
Section 1: 6-K (FORM 6-K)

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20546

FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934**

For the month of November, 2018

Commission File Number: 333-221916

Corporación América Airports S.A.
(Name of Registrant)

**4, rue de la Grève
L-1643, Luxembourg
Tel: +35226258274
Fax: +35226259776**
(Address of Principal Executive Office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Note: Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Note: Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submitted to furnish a report or other document that the registrant foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's "home country"), or under the rules of the home country exchange on which the registrant's securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and, if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR
THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2018 AND 2017

This report of foreign private issuer on Form 6-K (this “Form 6-K”) is being filed by Corporación América Airports S.A. (“CAAP” or the “Company”) with the Securities and Exchange Commission (the “SEC”). The Company is filing this report on Form 6-K for the purpose of filing a copy of the Company’s unaudited condensed consolidated interim financial statements for the nine-month period ended September 30, 2018 and 2017 (the “Consolidated Financial Statements”) as Exhibit 99.1. The Consolidated Financial Statements are presented in U.S. Dollars and prepared in accordance with IAS 34, “Interim Financial Reporting”. These Consolidated Financial Statements, should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2017, which have been prepared in accordance with International Financial Reporting Standards (IFRS”) of the International Accounting Standard Board (“IASB”) and the interpretations of the International Financial Reporting Interpretation Committee (“IFRIC”).

Exhibit Index

Exhibit No.
99.1

Description
CAAP Unaudited Condensed Consolidated Interim Financial Statements for the nine-month period ended September 30, 2018 and 2017.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: November 27, 2018

Corporación America Airports S.A.

By: /s/ Andres Zenarruza

Name: Andres Zenarruza

Title: Legal Manager

By: /s/ Raúl Guillermo Francos

Name: Raúl Guillermo Francos

Title: Chief Financial Officer

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Section 2: EX-99.1 (EXHIBIT 99.1)

Exhibit 99.1

Corporación América Airports S.A. Condensed Consolidated Interim Financial Statements for the nine-month period ended September 30, 2018 and 2017 (amounts in thousands of U.S. dollars except share data or as otherwise indicated).

Corporación América Airports S.A.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the nine-month period ended September 30, 2018 and 2017

R.C.S. Luxembourg B 174.140

4, rue de la Grève
L-1643, Luxembourg

CONDENSED CONSOLIDATED INTERIM STATEMENT OF INCOME

	Notes	For the three-month period ended September 30,		For the nine-month period ended September 30,	
		2018 Unaudited	2017 Unaudited	2018 Unaudited	2017 Unaudited
Continuing operations					
Revenue	4	347,961	421,112	947,238	1,158,534
Cost of services	5	(227,762)	(272,108)	(630,067)	(749,819)
Gross profit		120,199	149,004	317,171	408,715
Selling, general and administrative expenses	6	(36,718)	(49,174)	(108,078)	(140,074)
Other operating income	7	4,369	4,844	10,547	14,263
Other operating expense		(827)	(634)	(1,739)	(3,477)
Operating income		87,023	104,040	217,901	279,427
Share of income / (loss) in associates		596	(5,493)	676	(5,821)
Income before financial results and income tax		87,619	98,547	218,577	273,606
Financial income	8	15,778	8,804	57,158	53,054
Financial loss	8	(114,236)	(66,277)	(310,766)	(214,260)
Inflation adjustment	8	(10,000)	-	(21,446)	-
(Loss) / income before income tax expense		(20,839)	41,074	(56,477)	112,400
Income tax expense	9	(800)	(19,337)	5,658	(39,833)
(Loss) / income for the period		(21,639)	21,737	(50,819)	72,567
Attributable to:					
Owners of the parent		(15,177)	19,021	(26,699)	67,090
Non-controlling interest		(6,462)	2,716	(24,120)	5,477
		(21,639)	21,737	(50,819)	72,567
Earnings per share attributable to the owners of the parent					
Weighted average number of ordinary shares (thousands)		160,022	148,118	158,452	148,118
Basic and diluted earnings per share		(0.09)	0.13	(0.17)	0.45

The accompanying notes are an integral part of these Condensed Consolidated Interim Financial Statements. These Condensed Consolidated Interim Financial Statements should be read in conjunction with our audited Consolidated Financial Statements and notes for the year ended December 31, 2017.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2018	2017	2018	2017
	Unaudited	Unaudited	Unaudited	Unaudited
(Loss) / income for the period	(21,639)	21,737	(50,819)	72,567
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit obligation	128	-	336	303
Items that may be subsequently reclassified to profit or loss:				
Share of other comprehensive (loss) / income from associates	(569)	120	(781)	214
Currency translation adjustment	(123,286)	(7,664)	(334,867)	(2,717)
Other comprehensive loss for the period, net of income tax	(123,727)	(7,544)	(335,312)	(2,200)
Total comprehensive (loss) / income for the period	(145,366)	14,193	(386,131)	70,367
Attributable to:				
Owners of the parent	(93,519)	11,212	(239,818)	56,567
Non-controlling interest	(51,847)	2,981	(146,313)	13,800
	(145,366)	14,193	(386,131)	70,367

The accompanying notes are an integral part of these Condensed Consolidated Interim Financial Statements. These Condensed Consolidated Interim Financial Statements should be read in conjunction with our audited Consolidated Financial Statements and notes for the year ended December 31, 2017.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

	Notes	At September 30, 2018 Unaudited	At December 31, 2017 Audited
ASSETS			
Non-current assets			
Intangible assets, net	10	2,682,203	2,818,354
Property, plant and equipment, net		73,262	74,483
Investments in associates		17,976	13,435
Other financial assets at amortized cost		2,300	2,500
Deferred tax assets		134,902	135,327
Other receivables		112,411	173,393
Trade receivables		3,555	4,244
		3,026,609	3,221,736
Current assets			
Inventories		9,974	8,564
Other financial assets at fair value through profit or loss		25,512	16,214
Other financial assets at amortized cost		32,708	23,582
Other receivables		65,622	183,062
Current tax assets		17,402	4,621
Trade receivables		116,084	121,834
Cash and cash equivalents	11	267,854	221,601
		535,156	579,478
Total assets		3,561,765	3,801,214
EQUITY			
	14		
Share capital		160,022	1,500,000
Share premium		180,486	-
Free distributable reserve		385,055	385,055
Non-distributable reserve		1,351,883	-
Currency translation adjustment		(430,628)	(217,300)
Legal reserves		176	2
Other reserves		(1,324,856)	(1,344,008)
Retained earnings		320,246	138,034
Total attributable to owners of the parent		642,384	461,783
Non-controlling interests		404,109	335,359
Total equity		1,046,493	797,142
LIABILITIES			
Non-current liabilities			
Borrowings	12	1,045,786	1,113,655
Deferred tax liabilities		220,914	148,301
Other liabilities	13	825,964	1,006,792
Non-current tax liabilities		32	-
Trade payables		1,989	3,302
		2,094,685	2,272,050
Current liabilities			
Borrowings	12	106,779	372,790
Other liabilities	13	210,931	209,486
Current tax liabilities		12,930	21,934
Trade payables		89,947	127,812
		420,587	732,022
Total liabilities		2,515,272	3,004,072
Total equity and liabilities		3,561,765	3,801,214

The accompanying notes are an integral part of these Condensed Consolidated Interim Financial Statements. These Condensed Consolidated Interim Financial Statements should be read in conjunction with our audited Consolidated Financial Statements and notes for the year ended December 31, 2017.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the parent								Total	Non-controlling interests	Total
	Share Capital	Share premium	Free Distributable Reserves	Non-Distributable Reserves	Legal Reserves	Currency Translation Adjustment	Other Reserves	Retained Earnings (1)			
Balance at December 31, 2017	1,500,000	-	385,055	-	2	(217,300)	(1,344,008)	138,034	461,783	335,359	797,142
Adjustment on adoption of IFRS 9 (net of tax) (Note 2.2 (a))	-	-	-	-	-	-	-	2,356	2,356	542	2,898
Adjustment on initial application of IAS 29 (Note 2.1)	-	-	-	-	-	-	-	206,729	206,729	187,299	394,028
Adjusted balance at January 1, 2018	1,500,000	-	385,055	-	2	(217,300)	(1,344,008)	347,119	670,868	523,200	1,194,068
Shareholders contributions (Note 14)	-	-	-	-	-	-	-	-	-	43,703	43,703
Loss for the period	-	-	-	-	-	-	-	(26,699)	(26,699)	(24,120)	(50,819)
Transfer to legal reserve	-	-	-	-	174	-	-	(174)	-	-	-
Reverse stock split (Note 14)	(1,351,883)	-	-	1,351,883	-	-	-	-	-	-	-
Initial Public Offering (Note 14)	11,905	180,486	-	-	-	-	-	-	192,391	-	192,391
Other comprehensive (loss) / income for the period	-	-	-	-	-	(213,328)	209	-	(213,119)	(122,193)	(335,312)
Changes of non-controlling interests (Note 14)	-	-	-	-	-	-	18,943	-	18,943	(16,481)	2,462
Balance at September 30, 2018	160,022	180,486	385,055	1,351,883	176	(430,628)	(1,324,856)	320,246	642,384	404,109	1,046,493
Balance at January 1, 2017	20	-	1,907,328	-	2	(188,721)	(1,344,022)	74,543	449,150	354,174	803,324
Shareholders contributions (Note 14)	-	-	6,100	-	-	-	-	-	6,100	-	6,100
Refund of cash contributions (Note 14)	-	-	(16,130)	-	-	-	-	-	(16,130)	-	(16,130)
Income for the period	-	-	-	-	-	-	-	67,090	67,090	5,477	72,567
Other comprehensive (loss) / income for the period	-	-	-	-	-	(10,678)	155	-	(10,523)	8,323	(2,200)
Conversion	1,499,980	-	(1,499,980)	-	-	-	-	-	-	-	-
Changes of non-controlling interests (Note 14)	-	-	-	-	-	-	-	-	-	(24,247)	(24,247)
Balance at September 30, 2017	1,500,000	-	397,318	-	2	(199,399)	(1,343,867)	141,633	495,687	343,727	839,414

(1) Retained Earnings calculated according to Luxembourg Law are disclosed in Note 15.

