently, does not enable us to obtain assurance that we would become aware of

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all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the consolidated statement of financial position, the consolidated statements of comprehensive income and cash flows of the Company.

Conclusion

Based on our review, no issues have come to our attention that causes us to believe that the consolidated condensed interim financial statements mentioned in the first paragraph have not been prepared, in all material respects, in accordance with International Accounting Standard (IAS) No. 34.

Report on the compliance with current regulations

In accordance with current regulations, in connection with Aeropuertos Argentina 2000 S.A., we report that:

- a) the consolidated condensed interim financial statements of Aeropuertos Argentina 2000 S.A. are transcribed into the "Inventory and Balance Sheet" book and as regards those matters that are within our competence, they are in compliance with the provisions of the Commercial Companies Law and pertinent resolutions of the National Securities Commission;
- b) the separate condensed interim financial statements of Aeropuertos Argentina 2000 S.A. stem from accounting records kept in all formal respects in conformity with legal regulations;
- c) we have read the summary of activity, on which, as regards those matters that are within our competence, we have no observations to make;
- d) at September 30, 2016, the debt accrued by Aeropuertos Argentina 2000 S.A. in favor of the Integrated Social Security System according to the Company's accounting records and calculations amounted to \$ 29,566,007.71, none of which was claimable at that date.

Autonomous City of Buenos Aires, November 2, 2016.

PRICE WATERHOUSE & CO. S.R.L.

(Partner)

Alejandro P. Frechou

ISSUER

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New York, NY 10013
United States of America

ARGENTINE COLLATERAL TRUSTEE AND THE INDENTURE TRUSTEE'S REPRESENTATIVE IN ARGENTINA

**La Sucursal de Citibank, N.A. establecida en la
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