Contents

1. **Introduction** .................................................................................................................. 7
   Statement to shareholders ................................................................................................. 8
   Consolidated financial highlights .................................................................................... 11
   The Atlantia Group ........................................................................................................... 12
   Ownership structure ......................................................................................................... 15
   Atlantia share price ........................................................................................................... 16
   Financial profile and ratings ............................................................................................. 17
   Corporate bodies ............................................................................................................... 18

2. **Report on operations** .................................................................................................... 21
   Alternative performance indicators .................................................................................. 22
   Group financial review ..................................................................................................... 24
   Financial review for Atlantia SpA ..................................................................................... 54
   Key performance indicators by operating segment ......................................................... 70
   Segment information for Group companies ..................................................................... 72
   Italian motorways ............................................................................................................. 74
   Overseas motorways ........................................................................................................ 81
   Italian airports .................................................................................................................. 85
   Other activities .................................................................................................................. 89
   Innovation, research and development ......................................................................... 91
   Workforce ......................................................................................................................... 92
   Corporate governance ..................................................................................................... 98
   Sustainability .................................................................................................................... 100
   Related party transactions ............................................................................................... 109
   Significant regulatory aspects ......................................................................................... 110
   Other information ............................................................................................................ 116
   Events after 31 December 2016 ...................................................................................... 119
   Outlook and risks or uncertainties ................................................................................... 121
   Proposed resolutions for the Annual General Meeting of Atlantia SpA’s shareholders ..... 122

3. **Consolidated financial statements as at and for the year ended 31 December 2016: consolidated financial statements and notes** ........................................................................................................................................ 125

4. **Separate financial statements as at and for the year ended 31 December 2016: financial statements and notes** ........................................................................................................................................ 245

5. **Reports** .......................................................................................................................... 325

6. **Key indicators extracted from the the financial statements of subsidiaries, associates and joint ventures, as defined by paragraphs 3 and 4 of art. 2429 of the Italian Civil Code** ........................................................................................................................................... 343
Introduction
1. Introduction

Statement to shareholders

2016 saw Atlantia post positive results across the various businesses in which we operate, a product of our long-term strategy aimed at achieving operational efficiency and the creation of value over time.

Annual results

Our annual results are worthy of a closer look: Group revenue of €5.5 billion in 2016 was partly achieved thanks to traffic growth on the Italian motorway network, which for the third year running outstripped the country’s GDP growth, and to the over 47 million passengers who used the airports of Fiumicino and Ciampino, representing an overall increase of 1.8%, with the non-EU international segment registering growth of 3.6%.

EBITDA totals €3.4 billion (up 5% compared with 2015), with approximately 25% linked to global growth, given that it relates to the Group’s overseas motorway operations and the volume of international traffic handled by Aeroporti di Roma. At the same time, the Group’s financial position remains strong: at the end of 2016\(^2\), the ratio of net debt to EBITDA fell further to 3.1x. This performance has again generated significant profits: profit for the year attributable to owners of the parent is up 10% on a like-for-like basis, with dividends rising 10% compared with

\(^2\) On a like-for-like basis of consolidation.
2015, within the constraints imposed by our prudent approach to ensuring financial stability.

Capital expenditure in 2016 amounted to €1.4 billion. Following the opening to traffic of the Variante di Valico at the end of 2015, work on widening the A14 from Rimini to Porto Sant’Elpidio, totalling 154 km, to three lanes was also completed. Approval of the final design prior to the start-up of construction of the Genoa Bypass is awaited, whilst a memorandum of understanding has been agreed with local authorities in the Bologna area, regarding the upgrade of the city’s motorway system and ring road.

In Chile, we have completed 74% of the work planned for the section operated by Costanera Norte in the urban area around Santiago.

At the end of the year, Aeroporti di Roma opened the new international departure area “E” for non-Schengen flights at Leonardo da Vinci airport. This infrastructure is vital for the Roman airport system and for Italy, as it can handle more than an extra 6 million passengers a year and includes one of the biggest airport malls in Europe. Fiumicino airport is now one of Europe’s leading airports in terms of the quality of the services offered to passengers\(^2\) and is at work on plans to double capacity for domestic and European flights.

Over the next five years, we will continue to invest in Italy at the rate of approximately €1.7 billion per year, making a total of €8.7 billion.

2016 also saw further expansion of the Group’s airports business, with the acquisition - in consortium with EDF Invest - of a 64% stake in Aéroports de la Côte d’Azur, the company that controls the airports of Nice, Cannes-Mandelieu and Saint Tropez.

We have ample cash reserves available to fund our investment programmes, thanks to the financing raised on international markets at competitive rates.

We have further cut Autostrade per l’Italia’s cost of capital and, at the same time, extended the duration of debt with the issue of new 10–year bonds and the buyback of others issued at rates higher than the average cost.

The first bond issue forming part of Atlantia’s new EMTN programme was four times oversubscribed.

\(^2\) Source: ACI International rankings of the level of quality provided by airports handling over 40 million passengers.
In order to pave the way for further overseas expansion, the Group has put in place a new organisational structure based around its areas of business, and designed to enable the various Group companies to better focus on their specific area of operation and to take advantage of new opportunities. Atlantia is now a holding company for a group that consists of five areas of business:

- “Italian motorways”, with Autostrade per l’Italia having the role of operating parent that controls the Group’s other Italian motorway operators;
- “Overseas motorways”, with the two growth platforms in Chile and Brazil and assets in Poland and India;
- “Italian airports”, with the two Rome airports;
- “Overseas airports”, including the three airports on the Côte d’Azur;
- “Other related businesses” which, in addition to Pavimental and Spea Engineering, also includes Telepass and ETC, with the intention of driving expansion in the international market for automated payment systems for transport, where the Group is the global leader.

This new organisational structure will enable us to develop each area of business independently and, if necessary, to offer investment opportunities to long-term international equity partners.

Atlantia intends to accelerate the Group’s expansion into international markets, focusing primarily on attractive motorway and airport assets, whilst continuing its commitment to its home market and its investment programme in Italy. Our strategic objective is to increase the percentage of EBITDA generated by our overseas operations, exploiting the know-how developed by our core businesses and boosting the Group’s exposure to global growth markets, with a view to creating long-term value.

Fabio Cerchiai
Chairman

Giovanni Castellucci
Chief Executive Officer
Consolidated financial highlights

<table>
<thead>
<tr>
<th>€M</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenue</td>
<td>5,484</td>
<td>5,304</td>
</tr>
<tr>
<td>Toll revenue</td>
<td>4,009</td>
<td>3,836</td>
</tr>
<tr>
<td>Aviation revenue</td>
<td>636</td>
<td>565</td>
</tr>
<tr>
<td>Other operating income</td>
<td>839</td>
<td>903</td>
</tr>
<tr>
<td>Gross operating profit</td>
<td>3,378</td>
<td>3,215</td>
</tr>
<tr>
<td>Adjusted gross operating profit</td>
<td>3,469</td>
<td>3,301</td>
</tr>
<tr>
<td>Operating profit</td>
<td>2,315</td>
<td>2,212</td>
</tr>
<tr>
<td>Profit/(Loss) from</td>
<td>1,776</td>
<td>1,438</td>
</tr>
<tr>
<td>continuing operations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit for the year</td>
<td>1,238</td>
<td>975</td>
</tr>
<tr>
<td>Profit attributable to</td>
<td>1,122</td>
<td>853</td>
</tr>
<tr>
<td>owners of the parent</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating cash flow</td>
<td>2,400</td>
<td>2,105</td>
</tr>
<tr>
<td>Adjusted operating cash</td>
<td>2,439</td>
<td>2,138</td>
</tr>
<tr>
<td>flow</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>1,422</td>
<td>1,488</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>€M</th>
<th>31 December 2016</th>
<th>31 December 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td>10,009</td>
<td>8,483</td>
</tr>
<tr>
<td>Equity attributable to</td>
<td>7,224</td>
<td>6,800</td>
</tr>
<tr>
<td>owners of the parent</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net debt</td>
<td>11,677</td>
<td>10,387</td>
</tr>
<tr>
<td>Adjusted net debt</td>
<td>12,823</td>
<td>11,490</td>
</tr>
</tbody>
</table>

(*) The amounts shown in the table have been extracted from the reclassified consolidated financial statements included in the "Group financial review", which also includes the reconciliation of the reclassified and reported amounts in the "Consolidated financial statements". Some of the amounts shown in the table refer to alternative performance indicators, definitions of which are provided in a specific section of the report on operations.
The Atlantia Group

GROUP STRUCTURE (*)

Italian motorways
- Autostrade per l’Italia 100%
  - 5 concessions

Italian airports
- Aeroporti di Roma 96.73%

Overseas motorways
- Brazil
  - AB Concessões 50%+1 share
    - 4 concessions
- Chile
  - Los Lagos 100%
  - Grupo Costanera 50.01%
    - 5 concessions
- Poland
  - Stalexport Autostrada Malopolska 61.20%
- India
  - Pune-Solapur Expressway 50%

Overseas airports
- Azzurra Aeroporti 75% (1)
  - Aéroports de la Côte D’Azur 64%

Other businesses
- Telepass 100%
- Spea 100%
- Pavimental 99.40%
- ETC 64.46%

(*) The above chart shows the structure of operating segments and the principal Atlantia Group companies. The Atlantia Group’s investments as at 31 December 2016 are described in detail in the Annex to the consolidated financial statements.
(1) Azzurra Aeroporti is 65%-owned by Atlantia and 10%-owned by Aeroporti di Roma, whilst EDF Invest owns a 25% interest.
### Italian motorways

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Percentage Interest</th>
<th>KM</th>
<th>Expiry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Autostrade per l’Italia</td>
<td>100%</td>
<td>2,855</td>
<td>2038</td>
</tr>
<tr>
<td>Società Italiana per il Tunnello del Monte Bianco</td>
<td>51.00%</td>
<td>2,855</td>
<td>2038</td>
</tr>
<tr>
<td>Raccordo Autostradale Valle d’Aosta (1)</td>
<td>47.97%</td>
<td>32</td>
<td>2032</td>
</tr>
<tr>
<td>Tangenziale di Napoli</td>
<td>100%</td>
<td>20</td>
<td>2037</td>
</tr>
<tr>
<td>Autostrade Meridionali (2)</td>
<td>58.98%</td>
<td>52</td>
<td>2012</td>
</tr>
<tr>
<td>Società Autostrada Tirrenica (3)</td>
<td>99.99%</td>
<td>55</td>
<td>2038</td>
</tr>
<tr>
<td><strong>Total Italy</strong></td>
<td></td>
<td>3,020</td>
<td></td>
</tr>
</tbody>
</table>

### Overseas motorways

#### Brazil

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Percentage Interest</th>
<th>KM</th>
<th>Expiry</th>
</tr>
</thead>
<tbody>
<tr>
<td>AB Concessões</td>
<td>50% + 1 share</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rodovias das Colinas</td>
<td>100%</td>
<td>307</td>
<td>2028</td>
</tr>
<tr>
<td>Concessionária da Rodovia MG050</td>
<td>100%</td>
<td>372</td>
<td>2032</td>
</tr>
<tr>
<td>Triângulo do Sol Auto Estradas</td>
<td>100%</td>
<td>442</td>
<td>2021</td>
</tr>
<tr>
<td>Concessionária Rodovias do Tietê (4)</td>
<td>50%</td>
<td>417</td>
<td>2039</td>
</tr>
<tr>
<td><strong>Total Brazil</strong></td>
<td></td>
<td>1,538</td>
<td></td>
</tr>
</tbody>
</table>

#### Chile

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Percentage Interest</th>
<th>KM</th>
<th>Expiry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grupo Costanera</td>
<td>50.01%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Costanera Norte</td>
<td>100%</td>
<td>43</td>
<td>2033</td>
</tr>
<tr>
<td>AMB (5)</td>
<td>100%</td>
<td>10</td>
<td>2020</td>
</tr>
<tr>
<td>Litoral Central</td>
<td>100%</td>
<td>81</td>
<td>2031</td>
</tr>
<tr>
<td>Autopista Nororiente (5)</td>
<td>100%</td>
<td>22</td>
<td>2044</td>
</tr>
<tr>
<td>Vespucio Sur</td>
<td>100%</td>
<td>24</td>
<td>2032</td>
</tr>
<tr>
<td>Los Lagos</td>
<td>100%</td>
<td>135</td>
<td>2023</td>
</tr>
<tr>
<td><strong>Total Chile</strong></td>
<td></td>
<td>313</td>
<td></td>
</tr>
</tbody>
</table>

#### India

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Percentage Interest</th>
<th>KM</th>
<th>Expiry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pune-Solapur Expressway (4)</td>
<td>50%</td>
<td>110</td>
<td>2030</td>
</tr>
</tbody>
</table>

#### Poland

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Percentage Interest</th>
<th>KM</th>
<th>Expiry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stateexport Autostrada Malopolska</td>
<td>61.20%</td>
<td>61</td>
<td>2027</td>
</tr>
</tbody>
</table>
1. Introduction

<table>
<thead>
<tr>
<th>PERCENTAGE INTEREST</th>
<th>AIRPORTS</th>
<th>CONCESSION EXPIRY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Italian airports</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aeroporti di Roma</td>
<td>96.73%</td>
<td>2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PERCENTAGE INTEREST</th>
<th>NETWORK (KM)</th>
<th>SECTOR OF ACTIVITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other businesses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Italy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Telepass</td>
<td>100%</td>
<td>6,003(7)</td>
</tr>
<tr>
<td>Spea Engineering</td>
<td>100%</td>
<td>n.a.</td>
</tr>
<tr>
<td>Pavimental</td>
<td>99.40%</td>
<td>n.a.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PERCENTAGE INTEREST</th>
<th>NETWORK (KM)</th>
<th>SECTOR OF ACTIVITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electronic Transaction Consultants</td>
<td>64.46%</td>
<td>994</td>
</tr>
</tbody>
</table>

(1) The percentage interest is calculated with reference to all shares in issue, whereas the 58.00% of voting rights is calculated with reference to ordinary voting shares.

(2) For information on the process of awarding the new concession, reference should be made to the section, “Significant regulatory aspects”.

(3) A draft addendum to the concession arrangement is currently being negotiated with the Grantor.

(4) An unconsolidated company.

(5) The concession term is estimated on the basis of agreements with the Grantor.

(6) Azzurra Aeroporti is 65%-owned by Atlantia and 10%-owned by Aeroporti di Roma, whilst EDF Invest owns a 25% interest.

(7) AISCAT figures at 30 June 2016.
Ownership structure

Total treasury shares held by Atlantia 0.66%
Sintonia (Edizione) 30.25% (1)
InvestCo Italian Holdings Srl (GIC Private Limited) 8.14% (1)
Fondazione CRT 5.06% (1)
Free float 55.89%

(1) Source: CONSOB data as at 31 December 2016.

GEOGRAPHICAL BREAKDOWN OF THE FREE FLOAT

Source: Nasdaq, data as at 31 December 2016.
(2) Includes retail investors.
1. Introduction

Atlantia share price

PERFORMANCE OF ATLANTIA’S SHARE PRICE IN 2016

KEY MARKET DATA

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issued capital (at 31 December) (€)</td>
<td>825,783,990</td>
<td>825,783,990</td>
<td>4.4%</td>
<td>3.6%</td>
</tr>
<tr>
<td>Number of shares</td>
<td>825,783,990</td>
<td>825,783,990</td>
<td>22.26</td>
<td>24.50</td>
</tr>
<tr>
<td>Market capitalisation (€m)</td>
<td>18,382</td>
<td>20,232</td>
<td>2016</td>
<td>2015</td>
</tr>
<tr>
<td>Earnings per share (€)</td>
<td>1.37</td>
<td>1.04</td>
<td>19.59</td>
<td>19.15</td>
</tr>
<tr>
<td>Operating cash flow per share (€)</td>
<td>2.93</td>
<td>2.56</td>
<td>24.65</td>
<td>25.58</td>
</tr>
<tr>
<td>Dividend per share (€)</td>
<td>0.97</td>
<td>0.88</td>
<td>7.61</td>
<td>9.6</td>
</tr>
<tr>
<td>Interim (€)</td>
<td>0.44</td>
<td>0.40</td>
<td>1.8</td>
<td>2.4</td>
</tr>
<tr>
<td>Final (€)</td>
<td>0.53</td>
<td>0.48</td>
<td>3.71%</td>
<td>3.93%</td>
</tr>
<tr>
<td>Dividend/Cash flow per share (%)</td>
<td>33%</td>
<td>34%</td>
<td>4.26%</td>
<td>4.58%</td>
</tr>
</tbody>
</table>

(1) Figures based on the closing price at the end of the year.
(2) Calculated on the basis of the number of shares at the end of the year, after deducting treasury shares.
Financial profile and ratings

**STRUCTURE OF ATLANTIA’S DEBT** (€m as at 31 December 2016)

- **90.6%** Short-term debt
- **9.4%** Medium/long-term debt
- **72.3%** Bonds
- **11.6%** Bank borrowings
  - **10.8%** European Investment Bank
  - **5.3%** Cassa Depositi e Prestiti

**CREDIT RATINGS** (updated to January 2017)

<table>
<thead>
<tr>
<th></th>
<th>Atlanta EMTN Programme (€3.0bn)</th>
<th>Autostrade per l’Italia EMTN Programme (€7.0bn) (1)</th>
<th>Aeroporti di Roma EMTN Programme (€1.5bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fitch Ratings</td>
<td>A-/RWN</td>
<td>A-/ Stable</td>
<td>BBB+/ Stable</td>
</tr>
<tr>
<td>Moody’s</td>
<td>Baa2/Negative</td>
<td>Baa1/ Negative</td>
<td>Baa1/ Negative</td>
</tr>
<tr>
<td>Standard &amp; Poor’s</td>
<td>BBB/ Stable</td>
<td>BBB+/ Stable</td>
<td>BBB+/ Stable</td>
</tr>
</tbody>
</table>

(1) The bonds issued under Atlantia’s €10bn EMTN Programme and included in the issuer substitution have been assigned the same rating as Autostrade per l’Italia’s €7bn programme.
Corporate bodies

Board of Directors
in office for the period 2016-2018

Chairman
Fabio Cerchiai

Chief Executive Officer
Giovanni Castellucci

Directors
Carla Angela (independent)
Gilberto Benetton
Carlo Bertazzo
Bernardo Bertoldi (independent)
Gianni Coda (independent)
Elisabetta De Bernardi di Valserra
Massimo Lapucci (independent)
Giuliano Mari (independent)
Valentina Martinelli
Marco Patuano (1)
Lucy P. Marcus (independent)
Monica Mondardini (independent)
Lynda Tyler-Cagni (independent)

Secretary
Stefano Cusmai

Internal Control, Risk and Corporate Governance Committee

Chairman
Giuliano Mari (independent)

Members
Carla Angela (independent)
Bernardo Bertoldi (independent)

Committee of Independent Directors with responsibility for Related Party Transactions

Chairman
Giuliano Mari (independent)

Members
Bernardo Bertoldi (independent)
Lynda Tyler-Cagni (independent)

(1) Marco Patuano was co-opted on to the Board of Directors at its meeting of 20 January 2017, to replace Gianni Mion who resigned with effect from 31 December 2016.
Human Resources and Remuneration Committee
Chairwoman
Lynda Tyler-Cagni (independent)
Members
Carlo Bertazzo
Gianni Coda (independent)
Massimo Lapucci (independent)
Monica Mondardini (independent)

Board of Statutory Auditors
in office for the period 2015-2017
Chairman
Corrado Gatti
Auditors
Alberto De Nigro
Lelio Fornabaio
Silvia Olivotto
Livia Salvini
Alternate Auditors
Laura Castaldi
Giuseppe Cerati

Independent Auditors
for the period 2012-2020
Deloitte & Touche SpA
Report on operations
In application of the CONSOB Ruling of 3 December 2015, which applies the guidelines for alternative performance indicators (“APIs”) issued by the European Securities and Markets Authority (ESMA), and which are mandatory in order to meet regulatory reporting requirements or for accounts published after 3 July 2016, the basis used in preparing the APIs published by the Atlantia Group is described below.