The accompanying notes are an integral part of these Condensed Consolidated Interim Financial Statements. These Condensed Consolidated Interim Financial Statements should be read in conjunction with our audited Consolidated Financial Statements and notes for the year ended December 31, 2017.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

	Notes	For the nine-month period ended September 30,	
		2018 Unaudited	2017 Unaudited
Cash flows from operating activities			
(Loss) / Income for the period		(50,819)	72,567
Adjustments for:			
Amortization and depreciation		118,700	105,727
Deferred income tax	9	(32,733)	(27,508)
Income tax accrued	9	27,075	67,341
Share of income or loss in associates		(676)	5,821
Loss on disposals of property, plant and equipment		311	2,217
Unpaid concession fees		37,446	39,598
Changes in liability for Brazil concessions		69,042	66,308
Interest expense		68,704	92,060
Other financial results, net		(14,998)	(30,658)
Net foreign exchange		124,600	31,518
Other accruals		3,195	5,932
Inflation adjustment		19,629	-
Acquisition of Intangible assets		(123,175)	(176,815)
Income tax paid		(33,931)	(90,598)
Changes in working capital	17	(88,737)	(97,997)
Net cash provided by operating activities		123,633	65,513
Cash flows from investing activities			
Cash contribution in associates		(2,981)	-
Acquisition of other financial assets		(41,150)	-
Disposals of other financial assets		25,773	15,000
Purchase of property, plant and equipment		(7,245)	(6,657)
Acquisition of Intangible assets		(250)	(82)
Loans with related parties		136	(17,338)
Proceeds from fixed assets disposals		49	-
"Piana di Castello" land advance	15	(3,583)	-
Other		(465)	(7)
Net cash used in investing activities		(29,716)	(9,084)
Cash flows from financing activities			
Proceeds from cash contributions	14	43,703	6,100
Refund of cash contributions	14	-	(16,130)
Additional acquisitions in subsidiaries	14	(40,731)	-
Disposal of subsidiaries	14	56,638	-
Proceeds from borrowings		194,575	401,994
Initial Public Offering	14	195,601	-
Initial Public Offering expenses paid		(5,495)	-
Release of guarantee deposits		92,913	-
Release of restricted cash		-	30,873
Loans paid	12	(483,845)	(230,980)
Interest paid	12	(44,648)	(79,823)
Dividends paid		(14,794)	(20,944)
Net cash (used in) / provided by financing activities		(6,083)	91,090
Increase in cash and cash equivalents		87,834	147,519
Movements in cash and cash equivalents			
At the beginning of the period		221,601	182,116
Exchange rate loss and inflation adjustment on cash and cash equivalents		(41,581)	(7,823)
Increase in cash and cash equivalents		87,834	147,519
At the end of the period	11	267,854	321,812

The accompanying notes are an integral part of these Condensed Consolidated Interim Financial Statements. These Condensed Consolidated Interim Financial Statements should be read in conjunction with our audited Consolidated Financial Statements and notes for the year ended December 31, 2017.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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1 General information and company conversion

General Information

Corporación América Airports S.A. (the “Company” or “CAAP”) is a holding company primarily engaged through its operating subsidiaries in the acquisition, development and operation of airport concessions. The Company and its operating subsidiaries are collectively referred to hereinafter as the “Group”.

The Company was formed as a private limited liability company under the laws of the Grand Duchy of Luxembourg on December 14, 2012. The Company is ultimately controlled by Southern Cone Foundation (“SCF”), a foundation, organized under the laws of the Principality of Liechtenstein. The address of its registered office is in Vaduz.

The Group currently has operations in Argentina, Brazil, Uruguay, Armenia, Italy, Ecuador and Perú.

A list of the principal Group’s subsidiaries is included in Note 2 of the Consolidated Financial Statements as of December 31, 2017.

Company conversion

The Company was converted on September 14, 2017, from a Luxembourg Limited Liability Company named A.C.I. Airports International S.à r.l. (“ACT”) into a Luxembourg Corporation and changed its name to Corporación América Airports S.A. (the “Conversion”). In conjunction with the Conversion, all of the Company’s outstanding equity interests were converted into one billion five hundred million (1,500,000,000) shares of common stock which were held by ACI Airports S.à r.l. (controlling shareholder). In connection with the Conversion, Corporación América Airports S.A. has continued to hold all assets of ACI and has assumed all of its liabilities and obligations.

The main adjustment of the Conversion principally gave effect to the recognition of the share capital of Corporación América Airports S.A. for a total nominal value of USD 1,500 million (USD 1 per share) and the elimination of the shares of A.C.I. Airports International S.à r.l. for a total amount of USD 20 thousands and of the Free distributable reserves for a total amount of USD 1,499.9 million.

A detailed explanation of movements of share capital that have occurred in 2018, including reverse stock and Initial Public Offering, are included in Note 14.

These condensed consolidated interim financial statements have been approved for issuance by the Company on November 23, 2018.

2 Basis of presentation and accounting policies

The principal accounting policies applied in the preparation of these Condensed Consolidated Interim Financial Statements are consistent with the Consolidated Financial Statements ended at December 31, 2017. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of presentation

These Condensed Consolidated Interim Financial Statements have been prepared in accordance with IAS 34, “Interim Financial Reporting”. The accounting policies used in the preparation of these Condensed Consolidated Interim Financial Statements are consistent with those used in the audited Consolidated Financial Statements for the year ended December 31, 2017, except for changes explained in Note 2.2 and for the application of IAS 29 “Financial Reporting in Hyperinflationary Economies” for the subsidiaries and associates with Argentinian pesos as functional currency together with related translation procedures included in IAS 21 for those entities. These Condensed Consolidated Interim Financial Statements should be read in conjunction with the audited Consolidated Financial Statements for the year ended December 31, 2017, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) of the International Accounting Standards Board (IASB) and the Interpretations of the International Financial Reporting Interpretations Committee (IFRIC).

2 Basis of presentation and accounting policies (Cont.)

2.1 Basis of presentation (Cont.)

Elimination of all material intercompany transactions and balances between the Company and the other companies and their respective subsidiaries have been made.

The preparation of Condensed Consolidated Interim Financial Statements in conformity with IFRS requires management to make certain accounting estimates and assumptions that might affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the reporting dates, and the reported amounts of revenues and expenses during the reporting years. Actual results may differ from these estimates.

In the preparation of these Condensed Consolidated Interim Financial Statements, the significant areas of judgment by management in the application of the Group'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, 2017.

Assets and liabilities are classified as current if settlement is expected within 12 months.

Argentine hyperinflationary economy

IAS 29 "Financial Reporting in Hyperinflationary Economies" requires that the financial statements of entities whose functional currency is that of a hyperinflationary economy to be adjusted for the effects of changes in a suitable general price index and to be expressed in terms of the current unit of measurement at the closing date of the reporting period, regardless of whether they are based on the historical cost method or the current cost method. Accordingly, the inflation produced from the date of acquisition or from the revaluation date, as applicable, must be computed in the non-monetary items.

In order to conclude on whether an economy is categorized as hyperinflationary in the terms of IAS 29, the standard details a series of factors to be considered, including the existence of a cumulative inflation rate in three years that approximates or exceeds 100%. Considering that the inflation in Argentina has exceeded the 100% three-year cumulative inflation rate in July 2018, and that the rest of the indicators do not contradict the conclusion that Argentina should be considered a hyperinflationary economy for accounting purposes, the Group understands that there is sufficient evidence to conclude that Argentina is a hyperinflationary economy under the terms of IAS 29 as from July 1, 2018, and, accordingly, it has applied IAS 29 as from that date in the financial reporting of its subsidiaries and associates with the Argentine peso as functional currency.

The inflation adjustment was calculated by means of conversion factor derived from the Argentine price indexes published by the National Institute of Statistics ("INDEC").

The referred indexes are largely based on the Internal Wholesale Price Index ("Índice de Precios Internos al por Mayor" – IPIM) for periods up to December 31, 2016 and the Consumer Price Index ("Índice de Precios al Consumo" - IPC) thereafter.

The conversion factor derived from the indexes for the three-month period ended September 30, 2018, was 1.14 while for the nine-month period was 1.32.

2 Basis of presentation and accounting policies (Cont.)

2.1 Basis of presentation

A summary of the methodology used to prepare the financial reporting of the Argentinian subsidiaries and associates adjusted for the effects of hyperinflation is described below:

Non-monetary items

The restated cost of non-monetary items (basically intangible assets) is determined by applying to its historical cost the change in a general price index from the date of acquisition to the end of the reporting period.

Monetary items

Monetary items (such as cash and cash equivalents, trade receivables and payables) do not need to be restated because they are already expressed in terms of the monetary unit current at the end of the reporting period.

Gain or loss on net monetary position

In a period of inflation, if the Company has an excess of monetary assets over monetary liabilities loses purchasing power while if it has an excess of monetary liabilities over monetary assets gains purchasing power to the extent the assets and liabilities are not linked to a price level. This gain or loss on the net monetary position may be derived as the difference resulting from the restatement of non-monetary assets, owners' equity and items in the statement of comprehensive income and the adjustment of index linked assets and liabilities.

The gain or loss on the net monetary position is included in *Inflation adjustment* in profit or loss.

Exchange rate gains and losses derived from the net monetary position are presented in real (inflation-adjusted) terms.

Equity

The components of owners' equity are adjusted by applying a general price index from the dates the components were contributed to the end of the reporting period.

Statement of comprehensive income

All items in the statement of comprehensive income are expressed in terms of the measuring unit current at the end of the reporting period. Therefore all amounts need to be restated by applying the change in the general price index from the dates when the items of income and expenses were initially recorded in the financial statements.

All figures, according to IAS 21, have been translated at closing rates after the restatement for changes in the above-mentioned indexes.

This translation changes every prior reported quarterly statement of income in U.S. dollars as each quarterly amount is readjusted under IAS 29 for inflation per above and reconverted at different exchange rates for each quarterly reported period under IAS 21. As a result the impact of quarterly inflationary adjustments and quarterly translation adjustments vary the results of operation quarter to quarter until year end.

Comparative amounts are the figures presented as current year amounts in the relevant prior year financial statements, according to IAS 21, considering that were translated into the currency of a non- hyperinflationary economy. Therefore, the adjustment of the restated amounts of net assets as of prior period to reflect the cumulative inflation is included as an initial balance adjustment within retained earnings.

Regarding all movements for the period for non-monetary items is the same methodology including an initial balance adjustment to reflect the inflation and conversion as of prior period and then the inflation adjustment and the translation of the current period is included in *Other comprehensive (loss) / income for the period* line.

There were no changes in valuation techniques during the period, except for changes explained above and in Note 2.2, and there were no changes in risk management policies since the end of the year ended December 31, 2017.

2 Basis of presentation and accounting policies (Cont.)

2.2 Changes in the accounting policies

The group has applied the following standards and amendments for the first time for their quarter reporting period commencing January 1, 2018:

IFRS 9, "Financial Instruments"

The group has adopted IFRS 9 as issued in July 2014, which resulted in changes in accounting policies and adjustments to the amounts recognized in the Consolidated Financial Statements for the year ended 31 December 2017.

This standard replaces the previously issued versions and establishes new requirements for hedge accounting and a new model of impairment for financial assets, effective from January 1, 2018.

The new impairment model requires the recognition of impairment provisions based on expected credit losses (ECL) rather than only incurred credit losses, as is the case under IAS 39.

The accounting policies were changed to comply with IFRS 9 as issued by the IASB in July 2014.

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities; derecognition of financial instruments; impairment of financial assets and hedge accounting. IFRS 9 also significantly amends other standards dealing with financial instruments such as *IFRS 7 Financial Instruments: Disclosures*.

As permitted by the transitional provisions of IFRS 9, the Group has elected not to restate comparative figures.