The APIs shown in this Annual Report are deemed relevant to an assessment of the operating performance with regard to the performances of the Group as a whole, of its operating segments and of individual consolidated companies. In addition, the APIs provide an improved basis for comparison of the results over time, even if they are not a replacement for or an alternative to the results published on a reported basis, in accordance with international financial reporting standards (IAS/IFRS).

With regard to the APIs, Atlantia presents the following reclassified financial statements, for both the Group and the Parent Company, in the “Group financial review” and the “Financial review for Atlantia SpA”. These statements are different from those required under IAS/IFRS, included in the section 3 “Consolidated financial statements as at 31 December 2015: financial statements and notes”, and in section 4 “Separate financial statements as at 31 December 2015: financial statements and notes”. In addition to amounts from the income statement and statement of financial position prepared under IAS/IFRS, these reclassified financial statements present a number of indicators and items derived from them, even when they are not required by the above standards and are, therefore, identifiable as APIs. In this regard, the “Reconciliation of the reclassified and reported financial statements”, included in the “Group financial review” and the “Financial review for Atlantia SpA”, presents the reconciliation of the reclassified financial statements with the corresponding reported financial statements (prepared under IAS/IFRS), included in the same section.

A list of the APIs used in this Annual Report, together with a brief description and their reconciliation with reported amounts, is provided below:

a) “Gross operating profit (EBITDA)” is the synthetic indicator of gross profit from operations, calculated by deducting operating costs, with the exception of amortisation, depreciation, impairment losses and reversals of impairment losses, the operating change in provisions and other adjustments, from operating revenue;

b) “Operating profit (EBIT)” is the indicator that measures the operating return on invested capital, calculated by deducting amortisation, depreciation, impairment losses and reversals of impairment losses, the operating change in provisions and other adjustments from EBITDA. Like EBITDA, EBIT does not include the capitalised component of financial expenses relating to construction services, which is shown in a specific item under financial income and expenses in the reclassified statement, whilst being included in revenue in the consolidated income statement prepared on a reported basis;

c) “Net invested capital”, showing the total value of non-financial assets, after deducting non-financial liabilities;
d) “Net debt”, being the indicator of the portion of net invested capital funded by net financial liabilities, calculated by deducting “Current and non-current financial assets” from “Current and non-current financial liabilities”;

e) “Capital expenditure”, being the indicator of the total amount invested in development of the Group’s businesses, calculated as the sum of cash used in investment in property, plant and equipment, in assets held under concession and in other intangible assets, excluding investments in investees;

f) “Operating cash flow”, being the indicator of cash generated by or used in operating activities. Operating cash flow is calculated as profit for the period + amortisation/depreciation +/- impairments/reversals of impairments of assets +/- provisions/releases of provisions + other adjustments + financial expenses from discounting of provisions +/- share of profit/(loss) of investees accounted for using equity method +/- (losses)/gains on sale of assets +/- other non-cash items +/- portion of net deferred tax assets/liabilities recognised in profit or loss.

A number of APIs, calculated as above, are also presented after applying certain adjustments in order to provide a consistent basis for comparison over time or in application of a different financial statement presentation deemed to be more effective in describing the financial performance of specific activities of the Group. These adjustments to the AIPs fall within the following two categories:

a) “Like-for-like changes”, used in the analysis of changes in gross operating profit (EBITDA), profit for the period, profit for the period attributable to owners of the parent and operating cash flow, and calculated by excluding, where present, the impact of: (i) changes in the scope of consolidation; (ii) changes in exchange rates on the value of assets and liabilities denominated in functional currencies other than the euro; and (iii) events and/or transactions not strictly connected with operating activities that have an appreciable influence on amounts for at least one of the two comparative periods. The reconciliation of the like-for-like indicators and the corresponding amounts in the reclassified financial statements is provided in the section, “Like-for-like changes”, in the “Group financial review”, in addition to details of the adjustments made;

b) “Adjusted consolidated results of operations and financial position”, which present adjusted amounts for consolidated gross operating profit (EBITDA), operating cash flow and net debt. These amounts are adjusted by stripping out, from the reported amounts in the reclassified consolidated financial statements, the impact of application of the “financial model”, introduced by IFRIC 12, by certain of the Group’s operators. Details of the adjustments made and the reconciliation with the corresponding reported amounts are provided in the section, “Adjusted consolidated results of operations and financial position and reconciliation with reported consolidated amounts”, included in the “Group financial review”.
2. Report on operations

Group financial review

Introduction

The financial review contained in this section includes and analyses the Atlantia Group’s reclassified consolidated income statement, the statement of comprehensive income, the statement of changes in equity and the statement of changes in net debt for the year ended 31 December 2016, in which amounts are compared with those of the previous year. The review also includes and analyses the reclassified statement of financial position as at 31 December 2016, compared with comparative amounts as at 31 December 2015, and the reconciliation of Atlantia’s equity and profit for 2016 with the Atlantia Group’s corresponding consolidated amounts.

The accounting standards applied during preparation of the consolidated accounts for the year ended 31 December 2016 are consistent with those adopted for the consolidated financial statements for the year ended 31 December 2015, in that the amendments to existing standards and interpretations that have come into effect since 1 January 2016 have not had a material impact on the consolidated accounts.

The scope of consolidation at 31 December 2016 differs from the scope used at 31 December 2015, due to the acquisition of a controlling interest in Aéroports de la Côte d’Azur (“ACA”) and its subsidiaries. This follows completion, at the end of 2016, of the acquisition of shares representing a 64% stake in this company through the acquisition vehicle, Azzurra Aeroporti1. In accordance with IFRS 3, the assets and liabilities of ACA and its subsidiaries have been recognised at their fair value at the acquisition date and the companies consolidated on a line-by-line basis as at 31 December 2016. 2016 also benefitted from the contribution of Autostrada Tirrenica (“SAT”), consolidated from September 2015.

A restructuring of the Atlantia Group began in 2016, although this has not had a material impact on the Group’s operating results or financial position, as described in detail in note 6 “Acquisitions and corporate actions during the period” in the “Consolidated financial statements for the year ended 31 December 2016: financial statements and notes”.

As part of a reorganisation of the Group’s financial structure, an issuer substitution was completed at the end of 2016. This has resulted in Autostrade per l’Italia taking Atlantia’s place as the issuer of bonds subscribed by institutional investors and in derivative contracts entered into by the latter, although this has not had a material impact on the Group’s operating results or financial position.

The Group did not enter into non-recurring, atypical or unusual transactions during 2016, either with third or related parties. A number of non-recurring transactions with a material impact on profit or loss were, however, concluded in 2015, as described in greater detail below.

Finally, the reclassified financial statements included and analysed below have not been audited. The reconciliation with the corresponding consolidated financial statements on a reported basis is provided in the section “Reconciliation of the reclassified and reported financial statements”.

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1 Azzurra Aeroporti is 65%-owned by Atlantia and 10%-owned by Aeroporti di Roma, whilst EDF Invest owns a 24.99% interest.
Like-for-like changes

The term “like-for-like basis”, used below in the analysis of changes in certain amounts in the consolidated income statement and statement of financial position, indicates that amounts for comparative periods have been determined by eliminating:

a) from consolidated amounts for 2016:
   1) SAT’s contribution for the first nine months of 2016 and the cost of the acquisition of ACA by Azzurra Aeroporti;
   2) the difference between foreign currency amounts for 2016 for companies with functional currencies other than the euro, converted at average exchange rates for the period, and the matching amounts converted using average exchange rates for 2015;
   3) the after-tax revenue and expenses reported by Aeroporti di Roma in 2016, reflecting the insurance proceeds received and the cost of operational solutions and safety operations in the areas most damaged by the fire in Fiumicino airport’s Terminal 3;
   4) the after-tax impact of the difference in the discount rates applied to the provisions accounted for among the Group’s liabilities;
   5) the impact of a number of major financial transactions, linked to the partial buyback of certain bonds issued by Atlantia, and the issuer substitution, involving the transfer of bonds from Atlantia to Autostrade per l’Italia;
   6) reversal of the previous impairment loss on the investment in Lusoponte and the impairment loss on the carrying amount of the investment in Compagnia Aerea Italiana;
   7) the net change in deferred taxation linked to certain Chilean companies, following a merger of a number of such companies in 2016, full implementation of the Chilean tax reforms that came into effect in 2016 and revisions of estimates;
   8) current taxation linked to the intragroup transfer of a number of consolidated investments, relating to the above Group restructuring;

b) from consolidated amounts for 2015:
   1) the income recognised by Tangenziale di Napoli following settlement of a legal dispute arising in previous years, including after-tax interest accrued since initiation of the dispute;
   2) the net costs incurred by Aeroporti di Roma as a result of the fire at Fiumicino airport’s Terminal 3, including: the cost of safety and salvage operations and provisions to cover the estimated cost of reconstruction of the affected areas, partially offset by the recognition of insurance proceeds expected to be received at that time, and provisions for risks for liabilities other than those covered by insurance policies;
   3) the after-tax impact of the difference in the discount rates applied to the provisions accounted for among the Group’s liabilities;
   4) the overall after-tax impact of the non-recurring financial transactions carried out, relating to the partial buyback of certain bonds issued by Atlantia and Atlantia’s purchase of notes issued by Romulus Finance, which also includes the charges incurred following the conclusion, in July 2015, of an agreement between Aeroporti di Roma and AMBAC resulting in termination of the guarantee provided for the notes;
   5) the overall benefit linked to reassessment of deferred taxation by the Italian companies, following the reduction in the IRES rate introduced by the 2016 Stability Law with effect from 1 January 2017.

The following table shows the reconciliation of like-for-like consolidated amounts for gross operating profit (EBITDA), profit for the year, profit for the year attributable to owners of the parent and operating cash flow for the comparative periods and the corresponding amounts presented in the reclassified consolidated income statement.
2. Report on operations

<table>
<thead>
<tr>
<th>EM</th>
<th>GROSS OPERATING PROFIT (EBITDA)</th>
<th>PROFIT FOR THE PERIOD</th>
<th>PROFIT FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT</th>
<th>OPERATING CASH FLOW</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reported amounts for 2016 (A)</td>
<td>3,378</td>
<td>1,238</td>
<td>1,122</td>
<td>2,400</td>
</tr>
<tr>
<td>Adjustment for non like-for-like items in 2016</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in scope of consolidation [47] and ACA acquisition costs</td>
<td>10</td>
<td>-9</td>
<td>-7</td>
<td>1</td>
</tr>
<tr>
<td>Exchange rate movements</td>
<td>-16</td>
<td>-7</td>
<td>-4</td>
<td>-12</td>
</tr>
<tr>
<td>Impact of fire at Fiumicino airports Terminal 3 in 2015</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>-6</td>
</tr>
<tr>
<td>Change in discount rate applied to provisions</td>
<td>-</td>
<td>-60</td>
<td>-57</td>
<td>1</td>
</tr>
<tr>
<td>Partial buyback of bonds issued by Atlantia and impact of issuer substitution</td>
<td>-</td>
<td>-7</td>
<td>-7</td>
<td>71</td>
</tr>
<tr>
<td>Reversal of impairment losses on investments</td>
<td>-</td>
<td>15</td>
<td>15</td>
<td>-</td>
</tr>
<tr>
<td>Change in deferred tax liabilities attributable to Chilean operations</td>
<td>-</td>
<td>64</td>
<td>68</td>
<td>-</td>
</tr>
<tr>
<td>Tax on transactions involved in Group restructuring</td>
<td>-</td>
<td>-16</td>
<td>-16</td>
<td>-16</td>
</tr>
<tr>
<td>Sub-total (B)</td>
<td>-3</td>
<td>-18</td>
<td>-6</td>
<td>39</td>
</tr>
<tr>
<td>Like-for-like amounts for 2016 (C) = (A)-(B)</td>
<td>3,381</td>
<td>1,256</td>
<td>1,128</td>
<td>2,361</td>
</tr>
<tr>
<td>Reported amounts for 2015 (D)</td>
<td>3,215</td>
<td>975</td>
<td>853</td>
<td>2,105</td>
</tr>
<tr>
<td>Adjustment for non like-for-like items in 2015</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Settlement of a legal dispute by Tangenziale di Napoli</td>
<td>4</td>
<td>9</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>Impact of fire at Fiumicino airports Terminal 3 in 2015</td>
<td>-12</td>
<td>-20</td>
<td>-20</td>
<td>-11</td>
</tr>
<tr>
<td>Change in discount rate applied to provisions</td>
<td>-</td>
<td>48</td>
<td>45</td>
<td>-</td>
</tr>
<tr>
<td>Non-recurring financial transactions</td>
<td>-3</td>
<td>-168</td>
<td>-168</td>
<td>-161</td>
</tr>
<tr>
<td>Change in IRES rate (2016 Stability Law)</td>
<td>-</td>
<td>-42</td>
<td>-40</td>
<td>-</td>
</tr>
<tr>
<td>Sub-total (E)</td>
<td>-11</td>
<td>-173</td>
<td>-172</td>
<td>-163</td>
</tr>
<tr>
<td>Like-for-like amounts for 2015 (F) = (D)-(E)</td>
<td>3,226</td>
<td>1,148</td>
<td>1,026</td>
<td>2,268</td>
</tr>
<tr>
<td>Like-for-like change (G) = (C)-(F)</td>
<td>155</td>
<td>108</td>
<td>103</td>
<td>93</td>
</tr>
</tbody>
</table>
Consolidated results of operations

“Operating revenue” for 2016 totals €5,484 million and is up €180 million (3%) on 2015 (€5,304 million).

“Toll revenue” of €4,009 million is up €173 million (5%) compared with 2015 (€3,836 million). After stripping out the negative impact of exchange rate movements, which in 2016 had a negative impact of €20 million, toll revenue is up €193 million, primarily reflecting a combination of the following:

a) a 3.2% increase in traffic on the Italian network, accounting for an increase in toll revenue of approximately €97 million (including the impact of the different traffic mix and the extra day in February 2016) and the application of annual toll increases (essentially a 1.09% increase applied by Autostrade per l’Italia with effect from 1 January 2016), boosting toll revenue by an estimated €30 million;

b) an improved contribution from overseas operators (up €33 million), primarily reflecting traffic growth in Chile (up 5.8%) and Poland (up 10.5%) and toll increases applied by the various operators, partially offset by falling traffic in Brazil (down 2.7%);

c) the contribution of SAT, amounting to €30 million, consolidated from September 2015.

“Aviation revenue” of €636 million is up €71 million (13%) compared with 2015 (€565 million), primarily reflecting increases in airport fees applied from 1 March 2015 and 1 March 2016 and growth in passenger numbers (up 1.8%).

“Contract revenue” and “Other operating income”, totalling €839 million, is down €64 million on 2015 (€903 million), primarily due to the reduced volume of work carried out for external customers by Pavimental, Autostrade Tech and ETC. This decrease is partially offset by an increase in non-aviation revenue at Aeroporti di Roma, an increase in turnover at Telepass and greater external revenue at Spea Engineering. In addition, the figure for 2016 has benefitted from the recognition of higher insurance proceeds than expected by Aeroporti di Roma, following the fire in Terminal 3 at Fiumicino. The proceeds are intended to cover the cost of salvage, safety and rebuilding costs.
Reclassified consolidated income statement (*)

<table>
<thead>
<tr>
<th>€M</th>
<th>2016</th>
<th>2015</th>
<th>INCREASE/ (DECREASE)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>ABSOLUTE</td>
</tr>
<tr>
<td>Toll revenue</td>
<td>4,009</td>
<td>3,836</td>
<td>173</td>
</tr>
<tr>
<td>Aviation revenue</td>
<td>636</td>
<td>565</td>
<td>71</td>
</tr>
<tr>
<td>Contract revenue</td>
<td>54</td>
<td>107</td>
<td>-53</td>
</tr>
<tr>
<td>Other operating income</td>
<td>785</td>
<td>796</td>
<td>-11</td>
</tr>
<tr>
<td><strong>Total operating revenue</strong></td>
<td>5,484</td>
<td>5,304</td>
<td>180</td>
</tr>
<tr>
<td>Cost of materials and external services (1)</td>
<td>-799</td>
<td>-832</td>
<td>33</td>
</tr>
<tr>
<td>Concession fees</td>
<td>-495</td>
<td>-477</td>
<td>-18</td>
</tr>
<tr>
<td>Staff costs</td>
<td>-911</td>
<td>-866</td>
<td>-45</td>
</tr>
<tr>
<td>Capitalised staff costs</td>
<td>99</td>
<td>86</td>
<td>13</td>
</tr>
<tr>
<td><strong>Total net operating costs</strong></td>
<td>-2,106</td>
<td>-2,089</td>
<td>-17</td>
</tr>
<tr>
<td><strong>Gross operating profit (EBITDA)</strong></td>
<td>3,378</td>
<td>3,215</td>
<td>163</td>
</tr>
<tr>
<td>Amortisation, depreciation, impairment losses and reversals of impairment losses</td>
<td>-956</td>
<td>-918</td>
<td>-38</td>
</tr>
<tr>
<td>Provisions and other adjustments</td>
<td>-107</td>
<td>-85</td>
<td>-22</td>
</tr>
<tr>
<td><strong>Operating profit (EBIT)</strong></td>
<td>2,315</td>
<td>2,212</td>
<td>103</td>
</tr>
<tr>
<td>Financial income accounted for as an increase in financial assets deriving from concession rights and government grants</td>
<td>67</td>
<td>63</td>
<td>4</td>
</tr>
<tr>
<td>Financial expenses from discounting of provisions for construction services required by contract and other provisions</td>
<td>-65</td>
<td>-56</td>
<td>-9</td>
</tr>
<tr>
<td>Other financial income/(expenses)</td>
<td>-539</td>
<td>-792</td>
<td>253</td>
</tr>
<tr>
<td>Capitalised financial expenses on intangible assets deriving from concession rights</td>
<td>5</td>
<td>29</td>
<td>-24</td>
</tr>
<tr>
<td>Share of profit/(loss) of investees accounted for using the equity method</td>
<td>-7</td>
<td>-18</td>
<td>11</td>
</tr>
<tr>
<td><strong>Profit/(Loss) before tax from continuing operations</strong></td>
<td>1,776</td>
<td>1,438</td>
<td>338</td>
</tr>
<tr>
<td>Income tax (expense)/benefit</td>
<td>-533</td>
<td>-470</td>
<td>-63</td>
</tr>
<tr>
<td><strong>Profit/(Loss) from continuing operations</strong></td>
<td>1,243</td>
<td>968</td>
<td>275</td>
</tr>
<tr>
<td>Profit/(Loss) from discontinued operations</td>
<td>5</td>
<td>7</td>
<td>-12</td>
</tr>
<tr>
<td><strong>Profit for the period</strong></td>
<td>1,238</td>
<td>975</td>
<td>263</td>
</tr>
<tr>
<td>(Profit)/Loss attributable to non-controlling interests</td>
<td>116</td>
<td>122</td>
<td>-6</td>
</tr>
<tr>
<td><strong>Profit/Loss attributable to owners of the parent</strong></td>
<td>1,122</td>
<td>853</td>
<td>269</td>
</tr>
</tbody>
</table>

(1) Net of the margin recognised on construction services performed by the Group's own technical units.

<table>
<thead>
<tr>
<th>2016</th>
<th>2015</th>
<th>INCREASE/ (DECREASE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic earnings per share attributable to the owners of the parent (€)</td>
<td>1.36</td>
<td>1.04</td>
</tr>
<tr>
<td>of which: - from continuing operations</td>
<td>1.37</td>
<td>1.03</td>
</tr>
<tr>
<td>- from discontinued operations</td>
<td>0.01</td>
<td>0.01</td>
</tr>
<tr>
<td>Diluted earnings per share attributable to the owners of the parent (€)</td>
<td>1.36</td>
<td>1.04</td>
</tr>
<tr>
<td>of which: - from continuing operations</td>
<td>1.37</td>
<td>1.03</td>
</tr>
<tr>
<td>- from discontinued operations</td>
<td>0.01</td>
<td>0.01</td>
</tr>
</tbody>
</table>

(*) The reconciliation with reported amounts in the consolidated income statement is provided in the section, “Reconciliation of the reclassified and reported financial statements.”
“Net operating costs” of €2,106 million are up €17 million (1%) on 2015 (€2,089 million).

The “Cost of materials and external services” amounts to €799 million, down €33 million on the figure for 2015 (€832 million). This primarily reflects a combination of the following:

a) lower costs incurred by Autostrade per l’Italia due to a different scheduling of maintenance work on the network and reduced snowfall in the two comparative periods, partially offset by an increase in maintenance costs on the Brazilian network;

b) a reduction in the costs incurred by Aeroporti di Roma for safety and salvage operations in the areas affected by the fire in Terminal 3, partially offset by an increase in maintenance costs with the aim of improving quality;

c) lower corporate advertising costs incurred by Autostrade per l’Italia and a reduction in insurance deductibles for accidents on the motorway network;

da) a reduction in costs linked to the termination fee paid by Aeroporti di Roma to AMBAC, in 2015, in order to terminate the guarantee for the notes issued by Romulus;

e) reduced costs at Pavimental, Autostrade Tech and ETC, linked to the reduced volume of work carried out for external customers; this reduction is partially offset by lower margins on the construction services provided by the Group’s own technical units and an increase in costs at Telepass and Spea Engineering, linked to the increase in turnover;

f) the increase in costs contributed by SAT, which has been consolidated from September 2015, and the cost of the acquisition of ACA.

“Concession fees”, totalling €495 million, are up €18 million (4%) compared with 2015 (€477 million). This primarily reflects the increase in toll revenue reported by the Italian motorway operators.

“Staff costs”, after deducting capitalised expenses, amount to €812 million (€780 million in 2015) and are up €32 million (4%).

“Gross staff costs” of €911 million are up €45 million (5%) compared with 2015 (€866 million). After stripping out the impact of exchange rate movements, staff costs are up €47 million (5.4%) due to:

a) an increase of 395 in the average workforce excluding agency staff (up 2.6%), attributable to Aeroporti di Roma as a result of heightened anti-terrorism measures, the recruitment of staff in relation to implementation of the development plan and initiatives designed to improve the quality of passenger assistance. The increase also reflects the decision to insource airport cleaning services and the motorway maintenance carried out by the Brazilian operators, as well as the contribution of SAT, consolidated from September 2015;

b) an increase in the average unit cost (up 2.8%), due to contract renewals at the Group’s Italian companies and an increase in the cost of early retirement incentives.

“Gross operating profit” (EBITDA) of €3,378 million is up €163 million (5%) on 2015 (€3,215 million). On a like-for-like basis, gross operating profit is up €155 million (5%).

“Amortisation, depreciation, impairment losses and reversals of impairment losses” amount to €956 million and are up €38 million on the €918 million of 2015, essentially due to increased amortisation of construction services for which additional economic benefits are received at Autostrade per l’Italia.
The “Operating change in provisions and other adjustments” shows an expense of €107 million, down 22 million on the figures for 2015 (€85 million), primarily reflecting:

a) the different performances of provisions for the repair and replacement of motorway infrastructure and provisions for the refurbishment of airport infrastructure, reflecting net provisions of €131 million in 2016, essentially following an adjustment to the present value of the provisions to reflect a decline in the related interest rates, and €52 million in 2015, due to increases in the matching interest rates;

b) a €16 million reduction in provisions for risks and charges, primarily attributable to Aeroporti di Roma as a result of its reduced exposure the potential liabilities for previous disputes, and to the reduction in provisions, totalling €16 million, to cover the cost rebuilding the part of Terminal 3 damaged by the fire.

“Operating profit” (EBIT) of €2,315 million is up €103 million (5%) compared with 2015 (€2,212 million).

“Financial income accounted for as an increase in financial assets deriving from concession rights and government grants”, totalling €67 million, is up €4 million on the figure for 2015 (€63 million).

“Financial expenses from discounting of provisions for construction services required by contract and other provisions” amount to €65 million and are down €9 million on 2015, reflecting declines in the discount rates used in 2016 with respect to those used in 2015.

“Net other financial expenses” of €539 million are down €253 million compared with 2015 (€792 million).

The difference mainly reflects the impact of the financial expenses incurred, in the comparative periods, in relation to the partial buyback of certain bonds issued by Atlantia and maturing in 2016, 2017 and 2019 (€19 million in 2016 and €121 million in 2015) and Atlantia’s buyback, in 2015, of notes issued by Romulus Finance (having a total impact on financial expenses of €113 million, including the termination fee paid to AMBAC in order to terminate the guarantee for the notes).

After stripping out the impact of these two transactions in the comparative periods, net financial expenses are down €38 million (down 7%), essentially reflecting:

a) impairment losses on the investment in CAI-Compagnia Aerea Italiana (amounting to €9 million in 2016 and €36 million in 2015);

b) reversal of the previous impairment loss on the investment in Lusoponte (€25 million);

c) income of €8 million, recognised by Tangenziale di Napoli in 2015 following settlement of a legal dispute;

d) the effects of the acquisition of ACA in 2016 and the different contribution of SAT, resulting in an overall negative impact of €11 million.

“Capitalised financial expenses” of €5 million are down €24 million compared with 2015 (€29 million). This primarily reflects completion of work on a number of sections of motorway operated by Autostrade per l’Italia.
The “Share of (profit)/loss of investees accounted for using the equity method” amounts to a loss of €7 million, compared with a loss of €18 million in 2015. This is essentially attributable to the losses reported by the Brazilian operator, Rodovias do Tietê, in 2016.

“Income tax expense” amounts to €533 million, up €63 million on 2015 (€470 million), essentially reflecting the improvement in pre-tax profit in 2016, partly offset by the benefit generated by reassessment of deferred taxation linked to the Group’s Chilean companies following full implementation of the Chilean tax reforms that came into effect in 2016. Income tax expense for 2015 included the negative impact on deferred taxation at the Italian companies following approval of the 2016 Stability Law (Law 2018/2015), which has reduced the IRES rate from 2017.

“Profit from continuing operations” amounts to €1,243 million, marking an increase of €275 million compared with 2015 (€968 million).

“Profit for the year”, amounting to €1,238 million, is up €263 million on 2015 (€975 million). On a like-for-like basis, profit for the year is up €108 million (9%).

“Profit for the period attributable to owners of the parent”, amounting to €1,122 million, is up €269 million on 2015 (€853 million). On a like-for-like basis, profit for the period attributable to owners of the parent is up €103 million (10%).

“Profit attributable to non-controlling interests” amounts to €116 million, marking a reduction of €6 million compared with 2015 (€122 million).
2. Report on operations

Consolidated statement of comprehensive income

<table>
<thead>
<tr>
<th>€M</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit for the year (A)</td>
<td>1,238</td>
<td>975</td>
</tr>
<tr>
<td>Fair value gains/(losses) on cash flow hedges</td>
<td>-46</td>
<td>7</td>
</tr>
<tr>
<td>Tax effect of fair value gains/(losses) on cash flow hedges</td>
<td>17</td>
<td>-8</td>
</tr>
<tr>
<td>Gains/(losses) from translation of assets and liabilities of consolidated companies denominated in functional currencies other than the euro</td>
<td>347</td>
<td>-314</td>
</tr>
<tr>
<td>Gains/(Losses) from translation of investments accounted for using the equity method denominated in functional currencies other than the euro</td>
<td>4</td>
<td>-6</td>
</tr>
<tr>
<td>Other comprehensive income/(loss) for the year reclassifiable to profit or loss (B)</td>
<td>322</td>
<td>-321</td>
</tr>
<tr>
<td>Gains/(losses) from actuarial valuations of provisions for employee benefits</td>
<td>-3</td>
<td>6</td>
</tr>
<tr>
<td>Tax effect of gains/(losses) from actuarial valuations of provisions for employee benefits</td>
<td>1</td>
<td>-3</td>
</tr>
<tr>
<td>Other comprehensive income/(loss) for the year not reclassifiable to profit or loss (C)</td>
<td>-2</td>
<td>3</td>
</tr>
<tr>
<td>Reclassifications of other components of comprehensive income to profit or loss for the year (D)</td>
<td>-3</td>
<td>74</td>
</tr>
<tr>
<td>Tax effect of reclassifications of other components of comprehensive income to profit or loss for the year (E)</td>
<td>-</td>
<td>-22</td>
</tr>
<tr>
<td>Total other comprehensive income/(loss) for the year (F=B+C+D+E)</td>
<td>317</td>
<td>-266</td>
</tr>
<tr>
<td>of which attributable to discontinued operations</td>
<td>-</td>
<td>6</td>
</tr>
<tr>
<td>Comprehensive income for the year (A+F)</td>
<td>1,555</td>
<td>709</td>
</tr>
<tr>
<td>Of which attributable to owners of the parent</td>
<td>1,260</td>
<td>741</td>
</tr>
<tr>
<td>Of which attributable to non-controlling interests</td>
<td>295</td>
<td>-32</td>
</tr>
</tbody>
</table>

For 2016, “Other comprehensive income for the year”, after the related taxation, amounts to €317 million (a loss of €266 million in 2015). This essentially reflects a combination of the following:

a) gains on the translation of assets and liabilities denominated in functional currencies other than the euro, totalling €347 million, reflecting increases in the value of the Brazilian real and Chilean peso against the euro as at 31 December 2016 compared with 31 December 2015; 2015, on the other hand, saw a fall in the value of the Brazilian real against the euro;

b) an increase in fair value losses on cash flow hedges, after the related taxation, totalling €29 million, primarily due to reductions in the interest rates applied to hedging instruments as at 31 December 2016, compared with those used as at 31 December 2015.
Consolidated financial position

As at 31 December 2016, “Non-current non-financial assets” of €30,398 million are up €3,637 million on the figure for 31 December 2015 (€26,761 million).

“Property, plant and equipment” of €291 million is up €59 million compared with the figure as at 31 December 2015 (€232 million), reflecting investment during the year, less depreciation.

“Intangible assets” total €28,383 million (€24,845 million as at 31 December 2015). These assets essentially relate to the Group’s concession rights, amounting to €23,591 million (€20,043 million as at 31 December 2015), and goodwill (€4,383 million) recognised as at 31 December 2003, following acquisition of the majority shareholding in the former Autostrade – Concessioni e Costruzioni Autostrade SpA.

The net increase of €3,538 million in intangible assets is essentially due to:

a) recognition, in intangible assets, of the fair value of the concession rights held by ACA and its subsidiaries (€2,965 million), primarily attributable to the gain provisionally accounted for as an increase in Aéroports de la Côte d’Azur’s concession rights, as described in greater detail in note 6 “Acquisitions and corporate actions during the period” in the “Consolidated financial statements for the year ended 31 December 2016: financial statements and notes”;

b) investment in construction services for which additional economic benefits are received (€615 million);

c) the effect of currency translation differences recognised at 31 December 2016 on the concession rights of overseas operators (totalling €407 million), essentially due to a strengthening of the Brazilian real and the Chilean peso against the euro;

d) an increase in the present value on completion of investment in construction services for which no additional benefits are received (€392 million), primarily reflecting a decline in the interest rates applied as at 31 December 2016, compared with those used as at 31 December 2015;

e) amortisation for the year (€835 million).

“Investments”, totalling €291 million, are up €194 million on 31 December 2015 (€97 million). This is essentially due to the acquisition of a 22.09% interest in Save SpA, the company that holds the concession to operate the airports of Venice and Treviso, for a total consideration of €181 million and the reversal of the impairment loss on the carrying amount of the investment in the Portuguese operator, Lusoponte (€25 million) during 2016.

“Deferred tax assets” of €1,403 million are down €172 million on the figure as at 31 December 2015, primarily due to:

a) the release of deferred tax assets (€111 million) on the deductible portion of the goodwill recognised solely for tax purposes by Autostrade per l’Italia as a result of the contribution in 2003;

b) a reduction in deferred tax assets linked to fair value losses on derivative financial instruments, totalling €75 million.
Reclassified consolidated statement of financial position (*)

<table>
<thead>
<tr>
<th>€M</th>
<th>31 December 2016</th>
<th>31 December 2015</th>
<th>INCREASE/DECREASE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-current non-financial assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>291</td>
<td>232</td>
<td>59</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>28,383</td>
<td>24,845</td>
<td>3,538</td>
</tr>
<tr>
<td>Investments</td>
<td>291</td>
<td>97</td>
<td>194</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>1,403</td>
<td>1,575</td>
<td>-172</td>
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<tr>
<td>Other non-current assets</td>
<td>30</td>
<td>12</td>
<td>18</td>
</tr>
<tr>
<td><strong>Total non-current non-financial assets (A)</strong></td>
<td><strong>30,398</strong></td>
<td><strong>26,761</strong></td>
<td><strong>3,637</strong></td>
</tr>
<tr>
<td>Working capital</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trading assets</td>
<td>1,672</td>
<td>1,469</td>
<td>203</td>
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<tr>
<td>Current tax assets</td>
<td>106</td>
<td>44</td>
<td>62</td>
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<tr>
<td>Other current assets</td>
<td>197</td>
<td>245</td>
<td>-48</td>
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<tr>
<td>Non-financial assets held for sale or related to discontinued operations</td>
<td>4</td>
<td>6</td>
<td>-2</td>
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<tr>
<td>Current portion of provisions for construction services required by contract</td>
<td>-531</td>
<td>-441</td>
<td>-90</td>
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<tr>
<td>Current provisions</td>
<td>-446</td>
<td>-429</td>
<td>-17</td>
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<tr>
<td>Trading liabilities</td>
<td>-1,651</td>
<td>-1,582</td>
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<tr>
<td>Current tax liabilities</td>
<td>-63</td>
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<td>-33</td>
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<tr>
<td>Other current liabilities</td>
<td>-611</td>
<td>-497</td>
<td>-114</td>
</tr>
<tr>
<td>Non-financial liabilities related to discontinued operations</td>
<td>-6</td>
<td>-6</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total working capital (B)</strong></td>
<td><strong>-1,329</strong></td>
<td><strong>-1,221</strong></td>
<td><strong>-108</strong></td>
</tr>
<tr>
<td>Gross invested capital (C=A+B)</td>
<td><strong>29,069</strong></td>
<td><strong>25,540</strong></td>
<td><strong>3,529</strong></td>
</tr>
<tr>
<td>Non-current non-financial liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current portion of provisions for construction services required by contract</td>
<td>-3,270</td>
<td>-3,369</td>
<td>99</td>
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<tr>
<td>Non-current provisions</td>
<td>-1,576</td>
<td>-1,501</td>
<td>-75</td>
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<tr>
<td>Deferred tax liabilities</td>
<td>-2,439</td>
<td>-1,701</td>
<td>-738</td>
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<tr>
<td>Other non-current liabilities</td>
<td>-98</td>
<td>-99</td>
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<tr>
<td><strong>Total non-current non-financial liabilities (D)</strong></td>
<td><strong>-7,383</strong></td>
<td><strong>-6,670</strong></td>
<td><strong>-713</strong></td>
</tr>
<tr>
<td><strong>NET INVESTED CAPITAL (E=C+D)</strong></td>
<td><strong>21,686</strong></td>
<td><strong>18,870</strong></td>
<td><strong>2,816</strong></td>
</tr>
</tbody>
</table>

(*) The reconciliation with the reported amounts in the consolidated statement of financial position is provided in the section, “Reconciliation of the reclassified and reported financial statements”.
### Group financial review

#### Equity

<table>
<thead>
<tr>
<th></th>
<th>31 December 2016</th>
<th>31 December 2015</th>
<th>INCREASE/ (DECREASE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity attributable to owners of the parent</td>
<td>7,224</td>
<td>6,800</td>
<td>424</td>
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<tr>
<td>Equity attributable to non-controlling interests</td>
<td>2,785</td>
<td>1,683</td>
<td>1,102</td>
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<tr>
<td><strong>Total equity (F)</strong></td>
<td><strong>10,009</strong></td>
<td><strong>8,483</strong></td>
<td><strong>1,526</strong></td>
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</tbody>
</table>