(a) Impact of adopting IFRS 9

The total impact on the Group's retained earnings due to measurement of financial instruments as of January 1, 2018 is as follows:

	Retained Earnings	Non- controlling interests
Opening balance - IAS 39	138,034	335,359
Decrease in provision for trade receivables	3,142	723
Decrease in deferred tax assets relating to impairment provisions	(786)	(181)
Adjustment to retained earnings from adoption of IFRS 9	<u>2,356</u>	<u>542</u>
Opening balance – IFRS 9	140,390	335,901

(b) Classification and measurement of financial instruments

On January 1, 2018, the Group's management has assessed which business models apply to the financial assets held by the group at the date of initial application of IFRS 9 (January 1, 2018) and has classified its financial instruments into the appropriate IFRS 9 categories.

2 Basis of presentation and accounting policies (Cont.)

2.2 Changes in the accounting policies (Cont.)

Reclassifications of financial instruments on adoption of IFRS 9

On the date of initial application, January 1, 2018, the financial instruments of the group were as follows, with any reclassifications noted:

	Measurement category		Carrying amount		Difference
	Original (IAS 39)	New (IFRS 9)	Original	New	
Assets as per the statement of financial position					
Other financial assets	AC*	AC*	26,082	26,082	-
Other financial assets	FVPL**	FVPL**	16,214	16,214	-
Other receivables	AC*	AC*	293,578	293,578	-
Trade receivables	AC*	AC*	126,078	129,943	3,865
Cash and cash equivalents	AC*	AC*	221,601	221,601	-
Liabilities as per the statement of financial position					
Borrowings	AC*	AC*	1,486,445	1,486,445	-
Trade payables and other liabilities	AC*	AC*	1,198,562	1,198,562	-

* AC = financial instruments measured at amortized cost

** FVPL = financial instruments measured at fair value through profit or loss

(c) IFRS 9 Financial Instruments – Accounting policies applied from January 1, 2018

From January 1, 2018, the Company classifies its financial assets in the following measurement categories:

- (i) Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method.
- (ii) Fair value through other comprehensive income (“FVOCI”): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets’ cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- (iii) Fair value through profit or loss (“FVPL”): Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented net within other gains/(losses) in the period in which it arises.

The classification depends on the Company’s business model for managing the financial assets and the contractual terms of the cash flows.

2 Basis of presentation and accounting policies (Cont.)

2.2 Changes in the accounting policies (Cont.)

IFRS 15, "Revenue from contracts with customers"

IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The Company's management has determined that the adoption of this standard did not have a significant impact on the Company's financial condition or results of operations.

Effective January 1, 2018, the Group adopted this standard using the modified retrospective adoption approach. There was no impact on the condensed consolidated interim financial statements and no cumulative effect adjustment was recognized.

There were no other changes on accounting policies and accounting methods. The standards that are mandatory effective on or after January 1, 2018 were applied by the group.

New and amended standards not yet adopted for CAAP.

Certain new accounting standards and interpretations have been published that are not mandatory for September 30, 2018 reporting periods and have not been early adopted by the group. The group's assessment of the impact of these new standards and interpretations is set out below.

IFRS 16, "Leases"

In January 2016, the IASB issued IFRS 16, "Leases", which will result in almost all leases being recognized on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognized. IFRS 16 must be applied on annual periods beginning on or after January 1, 2019. The Company's management is currently assessing the potential impact that the application of this standard may have on the Company's financial condition or results of operations.

Other standards and interpretations non-significant for the Company's financial statements:

- Amendment to IFRS 2 - Classification and Measurement of Share-based Payment Transactions -Annual Improvements to IFRS 2014-2016 cycle.
- IFRIC 22 - Foreign Currency Transactions and Advance Consideration.
- IFRIC 23 - Uncertainty over Income Tax Treatments.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

3 Segment information

Operating segments are components of an enterprise where separate financial information is available that is evaluated regularly by the chief operating decision maker, or decision-making group, in deciding how to allocate resources and in assessing performance. The Group's chief operating decision maker is its Board of Directors. The Group's operating segments are managed separately because each operating segment represents a strategic business unit providing airport and non-airport services ("others") to clients in different countries. The Group's reportable operating segments are the seven countries in which the Group currently operates, which are Argentina, Brazil, Uruguay, Armenia, Ecuador, Italy and Peru.

Within each reportable segment, the Group develops and operates airport concessions ("Airports") and provides other services not directly related to airport concessions ("Others").

Assets, liabilities and results of sub-holding and/or holding companies are not allocated and are reported within the "Unallocated" column. This column also includes head office and group services.

The elimination of any intersegment revenues and other significant intercompany operations are included in the "Intersegment Adjustments" column.

The information regarding the Company's reportable operating segments is consistent with the information presented in Notes 2.U and 4 included in our audited Consolidated Financial Statements for the year ended December 31, 2017 and should be read in conjunction with them.

The performance of each reportable segment is measured by its adjusted EBITDA, defined, with respect to each segment, as net income before financial income, financial loss, income tax expense, depreciation and amortization for such segment. The Adjusted EBITDA for the Brazil segment does not exclude the amortization of the intangible asset related to the fee payable to the Brazilian government for the operation of the Brazilian airport concessions.

Effective April 1, 2018, the CODM revised the current segment reporting to also include another metric of performance. In addition, the CODM considers each reportable segment's Adjusted EBITDA before Construction Services margin as a relevant performance measure. Prior periods information have been revised to conform to the current period presentation.

Adjusted EBITDA excluding Construction Services is defined, with respect to each segment, as net income before construction services revenue, financial income, construction services cost, financial loss, income tax expense, depreciation and amortization for such segment. The Adjusted EBITDA excluding construction services revenue and construction services cost for the Brazil segment does not exclude the amortization of the intangible asset related to the fee payable to the Brazilian government for the operation of the Brazilian airport concessions.

3 Segment information (Cont.)

	Argentina		Brazil		Uruguay		Armenia	Ecuador	Italy	Perú	Intrasegment		
	Airports	Others	Airports	Others	Airports	Others	Airports	Airports	Airports	Airports	Adjustments	Unallocated	Total
For the three-month period ended September 30, 2018 (Unaudited)													
Revenue	182,578	57	29,718	-	24,990	4,161	37,558	23,746	46,688	-	(3,084)	1,549	347,961
Cost of services	(121,012)	(3)	(24,665)	-	(12,978)	(3,116)	(20,647)	(13,765)	(30,322)	-	2,360	(3,614)	(227,762)
Gross profit	61,566	54	5,053	-	12,012	1,045	16,911	9,981	16,366	-	(724)	(2,065)	120,199
Selling, general and administrative expenses	(16,523)	(59)	(3,017)	(14)	(2,806)	(238)	(3,633)	(4,678)	(3,453)	-	726	(3,023)	(36,718)
Other operating income	3,530	-	755	-	16	8	44	16	-	-	-	-	4,369
Other operating expenses	(550)	-	(63)	-	(110)	-	(98)	(6)	-	-	-	-	(827)
Operating income	48,023	(5)	2,728	(14)	9,112	815	13,224	5,313	12,913	-	2	(5,088)	87,023
Share of income/ (loss) in associates	-	-	-	-	-	-	-	-	-	537	-	59	596
Amortization and depreciation	16,570	-	3,548	-	3,227	230	3,007	1,112	2,911	-	-	4,285	34,890
Adjusted Ebitda	64,593	(5)	6,276	(14)	12,339	1,045	16,231	6,425	15,824	537	2	(744)	122,509
Construction services revenue	(38,811)	-	-	-	(122)	-	(2,261)	-	(4,409)	-	-	-	(45,603)
Construction services cost	38,782	-	-	-	119	-	2,195	-	4,096	-	-	-	45,192
Adjusted Ebitda excluding Construction Services	64,564	(5)	6,276	(14)	12,336	1,045	16,165	6,425	15,511	537	2	(744)	122,098
Construction services revenue	38,811	-	-	-	122	-	2,261	-	4,409	-	-	-	45,603
Construction services cost	(38,782)	-	-	-	(119)	-	(2,195)	-	(4,096)	-	-	-	(45,192)
Adjusted Ebitda	64,593	(5)	6,276	(14)	12,339	1,045	16,231	6,425	15,824	537	2	(744)	122,509
Financial income													15,778
Financial loss													(114,236)
Inflation adjustment													(10,000)
Amortization and depreciation													(34,890)
Loss before income tax expense													(20,839)
Income tax expense													(800)
Loss for the period													(21,639)
For the three-month period ended September 30, 2017 (Unaudited)													
Revenue	262,189	104	33,511	-	24,268	3,947	28,484	22,520	48,640	-	(4,048)	1,497	421,112
Cost of services	(173,277)	(32)	(30,270)	-	(12,315)	(2,861)	(13,750)	(13,323)	(26,692)	-	4,048	(3,636)	(272,108)
Gross profit	88,912	72	3,241	-	11,953	1,086	14,734	9,197	21,948	-	-	(2,139)	149,004
Selling, general and administrative expenses	(23,244)	(54)	(4,151)	-	(2,965)	(335)	(2,632)	(3,989)	(9,388)	-	-	(2,416)	(49,174)
Other operating income	4,750	-	-	-	14	-	55	1	-	-	-	24	4,844
Other operating expenses	67	-	(16)	-	(47)	(349)	(117)	(7)	-	-	-	(165)	(634)
Operating income	70,485	18	(926)	-	8,955	402	12,040	5,202	12,560	-	-	(4,696)	104,040
Share of income/ (loss) in associates	-	-	-	-	-	-	-	-	(15)	(5,517)	-	39	(5,493)
Amortization and depreciation	8,059	-	4,500	-	3,013	143	2,939	1,846	2,478	-	-	4,373	27,351
Adjusted Ebitda	78,544	18	3,574	-	11,968	545	14,979	7,048	15,023	(5,517)	-	(284)	125,898
Construction services revenue	(69,481)	-	-	-	(565)	-	(28)	-	(2,636)	-	-	-	(72,710)
Construction services cost	69,437	-	-	-	549	-	27	-	2,346	-	-	-	72,359
Adjusted Ebitda excluding Construction Services	78,500	18	3,574	-	11,952	545	14,978	7,048	14,733	(5,517)	-	(284)	125,547
Construction services revenue	69,481	-	-	-	565	-	28	-	2,636	-	-	-	72,710
Construction services cost	(69,437)	-	-	-	(549)	-	(27)	-	(2,346)	-	-	-	(72,359)
Adjusted Ebitda	78,544	18	3,574	-	11,968	545	14,979	7,048	15,023	(5,517)	-	(284)	125,898
Financial income													8,804
Financial loss													(66,277)
Amortization and depreciation													(27,351)
Income before income tax expense													41,074
Income tax expense													(19,337)
Income for the period													21,737

3 Segment information (Cont.)

For the nine-month period ended	Argentina		Brazil		Uruguay		Armenia	Ecuador	Italy	Perú	Intrasegment		
	Airports	Others	Airports	Other	Airports	Others	Airports	Airports	Airports	Airports	Adjustments	Unallocated	Total
September 30, 2018 (Unaudited)													
Revenue	490,219	154	92,086	-	81,486	13,085	87,320	67,328	120,396	-	(9,290)	4,454	947,238
Cost of services	(322,395)	(11)	(80,212)	-	(39,856)	(9,827)	(49,391)	(38,831)	(85,850)	-	7,245	(10,939)	(630,067)
Gross profit	167,824	143	11,874	-	41,630	3,258	37,929	28,497	34,546	-	(2,045)	(6,485)	317,171
Selling, general and administrative expenses	(43,646)	(155)	(11,363)	(14)	(9,726)	(939)	(9,144)	(13,215)	(10,265)	-	2,048	(11,659)	(108,078)
Other operating income	9,537	-	762	-	78	49	89	32	-	-	-	-	10,547
Other operating expenses	(842)	-	(273)	-	(189)	(30)	(384)	(21)	-	-	-	-	(1,739)
Operating income	132,873	(12)	1,000	(14)	31,793	2,338	28,490	15,293	24,281	-	3	(18,144)	217,901
Share of income/ (loss) in associates	-	-	-	-	-	-	-	-	43	(75)	-	708	676
Amortization and depreciation	40,622	-	12,058	-	9,837	615	8,963	4,836	8,797	-	-	12,947	98,675
Adjusted Ebitda	173,495	(12)	13,058	(14)	41,630	2,953	37,453	20,129	33,121	(75)	3	(4,489)	317,252
Construction services revenue	(102,137)	-	-	-	(463)	-	(4,485)	-	(11,121)	-	-	-	(118,206)
Construction services cost	102,035	-	-	-	450	-	4,354	-	10,012	-	-	-	116,851
Adjusted Ebitda excluding Construction Services	173,393	(12)	13,058	(14)	41,617	2,953	37,322	20,129	32,012	(75)	3	(4,489)	315,897
Construction services revenue	102,137	-	-	-	463	-	4,485	-	11,121	-	-	-	118,206
Construction services cost	(102,035)	-	-	-	(450)	-	(4,354)	-	(10,012)	-	-	-	(116,851)
Adjusted Ebitda	173,495	(12)	13,058	(14)	41,630	2,953	37,453	20,129	33,121	(75)	3	(4,489)	317,252
Financial income													57,158
Financial loss													(310,766)
Inflation adjustment													(21,446)
Amortization and depreciation													(98,675)
Loss before income tax expense													(56,477)
Income tax expense													5,658
Loss for the period													(50,819)
September 30, 2018 (Unaudited)													
Current assets	180,174	180	41,118	123	33,827	4,727	54,327	33,093	70,584	-	(99,212)	216,215	535,156
Non-current assets	803,870	19	1,181,915	-	151,339	5,452	168,684	49,153	235,701	14,486	(1,637)	417,627	3,026,609
Capital Expenditure	101,708	-	5,809	-	1,303	1,168	5,760	2,048	13,393	-	-	64	131,253
Current liabilities	104,146	21	107,650	-	24,987	3,899	24,008	37,665	104,703	-	(99,044)	112,552	420,587
Non-current liabilities	464,010	-	1,065,050	-	58,644	2,637	84,872	3,254	66,108	-	(1,805)	351,915	2,094,685

3 Segment information (Cont.)

For the nine-month period ended September 30, 2017 (Unaudited)	Argentina		Brazil		Uruguay		Armenia	Ecuador	Italy	Perú	Intrasegment		Total
	Airports	Others	Airports	Airports	Others	Airports	Airports	Airports	Airports	Airports	Adjustments	Unallocated	
Revenue	729,707	319	96,096	76,918	11,618	67,024	64,468	116,635			(8,234)	3,983	1,158,534
Cost of services	(464,991)	(100)	(88,913)	(36,519)	(8,882)	(35,408)	(38,146)	(74,352)			8,234	(10,742)	(749,819)
Gross profit	264,716	219	7,183	40,399	2,736	31,616	26,322	42,283				(6,759)	408,715
Selling, general and administrative expenses	(69,224)	(163)	(10,240)	(8,702)	(957)	(8,188)	(11,933)	(23,706)				(6,961)	(140,074)
Other operating income	14,008	-	-	58	-	83	4	-				110	14,263
Other operating expenses	(179)	(4)	(2,217)	(120)	(332)	(412)	(19)	-				(194)	(3,477)
Operating income	209,321	52	(5,274)	31,635	1,447	23,099	14,374	18,577				(13,804)	279,427
Share of income/ (loss) in associates	-	-	-	-	-	-	-	39	(5,907)			47	(5,821)
Amortization and depreciation	24,356	-	13,097	9,313	446	8,594	5,523	7,165				12,641	81,135
Adjusted Ebitda	233,677	52	7,823	40,948	1,893	31,693	19,897	25,781	(5,907)			(1,116)	354,741
Construction services revenue	(161,575)	-	-	(1,773)	-	(108)	-	(8,891)				-	(172,347)
Construction services cost	161,434	-	-	1,722	-	105	-	8,004				-	171,265
Adjusted Ebitda excluding Construction Services	233,536	52	7,823	40,897	1,893	31,690	19,897	24,894	(5,907)			(1,116)	353,659
Construction services revenue	161,575	-	-	1,773	-	108	-	8,891				-	172,347
Construction services cost	(161,434)	-	-	(1,722)	-	(105)	-	(8,004)				-	(171,265)
Adjusted Ebitda	233,677	52	7,823	40,948	1,893	31,693	19,897	25,781	(5,907)			(1,116)	354,741
Financial income													53,054
Financial loss													(214,260)
Inflation adjustment													-
Amortization and depreciation													(81,135)
Income before income tax expense													112,400
Income tax expense													(39,833)
Income for the period													72,567
December 31, 2017 (Audited)													
Current assets	200,982	425	66,631	24,697	2,887	38,110	42,760	62,144	-		(74,280)	215,122	579,478
Non-current assets	709,689	7	1,432,833	159,880	5,121	173,087	51,941	236,893	11,790		(1,093)	441,588	3,221,736
Capital Expenditure	231,998	41	13,589	6,327	852	5,778	934	20,013	-		-	24	279,556
Current liabilities	151,794	64	262,624	23,536	3,755	22,741	42,929	89,057	-		(73,004)	208,526	732,022
Non-current liabilities	412,242	-	1,271,776	64,050	1,175	95,159	6,571	73,762	-		(2,369)	349,684	2,272,050

4 Revenue

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2018 (Unaudited)	2017 (Unaudited)	2018 (Unaudited)	2017 (Unaudited)
Aeronautical revenue	177,061	205,093	485,330	575,123
Non-aeronautical revenue				
Commercial revenue	124,707	142,857	340,194	409,738
Construction service revenue	45,603	72,710	118,206	172,347
Other revenue	590	452	3,508	1,326
	347,961	421,112	947,238	1,158,534

5 Cost of services

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2018 (Unaudited)	2017 (Unaudited)	2018 (Unaudited)	2017 (Unaudited)
Construction services cost	(45,192)	(72,359)	(116,851)	(171,265)
Salaries and social security contributions	(43,051)	(53,587)	(127,746)	(157,261)
Concession fees (**)	(41,504)	(50,153)	(115,765)	(144,902)
Amortization and depreciation	(32,703)	(25,367)	(92,273)	(75,487)
Maintenance expenses	(27,463)	(36,448)	(79,959)	(106,304)
Services and fees	(15,967)	(12,146)	(40,563)	(38,594)
Cost of fuel	(12,503)	(8,156)	(27,747)	(19,182)
Taxes (*)	(4,331)	(4,856)	(12,603)	(14,067)
Office expenses	(2,030)	(5,560)	(7,516)	(12,999)
Provision for maintenance cost	(950)	(307)	(1,845)	(1,313)
Others	(2,068)	(3,169)	(7,199)	(8,445)
	(227,762)	(272,108)	(630,067)	(749,819)

(*) Mainly includes tax from turnover and municipal taxes.

(**) Includes depreciation for Brazil concession assets of USD 20,025 as of September 30, 2018 (USD 24,591 as of September 30, 2017).

6 Selling, general and administrative expenses

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2018 (Unaudited)	2017 (Unaudited)	2018 (Unaudited)	2017 (Unaudited)
Services and fees	(10,015)	(17,062)	(29,113)	(43,007)
Taxes (*)	(9,994)	(12,661)	(28,347)	(40,474)
Salaries and social security contributions	(7,135)	(9,107)	(21,861)	(26,124)
Office expenses	(2,416)	(2,689)	(5,912)	(8,539)
Amortization and depreciation	(2,187)	(1,984)	(6,402)	(5,648)
Advertising	(728)	(660)	(2,073)	(2,101)
Maintenance expenses	(687)	(742)	(1,866)	(2,285)
Insurance	(381)	(510)	(1,595)	(1,390)
Charter service	(207)	(202)	(622)	(605)
Bad debts recovery	2,637	18	2,637	257
Bad debts	(3,396)	(1,983)	(4,988)	(4,029)
Other	(2,209)	(1,592)	(7,936)	(6,129)
	(36,718)	(49,174)	(108,078)	(140,074)

(*) Mainly includes tax from taxes over banks transactions and tax on revenue.

7 Other operating income

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2018 (Unaudited)	2017 (Unaudited)	2018 (Unaudited)	2017 (Unaudited)
Government grant (*)	3,530	4,749	9,536	14,007
Other	839	95	1,011	256
	4,369	4,844	10,547	14,263

(*) Corresponds to government grant for the development of airport infrastructure in Group A (operated by AA2000) of the National Airport System. There are no unfulfilled conditions or other contingencies attaching to these grants. The group did not benefit directly from any other forms of government assistance.

8 Financial results, net

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2018 (Unaudited)	2017 (Unaudited)	2018 (Unaudited)	2017 (Unaudited)
Interest income	7,344	1,795	15,741	30,658
Foreign exchange income	7,943	6,784	39,105	22,171
Other	491	225	2,312	225
Financial income	15,778	8,804	57,158	53,054
Interest expense	(21,015)	(25,788)	(68,704)	(92,060)
Foreign exchange expenses	(72,320)	(17,987)	(163,705)	(53,689)
Changes in liability for Brazil concessions	(18,678)	(22,175)	(69,042)	(66,308)
Other	(2,223)	(327)	(9,315)	(2,203)
Financial loss	(114,236)	(66,277)	(310,766)	(214,260)
Inflation adjustment	(10,000)	-	(21,446)	-
Inflation adjustment	(10,000)	-	(21,446)	-
Net financial results	(108,458)	(57,473)	(275,054)	(161,206)

9 Income tax expense

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2018 (Unaudited)	2017 (Unaudited)	2018 (Unaudited)	2017 (Unaudited)
Current income tax	(12,057)	(28,185)	(27,075)	(67,341)
Deferred income tax	11,257	8,848	32,733	27,508
	(800)	(19,337)	5,658	(39,833)

10 Intangible assets, net

	<u>Concession Assets</u>	<u>Goodwill</u>	<u>Patent, intellectual property rights and others</u>	<u>Total</u>
Cost				
Balances at January 1, 2018	3,312,006	57,049	14,867	3,383,922
Adjustment on initial application of IAS 29	824,061	-	-	824,061
Adjusted balances at January 1, 2018	4,136,067	57,049	14,867	4,207,983
Acquisitions	123,758	-	250	124,008
Transfer	(85)	-	85	-
Transfer to property plant and equipment	(5)	-	-	(5)
Translation differences and inflation adjustment	(865,031)	(499)	(850)	(866,380)
	3,394,704	56,550	14,352	3,465,606
Depreciation				
Accumulated at January 1, 2018	553,767	313	11,488	565,568
Adjustment on initial application of IAS 29	296,524	-	-	296,524
Adjusted balances at January 1, 2018	850,291	313	11,488	862,092
Depreciation of the period	110,891	-	983	111,874
Translation differences and inflation adjustment	(189,749)	(313)	(501)	(190,563)
	771,433	-	11,970	783,403
At September 30, 2018	2,623,271	56,550	2,382	2,682,203
Cost				
Balances at January 1, 2017	3,334,564	56,013	15,162	3,405,739
Acquisitions	182,876	-	82	182,958
Disposals	(2,217)	-	-	(2,217)
Transfer	397	-	(397)	-
Increase	252	-	-	252
Translation differences	37,620	548	3,004	41,172
	3,553,492	56,561	17,851	3,627,904
Depreciation				
Accumulated at January 1, 2017	569,090	306	11,156	580,552
Depreciation of the period	99,522	45	227	99,794
Translation differences	1,582	(28)	1,283	2,837
	670,194	323	12,666	683,183
At September 30, 2017	2,883,298	56,238	5,185	2,944,721

11 Cash and cash equivalents

	At September 30, 2018 (Unaudited)	At December 31, 2017 (Audited)
Cash to be deposited	2,068	1,483
Cash at Banks	237,591	189,283
Time deposits	23,161	29,003
Other cash equivalents	5,034	1,832
	<u>267,854</u>	<u>221,601</u>

The Group operates with investment grade - financial institutions.