#### Net debt

<table>
<thead>
<tr>
<th></th>
<th>31 December 2016</th>
<th>31 December 2015</th>
<th>INCREASE/ (DECREASE)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-current net debt</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current financial liabilities</td>
<td>14,832</td>
<td>14,044</td>
<td>788</td>
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<tr>
<td>Bond issues</td>
<td>10,176</td>
<td>10,301</td>
<td>-125</td>
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<tr>
<td>Medium/long-term borrowings</td>
<td>4,002</td>
<td>3,256</td>
<td>746</td>
</tr>
<tr>
<td>Non-current derivative liabilities</td>
<td>631</td>
<td>461</td>
<td>170</td>
</tr>
<tr>
<td>Other non-current financial liabilities</td>
<td>23</td>
<td>26</td>
<td>-3</td>
</tr>
<tr>
<td><strong>Non-current financial assets</strong></td>
<td>-2,237</td>
<td>-1,781</td>
<td>-456</td>
</tr>
<tr>
<td>Non-current financial assets deriving from concession rights</td>
<td>-931</td>
<td>-766</td>
<td>-165</td>
</tr>
<tr>
<td>Non-current financial assets deriving from government grants</td>
<td>-265</td>
<td>-256</td>
<td>-9</td>
</tr>
<tr>
<td>Non-current term deposits</td>
<td>-322</td>
<td>-325</td>
<td>3</td>
</tr>
<tr>
<td>Non-current derivative assets</td>
<td>-83</td>
<td>-83</td>
<td></td>
</tr>
<tr>
<td>Other non-current financial assets</td>
<td>-636</td>
<td>-434</td>
<td>-202</td>
</tr>
<tr>
<td><strong>Total non-current net debt (G)</strong></td>
<td><strong>12,595</strong></td>
<td><strong>12,263</strong></td>
<td><strong>332</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>31 December 2016</th>
<th>31 December 2015</th>
<th>INCREASE/ (DECREASE)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current net debt</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current financial liabilities</td>
<td>3,249</td>
<td>1,939</td>
<td>1,310</td>
</tr>
<tr>
<td>Bank overdrafts repayable on demand</td>
<td>5</td>
<td>37</td>
<td>-32</td>
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<tr>
<td>Short-term borrowings</td>
<td>1,859</td>
<td>246</td>
<td>1,613</td>
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<tr>
<td>Current derivative liabilities</td>
<td>26</td>
<td>7</td>
<td>19</td>
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<tr>
<td>Intercompany current account payables due to related parties</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Current portion of medium/long-term borrowings</td>
<td>1,346</td>
<td>1,649</td>
<td>-303</td>
</tr>
<tr>
<td>Other current financial liabilities</td>
<td>13</td>
<td>-</td>
<td>13</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents</strong></td>
<td>-3,391</td>
<td>-2,997</td>
<td>-394</td>
</tr>
<tr>
<td>Cash in hand</td>
<td>-2,788</td>
<td>-2,251</td>
<td>-537</td>
</tr>
<tr>
<td>Cash equivalents</td>
<td>-595</td>
<td>-707</td>
<td>112</td>
</tr>
<tr>
<td>Cash and cash equivalents related to discontinued operations</td>
<td>-8</td>
<td>-39</td>
<td>31</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>31 December 2016</th>
<th>31 December 2015</th>
<th>INCREASE/ (DECREASE)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current financial assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current financial assets deriving from concession rights</td>
<td>-441</td>
<td>-435</td>
<td>-6</td>
</tr>
<tr>
<td>Current financial assets deriving from government grants</td>
<td>-68</td>
<td>-75</td>
<td>7</td>
</tr>
<tr>
<td>Current term deposits</td>
<td>-194</td>
<td>-222</td>
<td>28</td>
</tr>
<tr>
<td>Current portion of other medium/long-term financial assets</td>
<td>-66</td>
<td>-69</td>
<td>3</td>
</tr>
<tr>
<td>Other current financial assets</td>
<td>-7</td>
<td>-17</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total current net debt (H)</strong></td>
<td><strong>-918</strong></td>
<td><strong>-1,876</strong></td>
<td><strong>958</strong></td>
</tr>
<tr>
<td><strong>Total net debt (I=G+H)</strong></td>
<td><strong>11,677</strong></td>
<td><strong>10,387</strong></td>
<td><strong>1,290</strong></td>
</tr>
</tbody>
</table>

**NET DEBT AND EQUITY (L=F+I)**

<table>
<thead>
<tr>
<th></th>
<th>31 December 2016</th>
<th>31 December 2015</th>
<th>INCREASE/ (DECREASE)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NET DEBT AND EQUITY (L=F+I)</strong></td>
<td><strong>21,686</strong></td>
<td><strong>18,870</strong></td>
<td><strong>2,816</strong></td>
</tr>
</tbody>
</table>

(*) Net debt includes non-current financial assets, unlike the Company’s financial position shown in the notes to the financial statements and prepared in compliance with the European Securities and Markets Authority (ESMA) Recommendation of 20 March 2013, which does not permit the deduction of non-current financial assets from debt.
“Working capital” reports a negative balance of €1,329 million, compared with a negative balance of €1,221 million as at 31 December 2015, marking an increase of €108 million. After stripping out the contribution of ACA and its subsidiaries, consolidated from 31 December 2016, as described in the introduction, the movement in working capital is €59 million. This primarily reflects a combination of the following:

a) an increase of €85 million in the current portion of provisions for construction services required by contract, attributable to Autostrade per l’Italia, and linked to expected investment in construction services for which no additional benefits are received in 2017;

b) an increase of €82 million in other current liabilities, primarily due to an increase in net VAT payable by Group companies and an increase in the amount payable in relation to the surcharge added to the airport fees paid by departing passengers, collected by Aeroporti di Roma and then passed on to the ultimate beneficiaries in the following month, linked to an increase in the surcharge itself;

c) a reduction of €56 million in other current assets, attributable to Autostrade per l’Italia and resulting from recognition as investment, via an agreed settlement, of amounts paid to a number of suppliers, in June 2014, for work on the upgrade of the cross-Apennine section of motorway between Sasso Marconi and Barberino del Mugello;

d) a €35 million increase in trading liabilities, primarily relating to Aeroporti di Roma and due to increased investment during the year;

e) an increase of €20 million in current tax assets, primarily linked to payments on account made during 2016, partially offset by the balance of tax paid during the current year;

f) an increase of €180 million in trading assets, essentially relating to trade receivables at Telepass, following a delay in collection until January 2017, given that the date for payment coincided with a holiday in 2016, whilst payment in 2015 took place before the end of December.

“Non-current non-financial liabilities”, totalling €7,383 million are up €713 million compared with 31 December 2015 (€6,670 million). This is essentially due to the combined effect of the following:

a) an increase of €738 million in deferred tax liabilities, primarily as a result of the recognition of deferred tax liabilities of €706 million following the provisional allocation of gains recognised following the acquisition of ACA;

b) an increase of €75 million in the non-current portion of other provisions, primarily following the adjustment of provisions for the repair and replacement of motorway infrastructure operated under concession, reflecting a reduction in the discount rates used as at 31 December 2016, compared with the rates used as at 31 December 2015;

c) a reduction of €99 million in the non-current portion of provisions for construction services required by contract, primarily reflecting reclassification of the current portion, partially offset by an updated estimate of the present value on completion of investment in construction services yet to be carried out and a reduction in current and future interest rates.

As a result, “Net invested capital” totals €21,686 million (€18,870 million as at 31 December 2015).
“Equity attributable to owners of the parent and non-controlling interests” totals €10,009 million (€8,483 million as at 31 December 2015). “Equity attributable to owners of the parent”, totalling €7,224 million, is up €424 million on the figure for 31 December 2015 (€6,800 million), essentially reflecting:

a) comprehensive income for the year (€1,260 million);
b) dividends declared for 2015 (€395 million) and the interim dividend for 2016 (€362 million);
c) the purchase of own shares, relating to the programme announced by Atlantia in December 2016, amounting to €77 million.

“Equity attributable to non-controlling interests” of €2,785 million is up €1,102 million on 31 December 2015 (€1,683 million). This essentially reflects the interests held by non-controlling shareholders in Azzurra Aeroporti and Aéroports de la Côte d’Azur (totalling €863 million) and comprehensive income for the year attributable to non-controlling interests (€295 million). These items are partially offset by dividends declared by a number of Group companies that are not wholly owned subsidiaries, totalling €27 million, and by the acquisition of a further stake in Aeroporti di Roma.
## Statement of changes in consolidated equity

<table>
<thead>
<tr>
<th>Balance as at 31 December 2014</th>
<th>826</th>
<th>209</th>
<th>-36</th>
<th>-214</th>
<th>-14</th>
<th>5,910</th>
<th>-205</th>
<th>451</th>
<th>6,519</th>
<th>5,144</th>
<th>8,263</th>
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<tbody>
<tr>
<td>Owner transactions and other changes</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Atlantia SpA’s final dividend (€0.445 per share)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfer of profit/(loss) for previous period to retained earnings</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Atlantia SpA’s interim dividend (€0.400 per share)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Dividends paid by other Group companies to non-controlling shareholders</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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</tr>
<tr>
<td>Sale of treasury shares</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Share-based incentive plans</td>
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<td>-</td>
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<td>-</td>
<td>-</td>
<td>-</td>
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<td>-</td>
</tr>
<tr>
<td>Change in scope of consolidation, other minor changes and reclassifications</td>
<td>-</td>
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<td>-</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Balance as at 31 December 2015</td>
<td>828</td>
<td>354</td>
<td>-36</td>
<td>-374</td>
<td>-7</td>
<td>6,008</td>
<td>-39</td>
<td>524</td>
<td>6,800</td>
<td>5,868</td>
<td>8,483</td>
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<tr>
<td>Owner transactions and other changes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Atlantia SpA’s final dividend (€0.480 per share)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Transfer of profit/(loss) for previous period to retained earnings</td>
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<tr>
<td>Atlantia SpA’s interim dividend (€0.440 per share)</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Dividends paid by other Group companies to non-controlling shareholders</td>
<td>-</td>
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<tr>
<td>Share-based incentive plans</td>
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<tr>
<td>Change in scope of consolidation</td>
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</tr>
<tr>
<td>Balance as at 31 December 2016</td>
<td>826</td>
<td>549</td>
<td>-36</td>
<td>-209</td>
<td>-9</td>
<td>6,183</td>
<td>-39</td>
<td>524</td>
<td>6,800</td>
<td>5,868</td>
<td>8,483</td>
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<tr>
<td>Owner transactions and other changes</td>
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<tr>
<td>Atlantia SpA’s final dividend (€0.450 per share)</td>
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<td>-</td>
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<tr>
<td>Transfer of profit/(loss) for previous period to retained earnings</td>
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<td>Transfer of profit/(loss) for previous year to retained earnings</td>
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<td>Transfer of profit/(loss) for previous year to retained earnings</td>
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<td>Sale of treasury shares</td>
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<tr>
<td>Purchase of treasury shares</td>
<td>-</td>
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<tr>
<td>Share-based incentive plans</td>
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<tr>
<td>Change in scope of consolidation and other minor changes and reclassifications</td>
<td>-</td>
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<tr>
<td>Balance as at 31 December 2017</td>
<td>826</td>
<td>549</td>
<td>-36</td>
<td>-209</td>
<td>-9</td>
<td>6,183</td>
<td>-39</td>
<td>524</td>
<td>6,800</td>
<td>5,868</td>
<td>8,483</td>
</tr>
</tbody>
</table>

**Comprehensive income for the period**

**Owner transactions and other changes**

**Balance as at 31 December 2015**

**Comprehensive income for the period**

**Owner transactions and other changes**

**Balance as at 31 December 2016**

**Comprehensive income for the period**

**Owner transactions and other changes**

**Balance as at 31 December 2017**

**Comprehensive income for the period**

**Owner transactions and other changes**

**Balance as at 31 December 2018**

**Comprehensive income for the period**

**Owner transactions and other changes**

**Balance as at 31 December 2019**
Reconciliation of Atlantia’s equity and profit with the corresponding consolidated amounts

<table>
<thead>
<tr>
<th>€M</th>
<th>EQUITY AS AT 31 DECEMBER 2016</th>
<th>PROFIT FOR 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Amounts in financial statements of Atlantia SpA</strong></td>
<td>9,746</td>
<td>919</td>
</tr>
<tr>
<td>Recognition in consolidated financial statements of equity and</td>
<td>12,609</td>
<td>1,151</td>
</tr>
<tr>
<td>profit/(loss) for the year of investments less non-controlling</td>
<td></td>
<td></td>
</tr>
<tr>
<td>interests</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Elimination of carrying amount of consolidated investments</td>
<td>-15,512</td>
<td>-</td>
</tr>
<tr>
<td>Elimination of impairment losses on consolidated investments</td>
<td>35</td>
<td>29</td>
</tr>
<tr>
<td>less reversals</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Elimination of intercompany dividends</td>
<td>-</td>
<td>-1,230</td>
</tr>
<tr>
<td>Elimination of after-tax intercompany profits</td>
<td>-4,299</td>
<td>-</td>
</tr>
<tr>
<td>Recognition of goodwill less non-controlling interests</td>
<td>4,381</td>
<td>-</td>
</tr>
<tr>
<td>Measurement of investments at fair value and using the equity</td>
<td>-13</td>
<td>-5</td>
</tr>
<tr>
<td>method less dividends received</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other consolidation adjustments (*)</td>
<td>277</td>
<td>258</td>
</tr>
<tr>
<td>**Consolidated carrying amounts (attributable to owners of the</td>
<td>7,224</td>
<td>1,122</td>
</tr>
<tr>
<td>parent)**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>**Consolidated carrying amounts (attributable to non-controlling</td>
<td>2,785</td>
<td>116</td>
</tr>
<tr>
<td>interests)**</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Carrying amounts in consolidated financial statements</strong></td>
<td>10,009</td>
<td>1,238</td>
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</tbody>
</table>

(*) Other consolidation adjustments essentially include the different amounts, in the consolidated financial statements, for gains and/or losses on the sale of investments with respect to the corresponding amounts included in the reporting packages of consolidated companies, and the effects of remeasurement at fair value, solely for the purposes of consolidation, of previously held interests following the acquisition of control of the related companies.

The Group’s net debt as at 31 December 2016 amounts to €11,677 million (€10,387 million as at 31 December 2015).

“Non-current net debt”, amounting to €12,595 million, is up €332 million compared with 31 December 2015 (€12,263 million) and consists of:

a) “Non-current financial liabilities” of €14,832 million, up €788 million essentially due to the following changes:

1) an increase of €746 million in medium/long-term borrowing, due primarily to the bank loans obtained by Azzurra Aeroporti to fund the above acquisition (totalling €644 million) and the contribution of ACA and its subsidiaries (€111 million), consolidated from 31 December 2016;

2) an increase of €170 million in “Non-current derivative liabilities”, essentially due to exchange rate differences (€132 million) and a reduction in the interest rates used as at 31 December 2016, compared with those applied as at 31 December 2015 (€35 million). The balance includes derivative financial instruments entered into with a number of banks in order to hedge the interest rate risk to which certain medium/long-term financial liabilities are exposed, including highly likely future financial liabilities entered into through to 2019 in order to meet funding requirements;

3) a reduction in bond issues of €125 million, primarily due to reclassifications to current financial liabilities (€610 million), Atlantia’s partial buyback of its own bonds maturing in 2017, 2019 and 2020 (with a total par value of €220 million), partially offset by the issue of new bonds to institutional investors by Autostrade per l’Italia in November 2016 (with a total par value of €600
million, paying coupon interest of 1.75% and maturing in February 2027, and having a carrying amount of €591 million), new issues by Rodovias das Colinas (€63 million) and movements in exchange rates (€36 million), essentially reflecting a strengthening of the Chilean peso and the Brazilian real (€124 million), less the fall in the value of sterling (€97 million).

b) “Non-current financial assets” of €2,237 million, up €456 million on the figure for 31 December 2015 (€1,781 million). This is essentially due to:

1) an increase in financial assets deriving from concession rights (€165 million), essentially reflecting a rise in the value of the Chilean peso against the euro (€102 million) and investment in motorway infrastructure by Costanera Norte under the Santiago Centro Oriente (“CC7”) investment programme (€81 million);
2) an increase of €202 million in other non-current financial assets, essentially reflecting an increase in the medium/long-term receivable (with exchange rate movements accounting for €112 million and the capitalisation of accrued interest for €73 million) due to AB Concessões from Infra Bertin Empreendimentos, which controls the project company, SPMAR, the holder of the concession for construction and operation of the orbital motorway to the south-east of Sao Paulo;
3) an increase in fair value gains (€83 million) on new hedging derivatives obtained by Azzurra Aeroporti (€33 million) and the Cross Currency Swaps entered into by Atlantia (€42 million) in relation to the repurchase, in 2015, of the notes issued by Romulus Finance, now attributable to Aeroporti di Roma.

“Current net funds” of €918 million are down €958 million on 31 December 2015 (€1,876 million) and consist of:

a) “Current financial liabilities” of €3,249 million, up €1,310 million primarily due to a combination of the following:

1) the use of short-term loans by Atlantia, totalling €1,600 million, linked to the Group’s restructuring described above;
2) reclassification of the current portion of borrowings maturing in 2017, amounting to €877 million;
3) an increase in the short-term portion of bonds denominated in currencies other than the euro (€57 million), following a strengthening of the Chilean peso and the Brazilian real against the euro;
4) repayments during the year, totalling €1,227 million, including the redemption, on 9 May 2016, of bonds with a par value of €880 million issued by Atlantia and repayments of bank borrowings, totalling €202 million;

b) “Cash and cash equivalents” of €3,391 million, up €394 million on 31 December 2015 (€2,997 million). This essentially reflects the use of short-term loans by Atlantia, new bond issues and the above repayments.

The residual weighted average term to maturity of the Group’s interest bearing debt is six years and one month as at 31 December 2016. 82% of the Group’s debt is fixed rate.

The average cost of the Group’s medium/long-term borrowings in 2016 was approximately 4.5% (reflecting the combined effect of 3.8% for the companies operating in Italy, 6.9% for the Chilean companies and 15.9% for the Brazilian companies).
As at 31 December 2016, project debt attributable to specific overseas companies amounts to €1,864 million. At the same date, the Group has cash reserves of €4,831 million, consisting of:

a) €1,772 million in investments in financial assets and cash maturing in the short term (€3,391 million), after the use of short-term lines of credit (€1,614 million) and essentially relating to Atlantia’s borrowing (excluding the borrowing obtained by Autostrade Meridionale with a face value of €245 million, renewed for a further 12 months on 31 December 2016, given that the award of the new concession for the A3 motorway has yet to take place;

b) €516 million in term deposits allocated primarily to part finance the execution of specific construction services and to service the debt of the Chilean companies;

c) €2,543 million in undrawn committed lines of credit.