For the purposes of cash flow interim statement, cash and cash equivalents include the following:

	At September 30, 2018 (Unaudited)	At September 30, 2017 (Unaudited)
Cash and cash equivalents	267,854	321,812
	<u>267,854</u>	<u>321,812</u>

12 Borrowings

	At September 30, 2018 (Unaudited)	At December 31, 2017 (Audited)
Non-current		
Bank and financial borrowings (**)	405,941	453,428
Notes (*)	638,752	658,109
Loans with related parties (Note 16)	500	-
Others	593	2,118
	<u>1,045,786</u>	<u>1,113,655</u>
Current		
Bank and financial borrowings (**)	53,715	311,902
Notes (*)	51,560	24,306
Loans with related parties (Note 16)	-	34,651
Others	1,504	1,931
	<u>106,779</u>	<u>372,790</u>
Total Borrowings	<u>1,152,565</u>	<u>1,486,445</u>

Changes in borrowings during the period is as follows:

	For the nine-month period ended September 30,	
	2018 (Unaudited)	2017 (Unaudited)
Balances at the beginning of the period	1,486,445	1,107,241
Loans obtained	195,028	401,994
Loans paid	(483,845)	(230,980)
Interest paid	(44,648)	(79,823)
Accrued interest for the period	67,188	94,678
Translation differences and inflation adjustment	(67,603)	37,021
At the end of the period	<u>1,152,565</u>	<u>1,330,131</u>

The maturity of borrowings is as follows:

	1 year or less	1 - 2 years	2 - 5 years	Over 5 years	Total
At September 30, 2018 ⁽¹⁾	163,770	140,207	482,176	881,096	1,667,249
At December 31, 2017 ⁽¹⁾	422,746	230,464	523,855	803,436	1,980,501

⁽¹⁾The amounts disclosed in the table are undiscounted cash flows of principal and estimated interest. Variable interest rate cash flows have been estimated using variable interest rates applicable at the end of the reporting period.

12 Borrowings (Cont.)

(*) Notes include the following:

- In 2007 Puerta del Sur S.A. issued 7.75% secured guaranteed notes for USD 87 million, due 2021. The principal balance of the Puerta del Sur Notes, together with accrued interest, will be repaid in 22 total installments, with individual installments occurring on April 29 and October 29 of each year beginning in 2011 and ending in 2021. The main covenants on these bonds are limitations on liens and encumbrances and compliance with certain financial ratios. Puerta del Sur may be limited to declare, make or pay any dividends unless the debt coverage service ratio exceeds 1.7x and the indebtedness ratio is less than 3.0. As of September 30, 2018 and December 31, 2017 Puerta del Sur S.A. was in compliance with all of its covenants. Puerta del Sur Notes are secured by a trust to which Puerta del Sur has transferred the following sums: (a) the sum of funds which Puerta del Sur has or has rights to for services offered in administration, construction, and maintenance of Carrasco Airport; (b) the sum of funds received from the duty-free store in Carrasco Airport; (c) the sum of funds received as a result of the permitted operation of the cargo terminal in Carrasco Airport; and (d) the sum of funds Puerta del Sur has received or will have right to receive from the government or from a third party successor as a result of a management agreement, or as a consequence of the redemption, termination, mutual dissolution and/or resolution of the management agreement for whatever reason, this trust is only use in case of non-compliance with the Notes obligations.
- In 2015, ACI Airport Sudamérica S.A.U. issued 6.875% senior secured guaranteed notes, for USD 200 million due in 2032. The principal balance will be repaid in 34 installments, May 29 and November 29 of each year, commencing on May 29, 2016 while accrued interest will be repaid commencing on November 29, 2015. The main covenants on these bonds are limitations on take additional indebtedness, make payments of dividends and other payments that are specifically restricted, selling assets as well as requiring compliance with certain financial ratios. The holders of these notes benefit from a guarantee and a security package including the pledge of the shares in Puerta del Sur S.A. and Cerealsur S.A., and certain accounts of Cerealsur and ACI Airport Sudamérica. As of September 30, 2018 and December 31, 2017 they were guaranteed with a stand by letter of credit of CAAP with Bank of América. These notes are fully and unconditionally guaranteed by Cerealsur S.A. As of September 30, 2018 and December 31, 2017, ACI Airport Sudamérica S.A.U. was in compliance with all of its covenants.
- On January 8, 2018, Corporación América Italia S.p.A. (“CAI”) issued €60.0 million (USD 71.8 million) aggregate principal amount of 4.556% secured notes due 2024 (the “Italian Notes”). The proceeds of the Italian Notes were used to refinance and replace the 6.250% secured notes due 2019 issued by CAI in December 2014. Interest on the Italian Notes is payable annually in arrears on June 30 of each year. The Italian Notes will mature on December 31, 2024. The main covenants on these bonds are limitations on take additional indebtedness, make payments of dividends and other payments that are specifically restricted, selling assets as well as requiring compliance with certain financial ratios.
The Italian Notes are secured by an economic first ranking pledge in respect of all the shares representing 100% of the share capital of CAI, 100% of the share capital of Dicasa Spain S.A.U. and the shares representing CAI’s holding in Toscana Aeroporti S.p.A. As of September 30, 2018, CAI was in compliance with all of its covenants.
- Notes issued in April and December 2010 by AA2000, totalling USD 328 million maturing in 2020. Annual Interest rates on these notes are 10% and 10.75% respectively. As long as these notes are outstanding AA2000 is required to comply with certain commitments, such as certain limitations to liens on its assets, mergers, spin-offs, sale of assets, new debts, distribution of dividends and payment to its shareholders. On March 13, 2017 AA2000 early redeemed in full the notes issued in December 2010 for a principal amount of USD 157.5 million, recognizing a loss of approximately USD 13 million on the extinguishment that was included in interest expenses in financial loss. As a result of the renegotiation of its borrowings, the restrictions on distribution of dividends has significantly eased.
- On February 6, 2017, AA2000 issued 6.875% senior secured notes for a nominal amount of USD 400 million due 2027. The principal will be amortized in 32 equal quarterly installments as from May 1, 2019. The main covenants of these bonds require compliance with certain financial ratios as well as restriction to incur in additional debt and limitations on the payments of dividends if any default or unmatured default has occurred. As of September 30, 2018 AA2000 was in compliance with all of its covenants.

12 Borrowings (Cont.)

(**) As of September 30, 2018 significant bank and financial borrowings include the following:

Company	Lender	Currency	Maturity	Interest Rate		Outstanding (In millions of USD)	Capitalization ⁽³⁾
Inframérica Concessionaria do Aeroporto Sao Goncalo do Amarante S.A.	BNDES	Brazilian Reales	September 2032	Variable	TJLP ⁽¹⁾ plus spread	8.1	A
	BNDES	Brazilian Reales	June 2032	Variable	T.R. plus spread plus IPCA	2.0	
	BNDES	Brazilian Reales	September 2032	Variable	T.R. plus spread plus IPCA	5.0	
	BNDES	Brazilian Reales	September 2022	Fixed	2.5%	2.2	
	BNDES	Brazilian Reales	July 2032	Variable	T.R. plus spread plus IPCA	2.3	
Inframérica Concessionaria do Aeroporto de Brasilia S.A.	BNDES	Brazilian Reales	December 2033	Variable	TJLP ⁽¹⁾ plus spread	265.9	A
	Bradesco	Brazilian Reales	July 2022	Variable	TJLP ⁽¹⁾ plus spread	0.2	D
	Bradesco	Brazilian Reales	July 2022	Variable	Selic plus spread	0.1	D
Terminal Aeroportuaria de Guayaquil S.A.	Pine	Brazilian Reales	December 2018	Variable	CDI plus spread	4.0	C
	Banco Guayaquil SA	USD	2019	Variable	5.87%-6.71%	2.5	D
Terminal de Cargas de Uruguay S.A.	Banco Bolivariano CA	USD	2019	Variable	7.06%	3.5	D
	Santander Uruguay	USD	June 2020	Fixed	4.25%	0.8	D
Toscana Aeroporti S.p.A.	Santander Uruguay	USD	April 2023	Fixed	4.4%	2.3	D
	MPS Servicio capital	Euro	June 2022	Variable	Euribor 6 month plus spread	8.1	B
	Banco de Innovación de Infraestructuras y Desarrollo	Euro	September 2027	Variable	Euribor 6 month plus spread	29.9	D
	MPS Servicio capital	Euro	November 2018	Fixed	0.05%	1.7	D
	MPS Servicio capital	Euro	November 2018	Fixed	0.04%	2.3	D
	BPM	Euro	November 2018	Fixed	0.04%	2.3	D
	Unicredit	Euro	November 2018	Fixed	0.05%	5.8	D
	CRF	Euro	November 2018	Fixed	0.05%	5.8	D
	BNL	Euro	July 2018	Variable	Euribor 3 month plus spread	2.9	D
	BPM	Euro	June 2022	Variable	Euribor 3 month plus spread	0.5	D
Armenia International Airports C.J.S.C.	BPM	Euro	June 2023	Variable	Euribor 3 month plus spread	0.6	D
	Credit Suisse AG	USD	June 2022	Variable	Libor 6 month plus spread	48.4	B
Aeropuerto de Bahía Blanca S.A.		Euro	June 2022	Variable	Euribor 6 month plus spread	52.5	
	Banco de la Nación Argentina	Argentine peso	March 2019	Variable	BADLAR ⁽²⁾ plus spread	-	A
Total						459.7	

12 Borrowings (Cont.)

(**) As of December 31, 2017 significant bank and financial borrowings include the following:

Company	Lender	Currency	Maturity	Interest Rate	Outstanding (In millions of USD)	Capitalization ⁽³⁾	
Inframérica Concessionaria do Aeroporto Sao Goncalo do Amarante S.A.	BNDES	Brazilian Reales	September 2032	Variable	TJLP ⁽¹⁾ plus spread	98.6	A
	BNDES	Brazilian Reales	June 2032	Variable	T.R. plus spread plus IPCA	2.2	
	BNDES	Brazilian Reales	September 2032	Variable	T.R. plus spread plus IPCA	5.8	
	BNDES	Brazilian Reales	September 2022	Fixed	2.5%	3.2	
	BNDES	Brazilian Reales	July 2032	Variable	T.R. plus spread plus IPCA	1.5	
Inframérica Concessionaria do Aeroporto de Brasilia S.A.	BNDES	Brazilian Reales	July 2032	Variable	T.R. plus spread plus IPCA	1.2	
	BNDES	Brazilian Reales	December 2028	Variable	TJLP ⁽¹⁾ plus spread	218.4	A
	CAIXA	Brazilian Reales	December 2028	Variable	TJLP ⁽¹⁾ plus spread	72.8	A
	CAIXA	Brazilian Reales	December 2017	Variable	IPCA	5.7	A
	CAIXA	Brazilian Reales	December 2023	Fixed	6%	4.8	A
	Bradesco	Brazilian Reales	July 2022	Variable	TJLP ⁽¹⁾ plus spread	0.3	D
	Bradesco	Brazilian Reales	July 2022	Variable	Selic plus spread	0.1	D
	Santander	Brazilian Reales	June 2018	Variable	CDI plus spread	90.9	A
	Citibank	Brazilian Reales	March 2018	Fixed	9%	14.6	C
Terminal Aeroportuaria de Guayaquil S.A.	Pine	Brazilian Reales	January 2018	Variable	CDI plus spread	9.7	C
	Banco Guayaquil SA	USD	2019	Variable	6.86%-6.92%	4.1	D
Terminal de Cargas de Uruguay S.A.	Banco Bolivariano CA	USD	2019	Variable	6.92%	5.6	D
	Santander Uruguay	USD	June 2020	Fixed	4.25%	1.1	D
Toscana Aeroporti S.p.A.	MPS Servicio capital	Euro	June 2022	Variable	Euribor 6 month plus spread	9.3	B
	Banco de Innovación de Infraestructuras y Desarrollo	Euro	September 2027	Variable	Euribor 6 month plus spread	34.4	D
	Creдем	Euro	November 2018	Variable	Euribor 3 month plus spread	6.0	D
	BPM	Euro	June 2022	Variable	Euribor 3 month plus spread	0.5	D
Armenia International Airports C.J.S.C.	Credit Suisse AG	USD	June 2022	Variable	Libor 6 month plus spread	57.1	B
		Euro	June 2022	Variable	Euribor 6 month plus spread	51.2	
Corporación América Airports S.A.	Goldman Sachs	USD	March 2019	Variable	7.63%	50.1	D
	Julius Bär	USD	December 2019	Fixed	2.40%	15.0	B
Aeropuertos Argentina 2000 S.A.	Banco Ciudad	Argentine peso	September 2018	Fixed	27.86%	1.0	D
Aeropuerto de Bahía Blanca S.A.	Banco de la Nación Argentina	Argentine peso	March 2019	Variable	BADLAR ⁽²⁾ plus spread	0.1	A
Total						765.3	

⁽¹⁾ TJLP - Taxa de Juros de Longo Prazo (Brazilian Long term interest rate)
IPCA: corresponds to the Brazilian consumer Price index

⁽²⁾ BADLAR – Buenos Aires Deposits of Large Amount Rate

⁽³⁾ A - Secured/guaranteed
B – Secured/unguaranteed
C – Unsecured/guaranteed
D - Unsecured/unguaranteed

12 Borrowings (Cont.)

The Credit Facility Agreement between Inframérica Concessionária do Aeroporto de São Gonçalo do Amarante S.A. (“ICASGA”) and the Banco Nacional do Desenvolvimento Economico e Social (“BNDES”) pursuant to which BNDES provided a loan to Inframérica Concessionária do Aeroporto de São Gonçalo do Amarante S.A. in November 2012, in an aggregate principal amount of R\$ 329.3 million (USD 139.5 million) to finance the construction of the Natal Airport (issued in nine tranches with varying interest rates and maturity dates), is secured by the pledge of the shares of Inframérica Concessionária do Aeroporto de São Gonçalo do Amarante S.A., together with any dividends and distributions in connection therewith, as well as the fiduciary assignment of rights arising from the Natal Airport concession agreement and certain letters of guarantees issued by indirect shareholders and affiliates of Inframérica Concessionária do Aeroporto de São Gonçalo do Amarante S.A. for an amount of USD 6.1 million which was released during 2018. It also establishes a required pre-authorization by BNDES on payments of Inframérica Concessionária do Aeroporto de São Gonçalo do Amarante S.A. dividends if exceeding 25% of net profits.

Further, Inframérica Concessionária do Aeroporto de Brasília (“ICAB”) also entered into credit facility arrangements with BNDES and Caixa Economica Federal (“Caixa”) for an aggregate principal amount of R\$ 841 million (USD 356.4 million) in February 2014, which are secured by the pledge of Inframérica Concessionária do Aeroporto de Brasília and Inframérica Participações S.A. shares, the fiduciary assignment of rights arising from the Brasília airport concession agreement and letters of guarantee issued by indirect shareholders and affiliates of Inframérica Concessionária do Aeroporto de Brasília. It also establishes under certain circumstances a required pre-authorization by BNDES and Caixa on payments of Inframérica Concessionária do Aeroporto de Brasília dividends if exceeding 25% of net profits and compliance of certain financial ratios.

On December 2017, ICAB and ICASGA entered into amendments and extension agreements with BNDES with respect to their loans.

On March 2018, ICASGA concluded its renegotiation with BNDES. The terms of the renegotiation include the early repayment of a large part of the debt and rescheduling of current maturities.

On March 14, 2018 BNDES has approved an amendment and extension of the loan agreements with ICAB that involves extending the final maturity and the interest-only payment terms of such loans for two years, and providing an interest capitalization period for 50% of the interest due for two years. In addition, such agreements increased the size of the credit facility commitments by R\$ 300 million (USD 77.8 million).

In connection with such amendments and extension agreements, ACI Airports S.à.r.l. and CAAP have agreed not to create any encumbrances on their shares of Inframérica, and not to sell, acquire, merge or spin-off assets or undertake any other action that results or that may result in a change in the current corporate structure of Inframérica or any change of control in Inframérica, without the prior consent of BNDES. ACI Airports S.à.r.l. has agreed not to undertake any change of control in CAAP without the prior consent of BNDES. In addition, ACI Airports S.à.r.l. has agreed to maintain a minimum credit rating of at least B- (the “Minimum Rating”) or a stand-alone rating (without including the sovereign rating) of at least BB+. The amendment and extension agreements also require additional security equivalent to the amount of twenty-four months of debt service for at least a two-year period (in the form of a bank guaranty, letter of credit, guaranty insurance or other acceptable modalities of guarantee), if the Minimum Rating is not maintained for any annual testing period.

On March, 2018, ICAB repaid the outstanding amount of USD 83 million with CAIXA.

On December 14, 2017, ICAB entered into a banking letter of credit with Banco Citibank S.A. (the “Citibank Credit Agreement”) in the aggregate principal amount of R\$ 48 million (USD 12.5 million). The loan under the Citibank Credit Agreement matured and was paid in March 2018. Such loan was unsecured. The obligations under the Citibank Credit Agreement were absolutely and unconditionally guaranteed by ACI Airports S.à.r.l.

On December 19, 2017, ICAB entered into a short-term banking letter of credit with Banco Pine S.A. (the “Banco Pine Credit Agreement”) in the aggregate principal amount of R\$ 32 million (USD 8.3 million). Obligations under the Banco Pine Credit Agreement are absolutely and unconditionally guaranteed by CAAP. The loan under the “Banco Pine Credit Agreement” matured on January 2018; at that date, ICAB made an amendment to the loan maturity from January to December 2018.

12 Borrowings (Cont.)

On December 20, 2017, under the terms of the Banco Santander Bridge Loan Facility, ICAB issued a promissory note in the aggregate principal amount of R\$ 300 million (USD 77.8 million), which matures on June 18, 2018. Loans under the Banco Santander Bridge Loan Facility were fully secured by (i) a cash deposit made by CAAP under a time deposit pledge agreement entered on December 19, 2017 between CAAP and Banco Santander, in the amount of R\$ 300 million (USD 77.8 million) which was included in Guarantee deposit. Such loans mature in 180 days as of the closing date thereunder; and (ii) a fiduciary assignment of ICAB's account at Banco Santander where the funds from BNDES financings should be deposited. The Banco Santander Bridge Loan Facility was also guaranteed by Inframerica. The loans under the Banco Santander Bridge Loan Facility mature in 180 days.

On March 14, 2018, ICAB has repaid the credit facilities provided by Banco Santander Bridge and the Citibank for a total amount of USD 106.6 million (approximately R\$ 348) with the proceeds of the loan given by the BNDES.

As a result of this operation, the guarantee deposit held by CAAP has been released (approximately USD 92.9 million).

On December 15, 2015 Armenia International Airports C.J.S.C. entered into a senior secured dual-currency facility agreement with Credit Suisse AG (and other banks) for a principal amount up to USD 160 million, which is secured by: (a) the collateral assignment of all present and future rights arising from the Armenian Concession Agreement and other related agreement, a pledge over all present and future cash collateral bank accounts, a pledge over certain movable and immoveable assets related to the Zvartnots Airport and the pledge of Armenia International Airports C.J.S.C. shares.

According to the loan agreement Armenia International Airports C.J.S.C. has restrictions to distribution of dividends, has to maintain the following ratios at a certain level: debt to EBITDA, Debt service coverage and adjusted debt service coverage ratio. According to this agreement, the analysis of the accomplished of these ratios must be made as of June 30 and December 31. As of June 30, 2018, Armenia International Airports C.J.S.C. was in compliance with all of its covenants.

As of September 30, 2018 Armenia International Airports C.J.S.C. pledged cash held in bank accounts for USD 35.4 million (USD 25.4 million at December 31, 2017) and all intangible assets and property and equipment for a total of USD 167.9 million (USD 170.6 million at December 31, 2017).

Toscana Aeroporti S.p.A, pursuant to the loan agreement with Banco de Innovación de Infraestructuras y Desarrollo/MPS Servicio capital is required to comply with certain financial ratios. As of September 30, 2018, Toscana Aeroporti S.p.A was in compliance with all of its covenants. Cash and cash equivalents of the Consolidated Statement of Financial Position includes €1 million, to secure the abovementioned loan.

On December, 2017 CAAP entered into the Julius Baer Credit Agreement, pursuant to which Julius Baer & Co. Ltd. provided a loan in the aggregate principal amount of USD 15 million. Loan under the Julius Baer Credit Agreement was secured by cash collateral provided by a company controlled by the Group of the Shareholder and mature 24 months from the closing date thereunder.