As at 31 December 2016, the Group has lines of credit with a weighted average residual term to maturity of approximately seven years and a weighted average residual drawdown period of approximately three years. The Group’s net debt, as defined in the European Securities and Market Authority – ESMA (formerly CESR) Recommendation of 20 March 2013 (which does not permit the deduction of non-current financial assets from debt), amounts to €13,914 million as at 31 December 2016, compared with €12,168 million as at 31 December 2015.
Consolidated cash flow

“Net cash from operating activities” amounts to €2,362 million for 2016, marking an increase of €151 million on 2015 (€2,211 million). This reflects a combination of the following:

a) an increase of €295 million in operating cash flow compared with 2015, which was impacted by the financial expenses incurred on the partial buyback of bonds issued by Atlantia and the purchase of notes issued by Romulus. On a like-for-like basis, operating cash flow amounts to €2,361 million, marking an increase of €93 million (4%) on 2015, primarily due to an increase in cash from operating activities (EBITDA), after the related current tax expense;

b) the outflow of €38 million generated by the change in operating capital and other changes in non-financial assets and liabilities in 2016, compared with the €106 million generated in 2015, which benefitted from the collection of compensation paid by the French government following early termination of the “EcoTaxe” project.

“Cash used for investment in non-financial assets” amounts to €2,963 million, up €1,319 million compared with the outflow in 2015 (€1,644 million). This primarily reflects:

a) the cash used for the acquisition of ACA, amounting to €1,396 million, including net debt assumed, and the acquisition of a further stake in Aeroporti di Roma (€29 million);

b) purchases of investments, totalling €190 million, essentially the acquisition of a 22.09% interest in SAVE, the company that holds the concession to operate the airports of Venice and Treviso. It should be noted that, in 2015, cash of €274 million, including net debt assumed, was used to acquire a controlling interest in SAT, completed in September 2015.

“Net equity cash outflows” amount to €733 million, mainly reflecting the final dividends payable to owners of the parent and non-controlling shareholders, totalling €784 million, and the cost of purchasing treasury shares, totalling €77 million, partially offset by non-controlling shareholder contributions paid into Azzurra Aeroporti, which has acquired control of ACA. The figure for 2015 benefitted from the proceeds (€228 million) from Atlantia’s sale of treasury shares in the market.

There was also a further reduction of €44 million in net debt in 2016 (€67 million in 2015). This reflects income accounted for as an increase in non-current financial assets, essentially consisting of the medium/long-term receivable, in the form of convertible bonds, due from Infra Bertin Empreendimentos, which controls the project company, SPMAR, partially offset by an increase in fair value losses on derivative financial instruments, reflecting a reduction in interest rates in 2016.

The overall impact of the above cash flows has resulted in an increase in net debt of €1,290 million, compared with a decrease of €141 million in 2015.
Statement of changes in consolidated net debt(*)

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES</strong></td>
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</tr>
<tr>
<td>Profit for the year</td>
<td>1,238</td>
<td>975</td>
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<tr>
<td>Adjusted by:</td>
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<td></td>
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<tr>
<td>Amortisation and depreciation</td>
<td>955</td>
<td>917</td>
</tr>
<tr>
<td>Operating change in provisions, after use of provisions for refurbishment of airport infrastructure</td>
<td>137</td>
<td>85</td>
</tr>
<tr>
<td>Financial expenses from discounting of provisions for construction services required by contract and other provisions</td>
<td>65</td>
<td>56</td>
</tr>
<tr>
<td>Impairment losses/(Reversal of impairment losses) on financial assets and investments accounted for at cost or fair value</td>
<td>-11</td>
<td>36</td>
</tr>
<tr>
<td>Share of (profit)/loss of investees accounted for using the equity method</td>
<td>7</td>
<td>18</td>
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<tr>
<td>Impairment losses/(Reversal of impairment losses) and adjustments of current and non-current assets</td>
<td>-24</td>
<td>1</td>
</tr>
<tr>
<td>(Gains)/Losses on sale of non-current assets</td>
<td>-1</td>
<td>-</td>
</tr>
<tr>
<td>Net change in deferred tax (assets)/liabilities through profit or loss</td>
<td>111</td>
<td>21</td>
</tr>
<tr>
<td>Other non-cash costs (income)</td>
<td>-77</td>
<td>-4</td>
</tr>
<tr>
<td><strong>Operating cash flow</strong></td>
<td>2,400</td>
<td>2,105</td>
</tr>
<tr>
<td>Change in operating capital</td>
<td>-126</td>
<td>77</td>
</tr>
<tr>
<td>Other changes in non-financial assets and liabilities</td>
<td>88</td>
<td>29</td>
</tr>
<tr>
<td><strong>Net cash generated from/(used in) operating activities (A)</strong></td>
<td>2,382</td>
<td>2,211</td>
</tr>
<tr>
<td><strong>NET CASH FROM/(USED IN) INVESTMENT IN NON-FINANCIAL ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment in assets held under concession</td>
<td>-1,263</td>
<td>-1,352</td>
</tr>
<tr>
<td>Purchases of property, plant and equipment</td>
<td>-113</td>
<td>-96</td>
</tr>
<tr>
<td>Purchases of other intangible assets</td>
<td>-46</td>
<td>-40</td>
</tr>
<tr>
<td><strong>Capital expenditure</strong></td>
<td>-1,422</td>
<td>-1,488</td>
</tr>
<tr>
<td>Government grants related to assets held under concession</td>
<td>6</td>
<td>56</td>
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<tr>
<td>Increase in financial assets deriving from concession rights (related to capital expenditure)</td>
<td>76</td>
<td>95</td>
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<tr>
<td>Purchase of investments</td>
<td>-190</td>
<td>-18</td>
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<tr>
<td>Purchase of consolidated companies, including net debt assumed</td>
<td>-1,425</td>
<td>-274</td>
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<td>Proceeds from sales of property, plant and equipment, intangible assets and unconsolidated investments</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>Net change in other non-current assets</td>
<td>-13</td>
<td>-18</td>
</tr>
<tr>
<td><strong>Net cash from/(used in) investment in non-financial assets (B)</strong></td>
<td>-2,963</td>
<td>-1,644</td>
</tr>
<tr>
<td><strong>NET EQUITY CASH INFLows/(OUTFlows)</strong></td>
<td></td>
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<tr>
<td>(Purchase)/Sale of treasury shares</td>
<td>-77</td>
<td>228</td>
</tr>
<tr>
<td>Dividends declared by Group companies</td>
<td>-784</td>
<td>-724</td>
</tr>
<tr>
<td>Contributions from non-controlling shareholders</td>
<td>130</td>
<td>-</td>
</tr>
<tr>
<td>Proceeds from exercise of rights under share-based incentive plans</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Return of capital to non-controlling shareholders</td>
<td>-6</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net equity cash inflows/(outflows) (C)</strong></td>
<td>-733</td>
<td>-492</td>
</tr>
<tr>
<td>Increase/(Decrease) in cash and cash equivalents during period (A+B+C)</td>
<td>-1,334</td>
<td>74</td>
</tr>
<tr>
<td>Change in fair value of hedging derivatives</td>
<td>-46</td>
<td>14</td>
</tr>
<tr>
<td>Financial income/(expenses) accounted for as an increase in financial assets/(liabilities)</td>
<td>58</td>
<td>33</td>
</tr>
<tr>
<td>Effect of foreign exchange rate movements on net debt and other changes</td>
<td>32</td>
<td>20</td>
</tr>
<tr>
<td>Other changes in net debt (D)</td>
<td>44</td>
<td>67</td>
</tr>
<tr>
<td><strong>Decrease/(Increase) in net debt for year (A+B+C+D)</strong></td>
<td>-1,290</td>
<td>141</td>
</tr>
<tr>
<td>Net debt at beginning of year</td>
<td>-10,387</td>
<td>-10,528</td>
</tr>
<tr>
<td>Net debt at end of year</td>
<td>-11,677</td>
<td>-10,387</td>
</tr>
</tbody>
</table>

(*) The reconciliation with the reported amounts in the consolidated statement of cash flows is provided in the section, "Reconciliation of the reclassified and reported financial statements".
Reconciliation of the reclassified and reported financial statements

Reconciliations of the reclassified financial statements presented above with the matching income statement, statement of financial position and statement of cash flows, as prepared under international financial reporting standards (IAS/IFRS), are included below.
## Reconciliation of the consolidated income statement with the reclassified consolidated income statement

<table>
<thead>
<tr>
<th>Reporting basis</th>
<th>Reclassified basis</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total revenue</strong></td>
<td>4,185</td>
</tr>
<tr>
<td><strong>Raw and contractable revenue</strong></td>
<td>-284</td>
</tr>
<tr>
<td><strong>Revenue from services</strong></td>
<td>-1,775</td>
</tr>
<tr>
<td><strong>Other operating costs</strong></td>
<td>-858</td>
</tr>
<tr>
<td><strong>Provisions for impairment</strong></td>
<td>(1)</td>
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<tr>
<td><strong>Provisions for restructuring of airport infrastructure</strong></td>
<td>-84</td>
</tr>
<tr>
<td><strong>Other provisions</strong></td>
<td>-25</td>
</tr>
<tr>
<td><strong>Total operating costs</strong></td>
<td>-2,720</td>
</tr>
<tr>
<td><strong>Gross operating profit (EBITDA)</strong></td>
<td>2,165</td>
</tr>
<tr>
<td><strong>Operating change in provisions and other adjustments</strong></td>
<td>-107</td>
</tr>
<tr>
<td><strong>Operating profit/(loss) from discontinued operations</strong></td>
<td>76</td>
</tr>
<tr>
<td><strong>Profit/(loss) from continuing operations</strong></td>
<td>-359</td>
</tr>
<tr>
<td><strong>Share of profit/(loss) of investees accounted for using the equity method</strong></td>
<td>-363</td>
</tr>
<tr>
<td><strong>Recontribution of contributions to investment funds</strong></td>
<td>15</td>
</tr>
<tr>
<td><strong>Income tax (expense)/benefit</strong></td>
<td>-53</td>
</tr>
<tr>
<td><strong>Profit/(Loss) from continuing operations</strong></td>
<td>-314</td>
</tr>
<tr>
<td><strong>Profit/(Loss) attributable to owners of the parent</strong></td>
<td>-266</td>
</tr>
<tr>
<td><strong>Profit attributable to owners of the parent of which:</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Profit attributable to non-controlling interests</strong></td>
<td>116</td>
</tr>
<tr>
<td><strong>Profit attributable to owners of the parent</strong></td>
<td>122</td>
</tr>
</tbody>
</table>

### Financial Income/Expense

- **Financial income**
  - 122
- **Foreign exchange gains/(losses)**
  - 8
- **Other financial expenses, after other financial income**
  - 2
- **Other operating income**
  - 3
- **Revenue from construction services**
  - 2,320

### Other financial expenses and income

- **Dividends received from investees**
  - 24
- **Other provisions**
  - 1
- **Other financial expenses and income**
  - 32
- **Capitalised financial expenses on intangible assets other than concession rights**
  - 0

### Financial income/(expense)

- **Financial income**
  - 1,778
- **Other financial expenses and income**
  - 1,348

### Share of profit/(loss) of investees accounted for using the equity method

- **Profit/loss before tax from discontinued operations**
  - 1,718
- **Income tax (expense)/benefit**
  - 833
- **Profit/(Loss) from continuing operations**
  - 1,286
- **Profit for the year**
  - 1,286

### Revenue from construction services

- **Revenue from construction services**
  - 3,598

### Capitalised staff costs - construction services for which no additional economic benefits are received

- **Capitalised staff costs - construction services**
  - 3,378

### Other operating costs

- **Gain/(Loss) on sale of elements of property, plant and equipment**
  - 9
- **Concession fees**
  - 38

### Capitalised staff costs - construction services for which additional economic benefits are received

- **Capitalised staff costs - construction services**
  - 373

### Reconciliation of items

- **Revenue from construction services**
  - 3,598

### Staff costs

- **Compensation of employees**
  - 890
- **Use of provisions for construction services required by contract**
  - (8)
- **Use of provisions for refurbishment of airport infrastructure**
  - (8)
- **Use of provisions for revaluation of impairment losses on current assets**
  - (8)

### Amortisation of intangible assets deriving from concession rights

- **Amortisation of intangible assets deriving from concession rights**
  - 34

### Operating change in provisions

- **Operating change in provisions**
  - 25

### Operating profit/(loss)

- **Operating profit/(loss) before tax**
  - 1,718
- **Operating profit/(loss)**
  - 1,348
Reconciliation of the consolidated statement of financial position with the reclassified consolidated statement of financial position

<table>
<thead>
<tr>
<th>Reconciliation of items</th>
<th>Reported basis</th>
<th>Main entries</th>
<th>Reclassified basis</th>
<th>Main entries</th>
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<tbody>
<tr>
<td></td>
<td>Ref.</td>
<td>€M</td>
<td>Ref.</td>
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<td>Property, plant and equipment</td>
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<td>Intangible assets</td>
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<td>Investments</td>
<td>c) 291</td>
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<td>Deferred tax assets</td>
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<td>Other non-current assets</td>
<td>e) 30</td>
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<td>Total non-current non-financial assets (A)</td>
<td></td>
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<tr>
<td>Working capital</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Trading assets</td>
<td>(f) 1,672</td>
<td>1,672</td>
<td>(f) 1,409</td>
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<td>137</td>
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<td>(k) -30</td>
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<td>(m) -497</td>
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<td>Non-financial liabilities related to discontinued operations</td>
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<tr>
<td>Total working capital (B)</td>
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<td>-3,369</td>
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<td>Gross invested capital (C+D)</td>
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<td>25,940</td>
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<td>Non-current non-financial liabilities</td>
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<td></td>
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<td></td>
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<td>Non-current portion of provisions for construction services required by contract</td>
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<td>Net invested capital (E=C+D)</td>
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<td>Total equity (F)</td>
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<td>Net debt</td>
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<td>Non-current net debt</td>
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<td></td>
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<td>Current financial liabilities</td>
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<td>(t) 1,939</td>
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<td>1,659</td>
<td>236</td>
<td>236</td>
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<td>Current derivative liabilities</td>
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<td>26</td>
<td>7</td>
<td>7</td>
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<td>Intercompany current account payables due to related parties</td>
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<td>Current portion of medium-term borrowings</td>
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<td>1,669</td>
<td>1,669</td>
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<td>13</td>
<td>13</td>
<td>13</td>
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<tr>
<td>Current financial liabilities related to discontinued operations</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
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<td>-2,997</td>
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<td>-707</td>
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<tr>
<td>Cash and cash equivalents related to discontinued operations</td>
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<td></td>
<td></td>
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<tr>
<td>Current financial assets</td>
<td>(v) -770</td>
<td>-770</td>
<td>(v) -818</td>
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<td>Current financial assets deriving from concession rights</td>
<td>441</td>
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<td>Current financial assets deriving from government grants</td>
<td>84</td>
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<td>Current term deposits</td>
<td>144</td>
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<td>-102</td>
<td>-102</td>
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<tr>
<td>Current derivative assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Current portion of other medium/long-term financial assets</td>
<td>66</td>
<td>66</td>
<td>-69</td>
<td>-69</td>
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<tr>
<td>Other current financial assets</td>
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<td>Financial assets held for sale or related to discontinued operations</td>
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<td></td>
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<tr>
<td>Total current net debt (H)</td>
<td></td>
<td>-1,876</td>
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<tr>
<td>Total net debt (H+I)</td>
<td>11,877</td>
<td>10,287</td>
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<tr>
<td>Net debt and equity (L=F+I)</td>
<td>21,686</td>
<td>18,870</td>
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<td></td>
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<td>Assets held for sale or related to discontinued operations</td>
<td>(v+aa) 17</td>
<td>17</td>
<td>(a+b+c+d+e+s) 85</td>
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<tr>
<td>Liabilities related to discontinued operations</td>
<td>(x+kk) 6</td>
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<td>(x+kk) 0</td>
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<tr>
<td>TOTAL NON-CURRENT ASSETS</td>
<td>32,856</td>
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<tr>
<td>TOTAL CURRENT ASSETS</td>
<td>5,146</td>
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<tr>
<td>TOTAL NON-CURRENT LIABILITIES</td>
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<td>20,714</td>
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<tr>
<td>TOTAL CURRENT LIABILITIES</td>
<td>6,587</td>
<td>4,924</td>
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</table>

2. Report on operations
## Reconciliation of the statement of changes in consolidated net debt and the consolidated statement of cash flows

### 2016

<table>
<thead>
<tr>
<th>Description</th>
<th>2016</th>
<th>2015</th>
<th>Changes in Consolidated Net Debt</th>
<th>Change in Consolidated Net Debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase/(Decrease) in Cash and Cash Equivalents</td>
<td>2,211</td>
<td>2,233</td>
<td>2,211</td>
<td>2,233</td>
</tr>
<tr>
<td>Increase/(Decrease) in Short-term Borrowings</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase/(Decrease) in Issuance of Bonds</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in Cash and Cash Equivalents through Profit or Loss</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase/(Decrease) in Net Debt</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase/(Decrease) in Consolidated Net Debt</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 2015

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
<th>Changes in Consolidated Net Debt</th>
<th>Change in Consolidated Net Debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase/(Decrease) in Cash and Cash Equivalents</td>
<td>2,960</td>
<td>2,960</td>
<td>2,960</td>
<td>2,960</td>
</tr>
<tr>
<td>Increase/(Decrease) in Short-term Borrowings</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase/(Decrease) in Issuance of Bonds</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in Cash and Cash Equivalents through Profit or Loss</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase/(Decrease) in Net Debt</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase/(Decrease) in Consolidated Net Debt</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Notes

- **Note (a)**
  - Increase in cash and cash equivalents through profit or loss

- **Note (b)**
  - Other cash and cash equivalents

- **Note (c)**
  - Change in fair value of hedging derivatives

- **Note (d)**
  - Net cash generated from/(used in) operating activities

- **Note (e)**
  - Change in operating capital

- **Note (f)**
  - Other changes in non-current assets and liabilities

- **Note (g)**
  - Share of (profit)/loss of investees accounted for using the equity method

- **Note (h)**
  - Reversal of impairment losses on financial assets and investments accounted for at cost or fair value

- **Note (i)**
  - Reversal of impairment losses on non-financial assets and investments accounted for at cost or fair value

- **Note (j)**
  - Reversal of impairment losses on financial assets and investments accounted for at fair value

- **Note (k)**
  - Purchase of notes issued by Romulus Finance

- **Note (l)**
  - Purchase of bonds issued by Atlantia

### Reconciliation of the Statement of Cash Flows

<table>
<thead>
<tr>
<th>Description</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
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<td>2,211</td>
<td>2,233</td>
</tr>
<tr>
<td>Increase/(Decrease) in Consolidated Net Debt</td>
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</tr>
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</table>

### Consolidated Statement of Cash Flows

<table>
<thead>
<tr>
<th>Description</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase/(Decrease) in Net Debt</td>
<td>2,211</td>
<td>2,233</td>
</tr>
<tr>
<td>Increase/(Decrease) in Consolidated Net Debt</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Notes

- **Note (a)**
  - Increase in cash and cash equivalents through profit or loss

- **Note (b)**
  - Other cash and cash equivalents

- **Note (c)**
  - Change in fair value of hedging derivatives

- **Note (d)**
  - Net cash generated from/(used in) operating activities

- **Note (e)**
  - Change in operating capital

- **Note (f)**
  - Other changes in non-current assets and liabilities

- **Note (g)**
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  - Reversal of impairment losses on financial assets and investments accounted for at cost or fair value

- **Note (i)**
  - Reversal of impairment losses on non-financial assets and investments accounted for at cost or fair value

- **Note (j)**
  - Reversal of impairment losses on financial assets and investments accounted for at fair value

- **Note (k)**
  - Purchase of notes issued by Romulus Finance

- **Note (l)**
  - Purchase of bonds issued by Atlantia
2. Report on operations

Notes:

a) the “Change in operating capital” shows the change in trade-related items directly linked to the Group’s ordinary activities (in particular: inventories, trading assets and trading liabilities);

b) the “Change in other non-financial assets and liabilities” shows the change in items of a non-trading nature (in particular: current tax assets and liabilities, other current assets and liabilities, current provisions for construction services required by contract and other provisions);

c) “Cost of acquisitions” shows the cost incurred for investments in consolidated companies;

d) “Cash and cash equivalents acquired” includes the cash acquired as a result of the acquisition of companies;

e) the “Net financial liabilities assumed, excluding cash and cash equivalents acquired” include the net debt assumed as a result of the acquisition of companies;

f) the “Net change in current and non-current financial assets” is not shown in the “Statement of changes in consolidated net debt”, as it does not have an impact on net debt;

g) “Net cash from/(used in) investment in non-financial assets” excludes changes in the financial assets and liabilities referred to in note f) that do not have an impact on net debt;

h) “Dividends declared by Group companies” regard the portion of dividends declared by the Parent Company and other Group companies attributable to non-controlling interests, regardless of the reporting period in which they are paid;

i) “Dividends paid” refer to amounts effectively paid during the reporting period;

j) the amount represents the change in the fair value of cash flow hedges, before the related taxation, as shown in “Fair value gains/(losses) on cash flow hedges” in the consolidated statement of comprehensive income;

k) this item essentially includes financial income and expenses in the form of interest linked to loans requiring the repayment of principal and interest accrued at maturity; the financial assets are described in note 7.4 and the financial liabilities are described in note 7.15 in the consolidated financial statements;

l) this item essentially includes the impact of exchange rate movements on financial assets (including cash and cash equivalents) and financial liabilities denominated in currencies other than the euro held by Group companies.
Adjusted consolidated results of operations and financial position and reconciliation with reported consolidated amounts

The following section presents a number of (“adjusted”) alternative performance indicators, calculated by stripping out, from the corresponding reported amounts in the reclassified consolidated income statement and the reclassified consolidated statement of financial position, the impact of application of the “financial model”, introduced by IFRIC 12, by the Group’s operators who have adopted this model. The following statement presents adjustments to gross operating profit (EBITDA), operating cash flow and net debt deriving from the specific nature of concession arrangements entered into with the grantors of the concessions held by certain Chilean operators, under which the operators have an unconditional right to receive contractually guaranteed cash payments regardless of the extent to which the public uses the service. This right is accounted for in “financial assets deriving from concession rights” in the statement of financial position. The adjusted alternative performance indicators are presented with the sole aim of enabling analysts and the rating agencies to assess the Group’s results of operations and financial position using the basis of presentation normally adopted by them.

The adjustments applied to the alternative performance indicators based on reported amounts regard:

a) an increase in revenue to take account of the reduction (following collection) in financial assets accounted for in the statement of financial position, as a result of guaranteed minimum toll revenue;

b) an increase in revenue, corresponding to the portion of government grants accrued in relation to motorway maintenance and accounted for, in the statement of financial position, as a reduction in financial assets deriving from grants for investment in motorway infrastructure and attributable to the Chilean operator, Los Lagos;

c) an increase in revenue, corresponding to the accrued portion of government grants collected (in previous years) in relation to investment in motorway infrastructure and accounted for, in the statement of financial position, as a reduction in financial assets deriving from grants for investment in motorway infrastructure;

d) the reversal of financial income deriving from the discounting to present value of financial assets deriving from concession rights (relating to guaranteed minimum revenue) and government grants for motorway maintenance, accounted for in financial income in the income statement;

e) the elimination of financial assets recognised, in the statement of financial position, in application of the “financial model” introduced by IFRIC 12 (takeover rights, guaranteed minimum revenue and government grants for motorway maintenance).
## Reconciliation of adjusted and reported consolidated amounts

### 2016

<table>
<thead>
<tr>
<th></th>
<th>€M</th>
<th>EBITDA</th>
<th>Operating cash flow</th>
<th>€M</th>
<th>EBITDA</th>
<th>Operating cash flow</th>
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<tr>
<td>Reported amounts</td>
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<td>2,400</td>
<td></td>
<td>3,215</td>
<td>2,105</td>
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<tr>
<td>Increase in revenue for guaranteed minimum revenue</td>
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<td>74</td>
<td>70</td>
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<tr>
<td>Grants for motorway maintenance</td>
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<td>15</td>
<td>15</td>
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</tr>
</tbody>
</table>

Reversal of financial income deriving from discounting of financial assets deriving from concession rights (guaranteed minimums) -45 -46

Reversal of financial income deriving from discounting of financial assets deriving from government grants for motorway maintenance -7 -7

Total adjustments 91 39 86 33

Adjusted amounts 3,469 2,439 3,301 2,138

### 2015

<table>
<thead>
<tr>
<th></th>
<th>€M</th>
<th>EBITDA</th>
<th>Operating cash flow</th>
<th>€M</th>
<th>EBITDA</th>
<th>Operating cash flow</th>
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<tbody>
<tr>
<td>Reported amounts</td>
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<td>11,490</td>
<td></td>
<td>11,677</td>
<td>10,387</td>
<td></td>
</tr>
<tr>
<td>Reversal of financial assets deriving from takeover rights</td>
<td>398</td>
<td></td>
<td>403</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reversal of financial assets deriving from guaranteed minimum revenue</td>
<td>656</td>
<td>610</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reversal of financial assets deriving from grants for motorway maintenance</td>
<td>92</td>
<td>90</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total adjustments 1,146 1,103

Adjusted amounts 12,823 11,480
Simulation of the accounting effects of amortisation of goodwill recognised in consolidated assets

The consolidated statement of financial position as at 31 December 2016 reports goodwill of €4,383 million recognised following the acquisition, in 2003, of the majority shareholding in the former Autostrade – Concessioni e Costruzioni Autostrade SpA.
This amount, determined on the basis of Italian GAAP at that time applied by the Group, coincides with the resulting net carrying amount as at 1 January 2004, having opted, on transition to IFRS, to not retrospectively apply IFRS 3 – Business Combinations to acquisitions prior to 1 January 2004, in accordance with the exemption provided for in IFRS 1 – First-time Adoption of IFRS.

This goodwill has been allocated in full to the Autostrade per l’Italia Cash Generating Unit (CGU). From 2004, therefore, this goodwill is not systematically amortised, despite referring to activities with a determinate life, but is tested for impairment at least annually, in accordance with the requirements of IAS 36 – Impairment of Assets, in order to verify its recoverability. The impairment tests conducted until 2016 have, by estimating the related value in use, always confirmed, the recoverability of goodwill, the carrying amount of which has thus remained unchanged since 1 January 2004.

Taking into account the fact that Autostrade per l’Italia’s concession term expires on 31 December 2038, for the sole purpose of showing the theoretical impact on the consolidated result for the year, and on consolidated equity as at 31 December 2016, of the simulation of straight-line amortisation of goodwill from 1 January 2016 until the end of the concession term (a total of 23 years), the following reclassified consolidated income statement and statement of financial position show amounts adjusted for amortisation of goodwill. The goodwill accounted for in consolidated assets is not relevant for tax purposes and the simulation conducted does not, therefore, result in deferred taxation.
## 2. Report on operations

Reclassified consolidated income statement adjusted for goodwill amortisation

<table>
<thead>
<tr>
<th>€M</th>
<th>2016 REPORTED AMOUNTS</th>
<th>GOODWILL AMORTISATION</th>
<th>2016 ADJUSTED AMOUNTS (POST-SIMULATION)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Toll revenue</td>
<td>4,009</td>
<td>4,009</td>
<td></td>
</tr>
<tr>
<td>Aviation revenue</td>
<td>636</td>
<td>636</td>
<td></td>
</tr>
<tr>
<td>Contract revenue</td>
<td>54</td>
<td>54</td>
<td></td>
</tr>
<tr>
<td>Other operating income</td>
<td>785</td>
<td>785</td>
<td></td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td><strong>5,484</strong></td>
<td><strong>5,484</strong></td>
<td></td>
</tr>
<tr>
<td>Cost of materials and external services</td>
<td>-799</td>
<td>-799</td>
<td></td>
</tr>
<tr>
<td>Concession fees</td>
<td>-495</td>
<td>-495</td>
<td></td>
</tr>
<tr>
<td>Staff costs</td>
<td>-911</td>
<td>-911</td>
<td></td>
</tr>
<tr>
<td>Capitalised staff costs</td>
<td>99</td>
<td>99</td>
<td></td>
</tr>
<tr>
<td><strong>Total net operating costs</strong></td>
<td><strong>-2,106</strong></td>
<td><strong>-2,106</strong></td>
<td></td>
</tr>
<tr>
<td>Gross operating profit (EBITDA)</td>
<td><strong>3,378</strong></td>
<td><strong>3,378</strong></td>
<td></td>
</tr>
<tr>
<td>Amortisation, depreciation, impairment losses and reversals of impairment losses</td>
<td>-956</td>
<td>-183</td>
<td>-1,139</td>
</tr>
<tr>
<td>Provisions and other adjustments</td>
<td>-107</td>
<td>-107</td>
<td></td>
</tr>
<tr>
<td><strong>Operating profit (EBIT)</strong></td>
<td><strong>2,315</strong></td>
<td><strong>2,132</strong></td>
<td></td>
</tr>
<tr>
<td>Financial income accounted for as an increase in financial assets deriving from concession rights and government grants</td>
<td>67</td>
<td>67</td>
<td></td>
</tr>
<tr>
<td>Financial expenses from discounting of provisions for construction services required by contract and other provisions</td>
<td>-65</td>
<td>-65</td>
<td></td>
</tr>
<tr>
<td>Other financial income/(expenses)</td>
<td>-539</td>
<td>-539</td>
<td></td>
</tr>
<tr>
<td>Capitalised financial expenses</td>
<td>5</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Share of profit/(loss) of associates and joint ventures accounted for using the equity method</td>
<td>-7</td>
<td>-7</td>
<td></td>
</tr>
<tr>
<td><strong>Profit/(Loss) before tax from continuing operations</strong></td>
<td><strong>1,776</strong></td>
<td><strong>1,593</strong></td>
<td></td>
</tr>
<tr>
<td>Income tax (expense)/benefit</td>
<td>-533</td>
<td>-533</td>
<td></td>
</tr>
<tr>
<td><strong>Profit/(Loss) from continuing operations</strong></td>
<td><strong>1,243</strong></td>
<td><strong>1,060</strong></td>
<td></td>
</tr>
<tr>
<td>Profit/(Loss) from discontinued operations</td>
<td>-5</td>
<td>-5</td>
<td></td>
</tr>
<tr>
<td><strong>Profit for the year</strong></td>
<td><strong>1,238</strong></td>
<td><strong>1,055</strong></td>
<td></td>
</tr>
<tr>
<td>(Profit)/Loss attributable to non-controlling interests</td>
<td>116</td>
<td>116</td>
<td></td>
</tr>
<tr>
<td><strong>(Profit)/Loss attributable to owners of the parent</strong></td>
<td><strong>1,122</strong></td>
<td><strong>939</strong></td>
<td></td>
</tr>
</tbody>
</table>
Reclassified consolidated statement of financial position adjusted for goodwill amortisation

<table>
<thead>
<tr>
<th>€M</th>
<th>31 December 2016</th>
<th>GOODWILL AMORTISATION</th>
<th>2016 ADJUSTED AMOUNTS (POST-SIMULATION)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-current non-financial assets (A)</td>
<td>30,398</td>
<td>-183</td>
<td>30,215</td>
</tr>
<tr>
<td>Working capital (B)</td>
<td>-1,329</td>
<td></td>
<td>-1,329</td>
</tr>
<tr>
<td>Gross invested capital (C=A+B)</td>
<td>29,069</td>
<td>-183</td>
<td>28,886</td>
</tr>
<tr>
<td>Non-current non-financial liabilities (D)</td>
<td>-7,383</td>
<td></td>
<td>-7,383</td>
</tr>
<tr>
<td>NET INVESTED CAPITAL (E=C+D)</td>
<td>21,686</td>
<td>-183</td>
<td>21,503</td>
</tr>
<tr>
<td>Equity</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity attributable to owners of the parent</td>
<td>7,224</td>
<td>-183</td>
<td>7,041</td>
</tr>
<tr>
<td>Equity attributable to non-controlling interests</td>
<td>2,785</td>
<td></td>
<td>2,785</td>
</tr>
<tr>
<td>Equity (F)</td>
<td>10,009</td>
<td>-183</td>
<td>9,826</td>
</tr>
<tr>
<td>Non-current net debt (G)</td>
<td>12,595</td>
<td></td>
<td>12,595</td>
</tr>
<tr>
<td>Current net debt (H)</td>
<td>-918</td>
<td></td>
<td>-918</td>
</tr>
<tr>
<td>Net debt (I=G+H)</td>
<td>11,677</td>
<td></td>
<td>11,677</td>
</tr>
<tr>
<td>NET DEBT AND EQUITY (L=F+I)</td>
<td>21,686</td>
<td>-183</td>
<td>21,503</td>
</tr>
</tbody>
</table>
Financial review for Atlantia SpA

Introduction

This financial review includes and analyses the reclassified income statement, statement of comprehensive income, statement of changes in equity and statement of changes in net debt of Atlantia SpA (the “company”) for the year ended 31 December 2016, in which amounts are compared with those of the previous year. The review also includes and analyses the reclassified statement of financial position as at 31 December 2016, compared with comparative amounts as at 31 December 2015.

The accounting standards applied during preparation of the accounts for the year ended 31 December 2016 are consistent with those adopted for the financial statements for the year ended 31 December 2015, in that the amendments to existing standards that have come into effect since 1 January 2016 have not had a material impact on the accounts.

As a result of the Group restructuring begun in 2016, Atlantia directly controls Telepass and Stalexport Autostrady, following the completion, at the end of the year, of acquisition of the respective controlling interests. Further details are provided in note 4.1 “Group restructuring” in the section “Financial statements as at and for the year ended 31 December 2016: financial statements and notes”.

With regard to non-recurring transactions, an issuer substitution was completed on 22 December 2016. This has resulted in Autostrade per l’Italia taking the Company’s place as the issuer of bonds subscribed by institutional investors and in derivative contracts entered into by the latter, although this has not had a material impact on the Company’s operating results or financial position. Further details are provided in note 6.9 “Material non-recurring transactions” in the section “Financial statements as at and for the year ended 31 December 2016: financial statements and notes”, which also describes the impact of non-recurring transactions in 2015.

The Company did not enter into atypical or unusual transactions during the two comparative periods, either with third or related parties.

The reclassified financial statements presented and analysed below have not been audited. The reconciliation with the corresponding financial statements on a reported basis is provided in the “Reconciliation of the reclassified and reported financial statements”.
Results of operations

“Operating revenue” for 2016 amounts to €2 million, in line with the figure for 2015 and primarily consisting of rental income and cost recoveries from subsidiaries.

“Net operating costs” amount to €38 million for 2016, up €6 million on 2015 (€32 million), entirely with regard to staff costs, reflecting an increase in the average cost and in the average workforce, as well as one-off payments for early retirement incentives.

The “Gross operating loss” (negative EBITDA) amounts to €36 million (a loss of €30 million in 2015).

“Dividends received from investee companies”, totalling €980 million, are up €186 million on the figure for 2015 (€794 million), mainly due to increases in the dividends declared by Autostrade per l’Italia (€104 million) and Aeroporti di Roma (€70 million).

“Impairment losses on investments” amount to €31 million in 2016 (€36 million in 2015). This relates to impairment losses on the investments in Pavimental (€21 million) and Compagnia Aerea Italiana (€10 million), whilst the figure for 2015 entirely regarded Compagnia Aerea Italiana.

“Net other financial income” of €6 million in 2016 is down 3 million compared with 2015 (€9 million).

The “Income tax benefit” of €1 million in 2016 compares with income tax expense of €3 million in 2015. The change essentially reflects a combination of the following:

a) an increase in the positive effects recognised in the Company’s tax return in relation to taxation for previous years (€6 million), primarily due to recognition, in 2016, of the tax deductibility (€4 million) of impairment losses on financial receivables recognised in 2014;

b) the positive impact resulting from the reassessment of net deferred tax income and expense, amounting to €2 thousand, following the reduction in the IRES (corporation tax) rate from 2017, introduced by the 2016 Stability Law (Law 208/2015).