On December 20, 2017, CAAP entered into the GS Credit Agreement, pursuant to which Goldman Sachs Bank USA provided a loan to the Company in the aggregate principal amount of USD 50.0 million.

On February 2018, CAAP fully repaid the Julius Baer Credit Agreement and the GS Credit Agreement, the cash collateral with Julius Baer was released when the loan was repaid.

13 Other liabilities

	At September 30, 2018 (Unaudited)	At December 31, 2017 (Audited)
Non-current		
Concession fee payable (*)	750,380	916,203
Advances from customers	22,496	31,909
Provision for maintenance costs (**)	21,240	22,207
Employee benefit obligation (***)	8,249	9,068
Provisions for legal claims (****)	7,381	5,798
Other taxes payable	4,407	8,531
Other liabilities with related parties (Note 16)	1,470	1,816
Salary payable	842	916
Other payables	9,499	10,344
	825,964	1,006,792
Current		
Concession fee payable (*)	107,174	54,840
Other taxes payable	32,002	32,840
Salary payable	31,916	41,753
Provision for maintenance costs (**)	9,629	9,496
Other liabilities with related parties (Note 16)	5,177	33,132
Advances from customers	5,916	6,124
Provision for legal claims (****)	1,910	3,127
Expenses provisions	552	4,569
Other payables	16,655	23,605
	210,931	209,486

Maturity of the other liabilities is as follows:

	1 year or less	1 - 2 years	2 - 5 years	Over 5 years	Total
At September 30, 2018	132,548	79,815	252,673	2,078,743	2,543,779
At December 31, 2017	188,192	94,590	306,318	2,520,425	3,109,525

(*) The most significant amounts included in the concession fee payable are generated by the concession agreement between The Brazilian National Civil Aviation Agency – ANAC and Inframerica Concessionária do Aeroporto de Brasília S.A. and Inframerica Concessionária do Aeroporto de São Gonçalo do Amarante S.A.

Changes in the period of the concession fee payable is as follows:

	For the nine-month period ended September 30,	
	2018 (Unaudited)	2017 (Unaudited)
Balances at the beginning of the period	971,043	1,173,346
Financial result	69,042	66,308
Others	-	252
Concession fees	95,740	120,311
Payments	(104,177)	(122,530)
Translation differences and inflation adjustment	(174,094)	33,139
Balances at the end of the period	857,554	1,270,826

(**) Changes in the period of the provision for maintenance costs is as follows:

	For the nine-month period ended September 30,	
	2018 (Unaudited)	2017 (Unaudited)
Balances at the beginning of the period	31,703	26,826
Accrual of the period	2,476	1,313
Use of the provision	(2,260)	(438)
Translation differences	(1,050)	3,078
Balances at the end of the period	30,869	30,779

13 Other liabilities (Cont.)

(**) Changes in the period of the provision for employee benefits is as follows:

	For the nine-month period ended September 30,	
	2018 (Unaudited)	2017 (Unaudited)
Balances at the beginning of the period	9,068	8,498
Actuarial gain/loss (in other comprehensive income)	(602)	(388)
Interest for services	223	99
Service cost	122	188
Amounts paid in the period	(307)	(366)
Translation differences	(255)	769
Balances at the end of the period	8,249	8,800

(***) Changes in the period of the provision for legal claims is as follows:

	For the nine-month period ended September 30,	
	2018 (Unaudited)	2017 (Unaudited)
Balances at the beginning of the period	8,925	5,878
Accrual of the period	4,130	588
Use of the provision	(1,459)	(18)
Translation differences and inflation adjustment	(2,305)	366
Balances at the end of the period	9,291	6,814

14 Equity

a) Share capital

The movements of shares capital for the period is as follows:

	For the nine-month period ended September 30,	
	2018 (Unaudited)	2017 (Unaudited)
At the beginning of the period	1,500,000	20
Conversion	-	1,499,980
Reverse stock split (*)	(1,351,883)	-
Initial Public Offering (**)	11,905	-
At the end of the period	160,022	1,500,000

(*) On January 19, 2018, the Shareholder approved a 1-to-10.12709504 reverse stock split of its common shares, consequently decreasing the outstanding common shares from 1,500,000,000 common shares to 148,117,500 common shares (the "Reverse Stock Split"). The nominal value of USD 1.00 of each common share did not change as a result of the Reverse Stock Split. It implied a reduction of share capital of USD 1,351,883 and an increase in Non-Distributable Reserves. The non-distributable reserve creation was in relation with Luxembourg corporate law perspective, as the free distributable reserve could be distributable only to the shareholder that has contributed the amount into the reserve, instead the non-distributable reserve will be distributable on a pro rata basis to all shareholders.

(**) On February 2, 2018, CAAP submitted the final prospectus to the U.S. Securities and Exchange Commission as an initial public offering of common shares of Corporación América Airports S.A. which was declared effective by such commission. The offering was of 11,904,762 common shares with a nominal value of USD 1 and the Shareholder offered 16,666,667 common shares which were fully subscribed. As a consequence of the Initial Public Offering, the share capital of CAAP has increased to 160,022,262 shares. The initial public offering price per common share was USD 17.00. As a result, CAAP had proceeds of USD 195,601 net of underwriting discounts and commissions but before other issuing expenses.

14 Equity (Cont.)

On February 5, 2018, the Executive Committee; in accordance with (i) the provisions of the articles of associations of the Company, and (ii) the resolutions taken by the Company's board of directors which determined and confirmed the creation and composition of the Executive Committee and also the powers delegated to it with respect of the Initial Public Offering; resolved to approve the issuance of the new shares, acknowledged having received sufficient evidence showing that the subscription price of the new shares had been paid, and the amendment of the articles of associations in respect of the new share capital of USD 160,022,262.

b) Free distributable reserves

The disclosure of contributions received at each period are as follows:

	For the nine-month period ended September 30,	
	2018	2017
	(Unaudited)	(Unaudited)
At the beginning of the period	385,055	1,907,328
Cash contributions	-	6,100
Refund of cash contributions	-	(16,130)
Conversion	-	(1,499,980)
At the end of the period	385,055	397,318

c) Share premium

As of September 30, 2018 includes the differences between the nominal value of USD 1 per common share and the initial public offering price of USD 17 deducted from the underwriting discounts and commissions and other expenses directly related to the offering.

	As of September 30, 2018
Share premium	190,476
Underwriting discounts and expenses	(9,990)
Net share premium	180,486

d) Other comprehensive income

The movements of the reserve of other comprehensive income for the period of the owners of the Company is as follows:

	Currency translation adjustments	Remeasurement of defined benefit obligations (*)	Share of other comprehensive income from associates	Income Tax effect (*)	Transfer from shareholders equity – currency translation differences	Total
Balances at January 1, 2018	(241,091)	123	(39,611)	(57)	63,402	(217,234)
Other comprehensive income / (loss) for the period	(213,328)	275	-	(66)	-	(213,119)
For the period ended September 30, 2018	(454,419)	398	(39,611)	(123)	63,402	(430,353)
Balances at January 1, 2017	(212,080)	106	(40,043)	(54)	63,402	(188,669)
Other comprehensive income / (loss) for the period	(11,102)	204	424	(49)	-	(10,523)
For the period ended September 30, 2017	(223,182)	310	(39,619)	(103)	63,402	(199,192)

(*) Income tax relating to OCI amounts to Remeasurement of defined benefit obligations. The movement was recognized as other comprehensive income of other reserves.

14 Equity (Cont.)

e) Non- controlling interest

	For the nine-month period ended September 30,	
	2018 (Unaudited)	2017 (Unaudited)
At the beginning of the period	335,359	354,174
Adjustment on initial application of IAS 29	187,299	-
Adjustment on adoption of IFRS 9 (net of tax)	542	-
Adjusted balance at January 1, 2018	523,200	354,174
Shareholder contributions (*)	43,703	-
(Loss)/income for the period	(24,120)	5,477
Other comprehensive (loss)/income		
Currency translation	(122,320)	8,175
Remeasurement of defined benefit obligations	167	195
Reserve for income tax	(40)	(47)
	(122,193)	8,323
Changes in non-controlling interest		
Changes in the participations – acquisitions (**) (***)	(32,447)	-
Changes in the participations – sales (****)	29,729	-
Dividends approved	(13,763)	(24,247)
	(16,481)	(24,247)
Non-controlling interest at the end of the period	404,109	343,727

(*) Corresponds to contributions made by the non-controlling interest in Inframerica Concessionária do Aeroporto de Brasília S.A.

(**) On February 19, 2018, CAI purchased an additional 4.568% (850,235 shares) of the share capital of Toscana Aeroporti S.p.A from Fondazione Pisa, for a purchase price of €15.80 per share, paying a total amount of € 13,434 (approximately USD 16,513). As a result of the acquisition, CAI holds approximately 55.698% of Toscana Aeroporti's share capital.

(***) On June 25, 2018, CAI purchased an additional 6.58% (1,225,275 shares) of the share capital of Toscana Aeroporti S.p.A from Fondazione Cassa di Risparmio di Firenze, for a purchase price of €16.50 per share, paying a total amount of €20,200 (approximately USD 24,218). The contract also provides an earn out for a maximum amount of € 3.4 million which, considering the remote probabilities, was not recognized. As a result of the acquisition, CAI holds approximately 62.28% of Toscana Aeroporti's share capital.

(****) On July 25, 2018, CAAP has entered into a share purchase agreement whereby CAAP would sell 25% of its wholly owned subsidiary Corporación América Italia S.p.A. ("CAI") to Investment Corporation of Dubai ("ICD"), the principal investment arm of the Government of Dubai. On September 12, 2018, the aforementioned transaction was completed, DICASA sold 25% of the share capital of CAI to ICD, for a seller price of € 1,504.3 per share, receiving a total amount of € 48,890 (approximately USD 56,638). As a result of the sale, DICASA holds 75% of CAI's share capital.

15 Contingencies, commitments and restrictions on the distribution of profits

a. Contingencies

CAAP and its subsidiaries are, from time to time, subject to various claims, lawsuits and other legal proceedings, including customer claims, in which third parties are seeking payment for alleged damages, reimbursement for losses or indemnity. Some of these claims, lawsuits and other legal proceedings are subject to substantial uncertainties. Accordingly, the potential liability with respect to such claims, lawsuits and other legal proceedings cannot be estimated with certainty. Management, with the assistance of legal counsel, periodically reviews the status of each significant matter and assesses potential financial exposure. If a potential loss from a claim, lawsuit or proceeding is considered probable and the amount can be reasonably estimated, a provision is recorded. Accruals for loss contingencies reflect a reasonable estimate of the losses to be incurred based on information available to management as of the date of preparation of the financial statements, and take into consideration the Group's litigation and settlement strategies.

The Company believes that the aggregate provisions recorded for losses in these financial statements, are adequate based upon currently available information.

15 Contingencies, commitments and restrictions on the distribution of profits (Cont.)

a. Contingencies (Cont.)

Peruvian Proceedings

Unilateral Termination

In connection with the termination of the Kuntur Wasi concession by the Peruvian government, on June 21, 2018 the Arbitration request was submitted to the competent authority CIADI, who answered the request assuming jurisdiction in Peru.