“Profit for the year” thus amounts to €919 million for 2016, up €186 million on the figure for 2015 (€733 million).
2. Report on operations

Reclassified income statement (*)

<table>
<thead>
<tr>
<th>€M</th>
<th>2016</th>
<th>2015</th>
<th>INCREASE/ (DECREASE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenue</td>
<td>2</td>
<td>2</td>
<td>-</td>
</tr>
<tr>
<td>Total operating revenue</td>
<td>2</td>
<td>2</td>
<td>-</td>
</tr>
<tr>
<td>Cost of materials and external services</td>
<td>-17</td>
<td>-17</td>
<td>-</td>
</tr>
<tr>
<td>Staff costs</td>
<td>-21</td>
<td>-15</td>
<td>-6</td>
</tr>
<tr>
<td>Total net operating costs</td>
<td>-38</td>
<td>-32</td>
<td>-6 19</td>
</tr>
<tr>
<td>Gross operating loss (EBITDA)</td>
<td>-36</td>
<td>-30</td>
<td>-6 20</td>
</tr>
<tr>
<td>Amortisation, depreciation, impairment losses and reversals of impairment losses</td>
<td>-1</td>
<td>-1</td>
<td>-</td>
</tr>
<tr>
<td>Operating loss (EBIT)</td>
<td>-37</td>
<td>-31</td>
<td>-6 19</td>
</tr>
<tr>
<td>Dividends received from investees</td>
<td>980</td>
<td>794</td>
<td>186 23</td>
</tr>
<tr>
<td>Impairment losses on investments</td>
<td>-31</td>
<td>-36</td>
<td>5 -14</td>
</tr>
<tr>
<td>Other financial income/(expenses)</td>
<td>6</td>
<td>9</td>
<td>-3 -33</td>
</tr>
<tr>
<td>Profit before tax from continuing operations</td>
<td>918</td>
<td>736</td>
<td>182 25</td>
</tr>
<tr>
<td>Income tax (expense)/benefit</td>
<td>1</td>
<td>-3</td>
<td>4 n.s.</td>
</tr>
<tr>
<td>Profit from continuing operations</td>
<td>919</td>
<td>733</td>
<td>186 25</td>
</tr>
<tr>
<td>Profit/(Loss) from discontinued operations</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Profit for the year</td>
<td>919</td>
<td>733</td>
<td>186 25</td>
</tr>
</tbody>
</table>

(*) The reconciliation with reported amounts in the income statement is provided in the section, “Reconciliation of the reclassified and reported financial statements”.

Statement of comprehensive income

<table>
<thead>
<tr>
<th>€M</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit for the year (A)</td>
<td>919</td>
<td>733</td>
</tr>
<tr>
<td>Fair value gains/(losses) on cash flow hedges</td>
<td>-3</td>
<td>-6</td>
</tr>
<tr>
<td>Tax effect of fair value gains/(losses) on cash flow hedges</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Deferred tax effect of issuer substitution of cash flow hedges</td>
<td>22</td>
<td>-</td>
</tr>
<tr>
<td>Other comprehensive income/(loss) for the year reclassifiable to profit or loss (B)</td>
<td>20</td>
<td>-1</td>
</tr>
<tr>
<td>Reclassification of the cash flow hedge reserve arising from issuer substitution</td>
<td>-71</td>
<td>-</td>
</tr>
<tr>
<td>Reclassifications of other components of comprehensive income to profit or loss for the year (C)</td>
<td>-71</td>
<td>-</td>
</tr>
<tr>
<td>Total other comprehensive income/(loss) for the year (D=A+B+C)</td>
<td>-51</td>
<td>-1</td>
</tr>
<tr>
<td>Comprehensive income for the year (A+D)</td>
<td>868</td>
<td>732</td>
</tr>
</tbody>
</table>
The “Total other comprehensive loss for the year” relates solely, in both comparative periods, to fair value losses, after the related taxation, on cash flow hedges. The loss of €51 million (€1 million in 2015) essentially reflects a combination of the following:

a) the release, resulting in recognition of net income of €71 million in profit or loss, of equity reserves accounted for in relation to cash flow hedges included in the issuer substitution referred to in the “Introduction” (this income is offset in full by a charge deriving from cancellation of the financial assets and liabilities involved in the transaction);

b) the reversal of net deferred tax liabilities, amounting to €22 million, linked to the point a) above.

As a result, comprehensive income for 2016 amounts to €868 million (€732 million for 2015).
2. Report on operations

Financial position

“Non-current non-financial assets” of €10,815 million almost entirely consist of “Investments” and are up €1,970 million compared with 31 December 2015 (€8,845 million). This is essentially due to:

a) the acquisitions carried out as part of the Group restructuring referred to in the “Introduction”, consisting of:
   1) a 100% interest in Telepass, previously held by Autostrade per l’Italia (with 96.15%) and Autostrade Tech (with 3.85%), for a consideration of €1,148 million;
   2) the 61.2% interest in Stalexport Autostrady previously held by Autostrade per l’Italia for a consideration of €143 million;

b) the purchase of new shares issued by Azzurra Aeroporti (formerly Mizard), amounting to €488 million;

c) the purchase of a 22.09% interest in SAVE, the company that holds the concession to operate the airports of Venice and Treviso, for a consideration of €181 million.

“Working capital” is a negative €23 million, a change of €41 million compared with a positive balance of €18 million as at 31 December 2015. This primarily reflects the reduction in other current assets linked to settlement, in January 2016, of receivables (€28 million) and payables (€5 million) due from and to the subsidiaries who, in 2015, participated in the Group VAT arrangement (governed by Ministerial Decree 11065 of 13 December 1979). The matching amount payable to the tax authorities was broadly offset by the payment on account of VAT in December 2015 (€23 million).

“Non-current non-financial liabilities” amount to €15 million, down €26 million on the figure for 31 December 2015 (€41 million). This primarily reflects the reversal of net deferred liabilities relating to the cash flow hedges unwound as a result of the issuer substitution, as referred to above in the analysis of the statement of comprehensive income.

As a result, “Net invested capital” of €10,777 million is up €1,955 million on the figure for 31 December 2015 (€8,822 million).
Reclassified statement of financial position (*)

<table>
<thead>
<tr>
<th>€M</th>
<th>31 December 2016</th>
<th>31 December 2015</th>
<th>INCREASE/ (DECREASE)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-current non-financial assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>7</td>
<td>8</td>
<td>-1</td>
</tr>
<tr>
<td>Investments</td>
<td>10,808</td>
<td>8,837</td>
<td>1,971</td>
</tr>
<tr>
<td><strong>Total non-current non-financial assets (A)</strong></td>
<td>10,815</td>
<td>8,845</td>
<td>1,970</td>
</tr>
<tr>
<td><strong>Working capital</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trading assets</td>
<td>5</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Current tax assets</td>
<td>87</td>
<td>29</td>
<td>58</td>
</tr>
<tr>
<td>Other current assets</td>
<td>1</td>
<td>29</td>
<td>-28</td>
</tr>
<tr>
<td>Current provisions</td>
<td>-2</td>
<td>-2</td>
<td>-</td>
</tr>
<tr>
<td>Trading liabilities</td>
<td>6</td>
<td>4</td>
<td>-4</td>
</tr>
<tr>
<td>Current tax liabilities</td>
<td>-81</td>
<td>18</td>
<td>-63</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>-25</td>
<td>20</td>
<td>-5</td>
</tr>
<tr>
<td><strong>Total working capital (B)</strong></td>
<td>-23</td>
<td>18</td>
<td>-41</td>
</tr>
<tr>
<td><strong>Gross invested capital (C=A+B)</strong></td>
<td>10,792</td>
<td>8,863</td>
<td>1,929</td>
</tr>
<tr>
<td><strong>Non-current non-financial liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current provisions</td>
<td>-1</td>
<td>-1</td>
<td>-</td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>-12</td>
<td>36</td>
<td>24</td>
</tr>
<tr>
<td>Other non-current liabilities</td>
<td>-2</td>
<td>4</td>
<td>-2</td>
</tr>
<tr>
<td><strong>Total non-current non-financial liabilities (D)</strong></td>
<td>-15</td>
<td>-41</td>
<td>26</td>
</tr>
<tr>
<td><strong>NET INVESTED CAPITAL (E=C+D)</strong></td>
<td>10,777</td>
<td>8,822</td>
<td>1,955</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Issued capital</td>
<td>826</td>
<td>826</td>
<td>-</td>
</tr>
<tr>
<td>Reserves and retained earnings</td>
<td>8,470</td>
<td>8,517</td>
<td>-47</td>
</tr>
<tr>
<td>Treasury shares</td>
<td>107</td>
<td>39</td>
<td>68</td>
</tr>
<tr>
<td>Profit for the year after payment of interim dividend</td>
<td>557</td>
<td>404</td>
<td>153</td>
</tr>
<tr>
<td><strong>Total equity (F)</strong></td>
<td>9,746</td>
<td>9,708</td>
<td>38</td>
</tr>
<tr>
<td><strong>Net debt/(net funds)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Non-current net debt/(net funds)</strong></td>
<td>989</td>
<td>6,627</td>
<td>-5,638</td>
</tr>
<tr>
<td>Bond issues</td>
<td>989</td>
<td>6,418</td>
<td>-5,429</td>
</tr>
<tr>
<td>Non-current derivative liabilities</td>
<td>-</td>
<td>209</td>
<td>-209</td>
</tr>
<tr>
<td><strong>Non-current financial assets</strong></td>
<td>-1,333</td>
<td>-7,078</td>
<td>5,745</td>
</tr>
<tr>
<td>Non-current derivative assets</td>
<td>-42</td>
<td>-217</td>
<td>175</td>
</tr>
<tr>
<td>Other non-current financial assets</td>
<td>-1,291</td>
<td>-6,861</td>
<td>5,570</td>
</tr>
<tr>
<td><strong>Total non-current net debt/(net funds) (G)</strong></td>
<td>-344</td>
<td>-451</td>
<td>107</td>
</tr>
<tr>
<td><strong>Current net debt/(net funds)</strong></td>
<td>1,607</td>
<td>1,092</td>
<td>515</td>
</tr>
<tr>
<td>Short-term borrowings</td>
<td>1,600</td>
<td>-</td>
<td>1,600</td>
</tr>
<tr>
<td>Current portion of medium/long-term borrowings</td>
<td>5</td>
<td>1,092</td>
<td>-1,087</td>
</tr>
<tr>
<td>Current derivative liabilities</td>
<td>1</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Other current financial liabilities</td>
<td>1</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents</strong></td>
<td>-219</td>
<td>-417</td>
<td>198</td>
</tr>
<tr>
<td>Cash</td>
<td>-14</td>
<td>-4</td>
<td>-10</td>
</tr>
<tr>
<td>Cash equivalents</td>
<td>-400</td>
<td>400</td>
<td>-</td>
</tr>
<tr>
<td>Intercompany current account receivables due from related parties</td>
<td>-205</td>
<td>-13</td>
<td>-192</td>
</tr>
<tr>
<td><strong>Current financial assets</strong></td>
<td>-13</td>
<td>-1,110</td>
<td>1,097</td>
</tr>
<tr>
<td>Current portion of other medium/long-term financial assets</td>
<td>-4</td>
<td>-1,102</td>
<td>1,098</td>
</tr>
<tr>
<td>Other current financial assets</td>
<td>-9</td>
<td>-8</td>
<td>-1</td>
</tr>
<tr>
<td><strong>Total current net debt/(net funds) (H)</strong></td>
<td>1,375</td>
<td>-435</td>
<td>1,810</td>
</tr>
<tr>
<td><strong>Total net debt/(net funds) (I=G+H)</strong></td>
<td>1,031</td>
<td>-886</td>
<td>1,917</td>
</tr>
<tr>
<td><strong>NET DEBT AND EQUITY (L=F+I)</strong></td>
<td>10,777</td>
<td>8,822</td>
<td>1,955</td>
</tr>
</tbody>
</table>

(*) The reconciliation with the reported amounts in the statement of financial position is provided in the section, “Reconciliation of the reclassified and reported financial statements.”

(1) Net debt includes non-current financial assets, unlike the financial position shown in the notes to the financial statements and prepared in compliance with the European Securities and Markets Authority (ESMA) Recommendation of 20 March 2013, which does not permit the deduction of non-current financial assets from debt.
“Equity” totals €9,746 million and is up €38 million compared with 31 December 2015 (€9,708 million). This essentially reflects a combination of the following:

a) comprehensive income for the year, amounting to €868 million;

b) payment of the final dividend for 2015, totalling €395 million, and of the interim dividend for 2016, totalling €362 million;

c) the purchase of treasury shares as part of the programme announced by the Company in December 2016, amounting to €77 million.

Statement of changes in equity

<table>
<thead>
<tr>
<th>€M</th>
<th>Issued capital</th>
<th>Reserves and retained earnings</th>
<th>Treasury shares</th>
<th>Profit for the year after payment of interim dividend</th>
<th>TOTAL EQUITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as at 31 December 2014</td>
<td>826</td>
<td>8,420</td>
<td>-205</td>
<td>397</td>
<td>9,438</td>
</tr>
<tr>
<td>Owner transactions and other changes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Final dividend (€0.445 per share)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-366</td>
<td>-366</td>
</tr>
<tr>
<td>Transfer of profit/(loss) for previous year to retained earnings</td>
<td>-</td>
<td>31</td>
<td>-</td>
<td>-31</td>
<td>-</td>
</tr>
<tr>
<td>Interim dividend (€0.400 per share)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-329</td>
<td>-329</td>
</tr>
<tr>
<td>Sale of treasury shares</td>
<td>-</td>
<td>70</td>
<td>158</td>
<td>-</td>
<td>228</td>
</tr>
<tr>
<td>Share-based incentive plans</td>
<td>-</td>
<td>-3</td>
<td>8</td>
<td>-</td>
<td>5</td>
</tr>
<tr>
<td>Balance as at 31 December 2015</td>
<td>826</td>
<td>8,517</td>
<td>-39</td>
<td>404</td>
<td>9,708</td>
</tr>
<tr>
<td>Owner transactions and other changes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Final dividend (€0.480 per share)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-395</td>
<td>-395</td>
</tr>
<tr>
<td>Transfer of profit/(loss) for previous year to retained earnings</td>
<td>-</td>
<td>9</td>
<td>-</td>
<td>-9</td>
<td>-</td>
</tr>
<tr>
<td>Interim dividend (€0.440 per share)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-362</td>
<td>-362</td>
</tr>
<tr>
<td>Sale of treasury shares</td>
<td>-</td>
<td>-</td>
<td>-77</td>
<td>-</td>
<td>-77</td>
</tr>
<tr>
<td>Share-based incentive plans</td>
<td>-</td>
<td>-5</td>
<td>9</td>
<td>-</td>
<td>4</td>
</tr>
<tr>
<td>Balance as at 31 December 2016</td>
<td>826</td>
<td>8,470</td>
<td>-107</td>
<td>557</td>
<td>9,746</td>
</tr>
</tbody>
</table>

As at 31 December 2016, net debt amounts to a €1,031 million. Compared with net funds of €886 million as at 31 December 2015, this reflects use of short-term bank borrowings (€1,600 million) in order to fund the above acquisitions of investments.

This item consists of the following:

a) current net debt of €1,375 million, essentially relating to the above short-term borrowing;

b) non-current net funds of €344 million (€451 million as at 31 December 2015), essentially including retail bonds in issue, maturing in 2018, and the matching loan to Autostrade per l’Italia, both with a carrying amount of €989 million, and the liquidity invested in the sterling-denominated notes issued by Romulus Finance, which were transferred by Aeroporti di Roma in the first half of 2016, amounting to €297 million.

The following should be noted in terms of the individual items that make up net debt:

a) a reduction in bond issues, non-current financial assets and derivatives, essentially due to the issuer substitution;
b) a reduction in the current portion of medium/long-term liabilities and assets, reflecting, on the one hand, redemption of the remaining bonds issued in 2009 and, on the other, collection of the outstanding amount due on the matching loan to Autostrade per l’Italia (both totalling €880 million), carried out prior to the issuer substitution.

The loans that the Company had granted to Autostrade per l’Italia, and which were cancelled on 21 December 2016 as a result of the issuer substitution, were granted on the same terms as the bonds issued by the Company, plus a margin to take account of operating costs. Following the issuer substitution, the Company transferred euro-denominated institutional bond issues and two foreign currency bonds (sterling and yen), together with the related derivatives hedging both interest rate and currency risks. The retail bond issued by Atlantia in 2012, maturing in 2018, was excluded from the transaction. Atlantia has issued a parent company guarantee on behalf of Autostrade per l’Italia in favour of the holders of the bonds involved in the transaction. The holders of the public bonds will benefit from this guarantee until maturity, whilst the private bondholders will benefit until September 2025.

The residual weighted average term to maturity of the Company’s debt is approximately 2 years as at 31 December 2016. 61% of the Company’s debt is fixed rate, reflecting the use of short-term, floating rate borrowing with a total face value of €1,000 million, maturing in February and March 2017. The average cost of medium/long-term borrowings in 2016 was approximately 4.6%.

Atlantia has launched a new €3 billion Euro Medium Term Note Programme. The Offering Circular was approved by the Irish Central Bank and Irish Stock Exchange, where the securities will be listed after issue, on 27 October 2016. The new EMTN programme will not be secured by upstream guarantees from Autostrade per l’Italia. As regards the €10 billion Euro Medium Term Note Programme launched by Atlantia in 2004, as a result of the above issuer substitution, Autostrade per l’Italia has taken Atlantia’s place as the issuer of the bonds covered by this programme.
**Cash flow**

“Cash generated from operating activities” amounts to €989 million for 2016, up €238 million on the corresponding flow in 2015 (€751 million). This essentially reflects an increase in dividends from subsidiaries and investees, in addition to the above receipt of cash under the Group VAT arrangement (€23 million).

“Cash used for investment in non-financial assets” in 2016 amounts to €1,998 million and primarily reflects acquisition of the investments previously described in the analysis of the statement of financial position.

In 2015, the outflow related entirely to the injection of capital into Compagnia Aerea Italiana (€9 million).

“Net equity cash outflows” amount to €831 million in 2016, essentially reflecting the payment to shareholders of the final dividend for 2015 (€395 million) and of the interim dividend for 2016 (€362 million), as well as the cost of purchasing treasury shares (€77 million).

In 2015, on the other hand, payments to shareholders of the final dividend for the previous year (€366 million) and of the interim dividend for 2015 (€329 million) were partially offset by the proceeds from the above sale of treasury shares (€228 million).

Net debt at the end of the year was also increased by €71 million as a result of the cancellation of financial assets and liabilities involved in the issuer substitution.