TAGSA legal proceedings

The Ecuadorian Tax authorities have determined an additional tax charge for an amount of USD 2.4 million, USD 2.2 million and USD 3.3 million in relation with fiscal years 2014, 2015 and 2016 respectively, TAGSA will dispute the validity of these new claims.

On September 12, 2018, TAGSA obtained a favorable judgment that overrides the differences established by the Tax authorities, in regards to the income tax determination of 2013 and 2014. The Tax authorities has filed an appeal. The Board of Directors of TAGSA approved the issuance of a Bank guarantee with local financial institution for an amount of USD 0.8 million, which represents a 10% of the amount involved, due to a requirement in order to submit the proceeding.

TAGSA filed a claim for income tax in 2015 and 2016. The management of TAGSA believes that has arguments to support its claims and position.

Brazil legal proceedings - Administrative Proceedings against the Brazilian ANAC

ICAB filed claims against the Brazilian ANAC on December 29, 2015, in the total amount of R\$ 758.0 million (USD 196.6 million), requesting the economic re-equilibrium of ICAB's concession agreement based on (among other things) additional construction works required to complete the terminals and the runway that were not provided for in the concession agreement, and the negative impact of the issuance of new rules and regulations by the Brazilian Ministry of Health, which reduced ICAB's revenues in connection with the use of the cargo terminal. Claims in the amount of R\$ 721 million were denied by the Brazilian ANAC, and ICAB expects to initiate an arbitration proceeding with respect to the denied claims. Regarding the claim concerning the changes made in cargo tariffs, on August 2018, the ANAC's Collegiate agreed to the request and ICAB was granted the amount of R\$ 9.5 million (USD 2.4 million) to be deducted in future fixed grant. The remaining claim is under review by the Brazilian ANAC.

In addition, on June 29, 2017, ICAB filed new claims against the Brazilian ANAC in the amount of R\$ 737 million (USD 191.2 million) requesting the economic re-equilibrium of ICAB's concession agreement based on (among other things) the loss of revenues as a result of modifications to the rules and regulation affecting the air traffic system in Congonhas airport. Until the end of October, 4 of the 6 new claims, totaling R\$196.7 million were analyzed by ANAC's Collegiate and were denied. The remaining claims are under review by the Brazilian ANAC.

There are no other lawsuits or legal proceedings different from the ones included in the Consolidated Financial Statements for the year ended December 31, 2017, except for the mentioned above.

b. Commitments

Preliminary agreement for the purchase of the "Castello" area

On June 1, 2018, Toscana Aeroporti S.p.A. entered in a preliminary agreement to purchase from Nuove Iniziative Toscane Srl ("NIT", a real estate company controlled by Unipol Group) a plot of land of approximately 123 hectares located in what is known as the "Piana di Castello" area, in the northwestern part of the Municipality of Florence. The price has been set at €75 million (approximately USD 87.4 million), in addition to tax at the legal rate.

The preliminary contract signed by the parties is subject to the following conditions precedent:

1. Final approval of the Florence Airport Master Plan following the conclusion of the Service Conference for the award of Urban Development Compliance;

15 Contingencies, commitments and restrictions on the distribution of profits (Cont.)

b. Commitments (Cont.)

2. Adoption of the Castello Executive Urban Development Plan, according to the guidelines set in December 2017 by the Municipal Council of the Municipality of Florence, which indicates the planned use of the various areas and the urban development standards to be observed for each area.

The preliminary agreement will be valid for 18 months, with the possibility to extend for an additional six months.

The preliminary contract signed determined a payment by Toscana Aeroporti S.p.A. of an amount of € 3.7 million (approximately USD 4.5 million) classified as a confirmation deposit with no property passage from NIT to Toscana Aeroporti S.p.A. In case the above-mentioned conditions fail, the preliminary contract will be no valid anymore and the amount of the confirmation deposit will be immediately reimbursed to Toscana Aeroporti S.p.A.

Argentine Concession Agreement

On June 11, 2018, AA2000 set up a surety bond as guarantee for concession contract fulfilment for a total amount of AR\$ 528.9 million (approximately USD 12.8 million) replacing the previous guarantee of AR\$ 410.5 million (approximately USD 9.9 million) securing the annual investment plan required under the AA2000 Concession Agreement.

Uruguayan Concession Agreements

The guarantee securing the completion of the construction work of the new terminal was updated from USD 2.3 million to USD 1.5 million for Group 1 and 2 works.

Guayaquil Concession Agreement amendment

As of July 6, 2018, Terminal Aeroportuaria de Guayaquil S.A. (TAGSA), which operates and maintains the Guayaquil Airport in the city of Guayaquil, Ecuador, has amended the concession agreement (the "Guayaquil Concession Agreement") among TAGSA, Autoridad Aeroportuaria de Guayaquil and the Municipality of Guayaquil, including the commitment of incremental capital expenditures of USD 32.2 million together with the extension of the term of the Guayaquil Concession Agreement for a five-year period from 2024 to 2029.

The Guayaquil Concession Agreement amendment also includes an increase in the annual concession fee, effective as of July 1, 2018, from 50.25% to 55.25% paid over aggregate gross revenues received from tariffs and charges and certain other commercial revenues (e.g., fuel, parking spaces and use of convention center). Terms of the Guayaquil Concession Agreement amendment also sets forth an increase of USD 524.6 thousands in the administrative service fee, paid semiannually commencing February 2019.

There are no new commitments or significant changes related to the concession agreements in the current period from the ones included in the Consolidated Financial Statements for the year ended December 31, 2017.

15 Contingencies, commitments and restrictions on the distribution of profits (Cont.)

c. Restrictions to the distribution of profits and payment of dividends

As of September 30, 2018 and December 31, 2017, equity as defined under Luxembourg laws and regulations consisted of:

	At September 30, 2018	At December 31, 2017
	(Unaudited)	(Audited)
Share capital	160,022	1,500,000
Share premium	180,486	-
Legal reserve	176	2
Free distributable reserves	385,055	385,055
Non-distributable reserves	1,351,883	-
Retained earnings	40,137	31,206
Total equity in accordance with Luxembourg law	<u>2,117,759</u>	<u>1,916,263</u>

At least 5% of the Company's net income per year, as calculated in accordance with Luxembourg law and regulations, must be allocated to the creation of a legal reserve equivalent to 10% of the Company's share capital. Dividends may not be paid out of the legal reserve.

The Company may pay dividends to the extent, among other conditions, that it has distributable retained earnings calculated in accordance with Luxembourg laws and regulations.

16 Related party balances and transactions

Corporación América Airports S.A. is controlled by ACI Airports S.àr.l., which is controlled by ACI Holding S.àr.l., which is controlled by Corporación America International S.àr.l. (previously denominated America Corporation International S.àr.l.), Luxembourg's companies.

Corporacion America International S.àr.l. is controlled by Liska Investments Corporation, a company incorporated under the laws of the British Virgin Islands.

Liska Investments Corporation is controlled by Southern Cone Foundation (CAAP's ultimate parent company), a foundation created under the laws of Liechtenstein, having its corporate domicile in Vaduz. The foundation's purpose is to manage its 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 and educational institutions.

Transactions and balances with "Associates" are those carried out with entities over which CAAP exerts significant influence in accordance with IFRS, but does not have control. Transactions and balances with related parties, which are not associates and are not consolidated are disclosed as "Other related parties".

The Group receives services from related parties, such as internal audit, management control, financial assistance, technology outsourcing services and construction services. The Group has also significant assets and liabilities arise from financial agreements with related parties.

16 Related party balances and transactions (Cont.)

Summary of balances with related parties are:

	At September 30, 2018 (Unaudited)	At December 31, 2017 (Audited)
Year-period balances		
(a) Arising from sales / purchases of goods / others		
Trade receivables with associates	1,817	-
Trade receivables with other related parties	1,098	1,130
Other receivables with associates	1,016	5,555
Other receivables with other related parties	8,777	9,775
Other financial assets with associates	2,300	-
Other financial assets with other related parties	4,603	3,621
Trade payables to other related parties	(1,056)	(5,667)
	<u>18,555</u>	<u>14,414</u>
(b) Financial debt		
Borrowings to other related parties(*)	(500)	(34,651)
	<u>(500)</u>	<u>(34,651)</u>
(c) Other liabilities		
Other liabilities to other related parties	(6,647)	(34,948)
	<u>(6,647)</u>	<u>(34,948)</u>

(*)Loans with related parties as of December 31, 2017, were secured by a cash collateral by a company controlled by the Group of the Shareholder and were paid on February 8, 2018.

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2018 (Unaudited)	2017 (Unaudited)	2018 (Unaudited)	2017 (Unaudited)
Transactions				
Commercial revenue	1,778	1,288	4,869	4,328
Fees	(1,708)	1,295	(3,782)	168
Interest accruals	4	(273)	(413)	(1,817)
Acquisition of goods and services	(3,746)	(7,386)	(14,628)	(11,224)
Others	254	435	(689)	(85)

Remunerations received by the Group's key staff (company's directors) amounted to approximately 3.20% of total remunerations accrued at September 30, 2018 (2.34% as of September 30, 2017).

17 Cash flow disclosures

	For the nine-month period ended September 30,	
	2018 (Unaudited)	2017 (Unaudited)
Changes in working capital		
Other receivables and credits	(38,985)	(26,040)
Inventories	(1,102)	1,596
Other liabilities	(48,650)	(73,553)
	<u>(88,737)</u>	<u>(97,997)</u>

The most significant non-cash transactions are detailed below:

	For the nine-month period ended September 30,	
	2018 (Unaudited)	2017 (Unaudited)
Intangible assets acquisition with an increase in Other liabilities / Borrowings	(583)	-
Dividends not paid	-	3,303
Income tax paid with tax certificates	1,650	-
Borrowings cost capitalization	-	(6,061)
Dividends on preferred shares	(229)	(775)

18 Fair value measurement of financial instruments

According to the classification included in Note 3 B of the Consolidated Financial Statements as of December 31, 2017, the Company categorizes its financial instruments as assets and liabilities at amortized cost.

For the majority of these instruments, the fair values are not materially different to their carrying amounts, since the interest receivable/payable is either close to current market rates or the instruments are short-term in nature. Significant differences were identified for the following instruments at September 30, 2018:

	<u>Fair value</u>	<u>Carrying amount</u>
Trust funds	81,550	85,404
Long-term borrowings	1,037,141	1,045,786

19 Subsequent events

Short-term investments

During October 2018, CAAP has made short-term investments in high credit quality US treasury bills for an amount of USD 41.9 million.

Contingencies

A lawsuit was served to Aeropuertos del Neuquén S.A. (“NQN”) on 26 October 2018 and answered on 21 November 2018. A supplier claims for damages stemming from the alleged breach by NQN of an agreement for the financing of the construction of a hangar, by such supplier, at the airport of Neuquén. The total amount of the claim is USD 3.5 million. We understand that the claim is controversial since the non-compliance attributed to NQN responds to the fact that the supplier did not comply first with its own obligation under the agreement.

There are no other subsequent events that significantly affect the Company’s financial position as of September 30, 2018.