As a result of the above cash flows, net debt as at 31 December 2016 amounts to €1,031 million, compared with net funds of €886 million as at 31 December 2015.
**Statement of changes in net debt (\(^*)\)**

<table>
<thead>
<tr>
<th>€M</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit for the year</td>
<td>919</td>
<td>733</td>
</tr>
<tr>
<td>Adjusted by:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortisation and depreciation</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Impairment losses on investments</td>
<td>31</td>
<td>36</td>
</tr>
<tr>
<td>Net change in deferred tax (assets)/liabilities through profit or loss</td>
<td>-</td>
<td>-2</td>
</tr>
<tr>
<td>Other non-cash costs (income)</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Change in operating capital</td>
<td>3</td>
<td>-1</td>
</tr>
<tr>
<td>Other changes in non-financial assets and liabilities</td>
<td>32</td>
<td>-19</td>
</tr>
<tr>
<td><strong>Net cash generated from/(used in) operating activities (A)</strong></td>
<td>989</td>
<td>751</td>
</tr>
</tbody>
</table>

| **NET CASH FROM/(USED IN) INVESTMENT IN NON-FINANCIAL ASSETS** | | |
| Purchase of investments | -1,998 | -9 |
| **Net cash from/(used in) investment in non-financial assets (B)** | -1,998 | -9 |

| **NET EQUITY CASH INFLOWS/(OUTFLOWS)** | | |
| (Purchase)/Sale of treasury shares | -77 | 228 |
| Dividends declared | -758 | -695 |
| Proceeds from exercise of rights under share-based incentive plans | 4 | 3 |
| **Net equity cash inflows/(outflows)(C)** | -831 | -464 |
| Increase/(Decrease) in cash and cash equivalents during year (A+B+C) | -1,840 | 278 |

| **OTHER CHANGES IN NET DEBT/NET FUNDS** | | |
| Change in fair value of hedging derivatives | -3 | -6 |
| Financial expenses accounted for as an increase in financial liabilities | -3 | -3 |
| Change in financial liabilities arising from issuer substitution | -71 | - |
| **Other changes in net debt (D)** | -77 | -9 |
| **Change in net debt/net funds for year (A+B+C+D)** | -1,917 | 269 |
| **Net debt at beginning of year** | 886 | 617 |
| **(Net debt)/net funds at end of year** | -1,031 | 886 |

\(^*)\ The reconciliation with the reported amounts in the statement of cash flows is provided in the section, “Reconciliation of the reclassified and reported financial statements”.


2. Report on operations

Reconciliation of the reclassified and reported financial statements

Reconciliations of the reclassified income statement, the reclassified statement of financial position and the statement of changes in net debt with the matching reported financial statements are included below.
Financial review for Atlantia SpA

Reconciliation of the income statement with the reclassified income statement

<table>
<thead>
<tr>
<th>€m</th>
<th>2016</th>
<th>Reported basis</th>
<th>Reclassified basis</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Ref.</td>
<td>Sub-items</td>
<td>Main entries</td>
</tr>
<tr>
<td>Operating revenue</td>
<td>-2</td>
<td>-2</td>
<td>2</td>
</tr>
<tr>
<td>TOTAL REVENUE</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total operating revenue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Raw and consumable materials</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Service costs</td>
<td>-12</td>
<td>-12</td>
<td>-</td>
</tr>
<tr>
<td>Other operating costs</td>
<td>-5</td>
<td>-5</td>
<td>-</td>
</tr>
<tr>
<td>Lease expense</td>
<td>-1</td>
<td>-1</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>-4</td>
<td>-4</td>
<td>-17</td>
</tr>
<tr>
<td>Cost of materials and external services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff costs</td>
<td>-21</td>
<td>-21</td>
<td>-</td>
</tr>
<tr>
<td>Total net operating costs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross operating profit/(loss) (EBITDA)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortisation and depreciation</td>
<td>-1</td>
<td>-1</td>
<td>-36</td>
</tr>
<tr>
<td>Depreciation of property, plant and equipment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation of investment property</td>
<td>-1</td>
<td>-1</td>
<td>-</td>
</tr>
<tr>
<td>Amortisation of other intangible assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortisation, depreciation, impairment losses and reversals of impairment losses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OPERATING PROFIT/(LOSS)</td>
<td>1,440</td>
<td>1,440</td>
<td>-37</td>
</tr>
<tr>
<td>Financial income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividends received from investees</td>
<td>980</td>
<td>980</td>
<td></td>
</tr>
<tr>
<td>Other financial income (a)</td>
<td>460</td>
<td>460</td>
<td></td>
</tr>
<tr>
<td>Financial expenses</td>
<td>-485</td>
<td>-485</td>
<td></td>
</tr>
<tr>
<td>Financial expenses from discounting of provisions for construction services required by contract and other provisions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impairment losses on investments</td>
<td>-31</td>
<td>-31</td>
<td></td>
</tr>
<tr>
<td>Other financial expenses (b)</td>
<td>-454</td>
<td>-454</td>
<td></td>
</tr>
<tr>
<td>Foreign exchange gains (c)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other net financial income</td>
<td>(a+b+c)</td>
<td>(a+b+c)</td>
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<tr>
<td>FINANCIAL INCOME/(EXPENSES)</td>
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<tr>
<td>PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS</td>
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<td>918</td>
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<td>Income tax (expense)/benefit</td>
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</tr>
<tr>
<td>Current tax expense</td>
<td>-1</td>
<td>-1</td>
<td></td>
</tr>
<tr>
<td>Differences on tax expense for previous years</td>
<td>-7</td>
<td>-7</td>
<td></td>
</tr>
<tr>
<td>Deferred tax income and expense</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PROFIT/(LOSS) FROM CONTINUING OPERATIONS</td>
<td></td>
<td></td>
<td>919</td>
</tr>
<tr>
<td>Profit/(Loss) from discontinued operations</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>PROFIT FOR THE YEAR</td>
<td></td>
<td></td>
<td>919</td>
</tr>
</tbody>
</table>
### Reconciliation of the income statement with the reclassified income statement

<table>
<thead>
<tr>
<th>€m</th>
<th>Report basis</th>
<th>Reclassified basis</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Ref.</td>
<td>Sub-items</td>
</tr>
<tr>
<td>Operating revenue</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>TOTAL REVENUE</td>
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<td>2</td>
</tr>
<tr>
<td>Total operating revenue</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Raw and consumable materials</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Service costs</td>
<td>-12</td>
<td>-12</td>
</tr>
<tr>
<td>Other operating costs</td>
<td>-6</td>
<td>-6</td>
</tr>
<tr>
<td>Lease expense</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Other</td>
<td>-4</td>
<td>-4</td>
</tr>
<tr>
<td>Cost of materials and external services</td>
<td>-17</td>
<td>-17</td>
</tr>
<tr>
<td>Staff costs</td>
<td>-15</td>
<td>-15</td>
</tr>
<tr>
<td>Staff costs</td>
<td>-15</td>
<td>-15</td>
</tr>
<tr>
<td>Total net operating costs</td>
<td>-32</td>
<td>-32</td>
</tr>
<tr>
<td>Gross operating profit/(loss) (EBITDA)</td>
<td>-30</td>
<td>-30</td>
</tr>
<tr>
<td>Amortisation and depreciation</td>
<td>-1</td>
<td>-1</td>
</tr>
<tr>
<td>Depreciation of property, plant and equipment</td>
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<tr>
<td>Depreciation of investment property</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Amortisation of other intangible assets</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Amortisation, depreciation, impairment losses and reversals of impairment losses</td>
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<td>-1</td>
</tr>
<tr>
<td>TOTAL COSTS</td>
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<tr>
<td>OPERATING PROFIT/(LOSS)</td>
<td>-31</td>
<td>-31</td>
</tr>
<tr>
<td>Operating profit/(loss) (EBIT)</td>
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</tr>
<tr>
<td>Financial income</td>
<td>1,398</td>
<td>1,398</td>
</tr>
<tr>
<td>Dividends received from investees</td>
<td>794</td>
<td>794</td>
</tr>
<tr>
<td>Other financial income</td>
<td>604</td>
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<tr>
<td>Financial expenses</td>
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<td>-631</td>
</tr>
<tr>
<td>Financial expenses from discounting of provisions for construction services required by contract and other provisions</td>
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</tr>
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<td>Impairment losses on investments</td>
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<td>-36</td>
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<tr>
<td>Other financial expenses</td>
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<td>-595</td>
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<tr>
<td>Foreign exchange gains</td>
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<td>Other net financial income</td>
<td>(b)</td>
<td>(b)</td>
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<td>FINANCIAL INCOME/(EXPENSES)</td>
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<td>767</td>
</tr>
<tr>
<td>PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS</td>
<td>736</td>
<td>736</td>
</tr>
<tr>
<td>Income tax (expense)/benefit</td>
<td>-3</td>
<td>-3</td>
</tr>
<tr>
<td>Current tax expense</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Differences on tax expense for previous years</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Deferred tax income and expense</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>PROFIT/(LOSS) FROM CONTINUING OPERATIONS</td>
<td>733</td>
<td>733</td>
</tr>
<tr>
<td>Profit/(Loss) from discontinued operations</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>PROFIT FOR THE YEAR</td>
<td>733</td>
<td>733</td>
</tr>
</tbody>
</table>
Reconciliation of the statement of financial position with the reclassified statement of financial position

<table>
<thead>
<tr>
<th>Ref.</th>
<th>Non-current non-financial assets</th>
<th>Reported basis</th>
<th>Reclassified basis</th>
<th>Ref.</th>
<th>Non-current non-financial liabilities</th>
<th>Reported basis</th>
<th>Reclassified basis</th>
<th>Ref.</th>
<th>Current net debt/(net funds)</th>
<th>Reported basis</th>
<th>Reclassified basis</th>
<th>Ref.</th>
<th>Current financial liabilities</th>
<th>Reported basis</th>
<th>Reclassified basis</th>
<th>Ref.</th>
<th>Current financial assets</th>
<th>Reported basis</th>
<th>Reclassified basis</th>
<th>Ref.</th>
<th>Assets held for sale or related to discontinued operations</th>
<th>Reported basis</th>
<th>Reclassified basis</th>
<th>Ref.</th>
<th>Liabilities related to discontinued operations</th>
<th>Reported basis</th>
<th>Reclassified basis</th>
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<tbody>
<tr>
<td></td>
<td>Non-current non-financial assets</td>
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<td>Non-current net debt/(net funds)</td>
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<td>Cash and cash equivalents</td>
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<tr>
<td></td>
<td>Property, plant and equipment</td>
<td>(a) 7</td>
<td></td>
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<td></td>
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<td>Short-term borrowings</td>
<td>1,490</td>
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<td></td>
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<td></td>
<td></td>
<td>Cash and cash equivalents</td>
<td>(p) -219</td>
<td>-219</td>
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<tr>
<td></td>
<td>Investments</td>
<td>(b) 10,808</td>
<td>10,694</td>
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<td>Current portion of medium/long-term borrowings</td>
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<td>0</td>
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<td>Short-term borrowings</td>
<td>1,490</td>
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<td>Cash and cash equivalents</td>
<td>(p) -219</td>
<td>-219</td>
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<td></td>
<td>Current portion of medium/long-term financial assets</td>
<td>0</td>
<td>0</td>
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<td>Other current financial assets</td>
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<td></td>
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<td></td>
<td></td>
<td>Total current assets</td>
<td>1,015</td>
<td>1,015</td>
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<td></td>
<td>NET DEBT AND EQUITY (A+H)</td>
<td>10,777</td>
<td>10,777</td>
<td></td>
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<td></td>
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</tr>
</tbody>
</table>

**Non-current non-financial assets:**
- Property, plant and equipment: 7
- Investments: 10,808

**Non-current net debt/(net funds):**
- Non-current financial liabilities: 2,186
- Cash and cash equivalents: -219
- Current portion of medium-long-term financial assets: 0
- Other current financial assets: 0
- Total current assets: 1,015

**Net debt/(net funds):**
- Non-current net debt/(net funds): 3,005

**Total net debt/(net funds):**
- 3,005

**Assets held for sale or related to discontinued operations:**
- 12,148

**Liabilities related to discontinued operations:**
- 10,808

**Total non-current assets:**
- 12,148

**Total current assets:**
- 2,025

**Total non-current liabilities:**
- 1,004

**Total current liabilities:**
- 1,320
Reconciliation of the statement of changes in net debt with the statement of cash flows

<table>
<thead>
<tr>
<th>Reclassification of items</th>
<th>Note</th>
<th>2016</th>
<th>2015</th>
<th>Changes in net debt</th>
<th>2016</th>
<th>2015</th>
<th>Changes in net debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Profit for the year</td>
<td>919</td>
<td>919</td>
<td>733</td>
<td>733</td>
<td>733</td>
<td>733</td>
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<td>Adjusted for:</td>
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<td></td>
<td></td>
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<tr>
<td>Amortisation and depreciation</td>
<td></td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
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<td></td>
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<tr>
<td>Impairment losses/(Reversal of impairment losses) on investments</td>
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</tr>
<tr>
<td>Net change in deferred tax assets/(liabilities) arising from profit or loss</td>
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<td></td>
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<tr>
<td>Other non-cash costs (income)</td>
<td></td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td></td>
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<tr>
<td>Change in operating capital</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Other changes in non-financial assets and liabilities</td>
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<td></td>
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<tr>
<td>Change in working capital and other changes</td>
<td></td>
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<tr>
<td>Net cash generated from/(used in) operating activities (g)</td>
<td>989</td>
<td>989</td>
<td>751</td>
<td>751</td>
<td>751</td>
<td>751</td>
<td></td>
</tr>
<tr>
<td>NET CASH FROM/(USED IN) INVESTMENT IN NON-FINANCIAL ASSETS</td>
<td></td>
<td></td>
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<tr>
<td>Purchase of investments</td>
<td></td>
<td>-1,998</td>
<td>-1,998</td>
<td>-1,998</td>
<td>-1,998</td>
<td>-1,998</td>
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</tr>
<tr>
<td>Net change in current and non-current financial assets</td>
<td></td>
<td>1,318</td>
<td>1,318</td>
<td>1,318</td>
<td>1,318</td>
<td>1,318</td>
<td></td>
</tr>
<tr>
<td>Net cash from/(used in) investment in non-financial assets (i)</td>
<td></td>
<td></td>
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<tr>
<td>Net cash generated from/(used in) investing activities (j)</td>
<td></td>
<td></td>
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<tr>
<td>NET EQUITY CASH INFLOWS/(OUTFLOWS)</td>
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<td></td>
<td></td>
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<tr>
<td>Proceeds from exercise of rights under share-based incentive plans</td>
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<td></td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>Dividends declared</td>
<td></td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
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<tr>
<td>Dividends paid</td>
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<tr>
<td>Net equity cash inflows/(outflows) (k)</td>
<td>-821</td>
<td>-821</td>
<td>-484</td>
<td>-484</td>
<td>-484</td>
<td>-484</td>
<td></td>
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<tr>
<td>Net cash generated during the year (k+d+e)</td>
<td>1,840</td>
<td>1,840</td>
<td>278</td>
<td>278</td>
<td>278</td>
<td>278</td>
<td></td>
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<tr>
<td>Bond redemptions</td>
<td></td>
<td>-1,100</td>
<td>-1,100</td>
<td>-1,100</td>
<td>-1,100</td>
<td>-1,100</td>
<td></td>
</tr>
<tr>
<td>Increase in other current and non-current financial liabilities</td>
<td></td>
<td>1,600</td>
<td>1,600</td>
<td>1,600</td>
<td>1,600</td>
<td>1,600</td>
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<tr>
<td>Net cash generated from/(used in) financing activities (l)</td>
<td>-27</td>
<td>-27</td>
<td>-27</td>
<td>-27</td>
<td>-27</td>
<td>-27</td>
<td></td>
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<tr>
<td>Change in fair value of hedging derivatives</td>
<td></td>
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<tr>
<td>Financial expenses accounted for as an increase in financial liabilities</td>
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<tr>
<td>Change in financial equity/(liabilities) arising from issuer restatements</td>
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<td></td>
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<tr>
<td>Other changes in net debt/financed funds (f)</td>
<td>-71</td>
<td>-71</td>
<td>-71</td>
<td>-71</td>
<td>-71</td>
<td>-71</td>
<td></td>
</tr>
<tr>
<td>Change in net debt/net funds for the year (k+d+e+f)</td>
<td>-1,811</td>
<td>-1,811</td>
<td>289</td>
<td>289</td>
<td>289</td>
<td>289</td>
<td></td>
</tr>
<tr>
<td>Net funds at beginning of year</td>
<td>856</td>
<td>856</td>
<td>617</td>
<td>617</td>
<td>617</td>
<td>617</td>
<td></td>
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<tr>
<td>Net funds at end of year</td>
<td>-1,031</td>
<td>-1,031</td>
<td>886</td>
<td>886</td>
<td>886</td>
<td>886</td>
<td></td>
</tr>
<tr>
<td>Decrease in cash and cash equivalents during year (k+d+f)</td>
<td>-580</td>
<td>-580</td>
<td>48</td>
<td>48</td>
<td>48</td>
<td>48</td>
<td></td>
</tr>
<tr>
<td>NET CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</td>
<td>417</td>
<td>417</td>
<td>417</td>
<td>417</td>
<td>417</td>
<td>417</td>
<td></td>
</tr>
<tr>
<td>NET CASH AND CASH EQUIVALENTS AT END OF YEAR</td>
<td>237</td>
<td>237</td>
<td>465</td>
<td>465</td>
<td>465</td>
<td>465</td>
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</tbody>
</table>

Notes:

a) the “Change in operating capital” shows the change in trade-related items (in particular: inventories, trading assets and trading liabilities);
b) “Other changes in other non-financial assets and liabilities” show changes in items of a non-trading nature (in particular: current tax assets and liabilities, other current assets and liabilities, current provisions for construction services required by contract and other provisions);
c) the “Net change in current and non-current financial assets” is not shown in the “Statement of changes in consolidated net debt”, as it does not have an impact on net debt;
d) “Net cash from/(used in) investment in non-financial assets” excludes changes in the financial assets and liabilities referred to in note c) that do not have an impact on net debt;
e) “Dividends declared” regard the dividends declared by the Company, regardless of the reporting period in which they are paid;
f) “Dividends paid” refer to amounts effectively paid during the reporting period;
g) the amount represents the change in the fair value of cash flow hedges, before the related taxation, as shown in “Fair value gains/(losses) on cash flow hedges” in the statement of comprehensive income;
h) this item essentially includes financial income and expenses in the form of interest linked to loans requiring the repayment of principal and interest accrued at maturity; the financial assets are described in note 5.4 and the financial liabilities are described in note 5.12 in the separate financial statements;
i) the “Change in financial liabilities due to issuer substitution” includes the impact on the change in net debt resulting from the issuer substitution described in the “Introduction”.
Key performance indicators by operating segment

The Atlantia Group’s operating segments are identified based on the information provided to and analysed by Atlantia’s Board of Directors, which represents the Group’s chief operating decision maker, when taking decisions regarding the allocation of resources and assessing performance. In particular, the Board of Directors assesses the performance of the business in terms of geographical area and business segment. In 2016, Atlantia’s Board of Directors approved a restructuring of the Group that has resulted in changes to the Atlantia Group’s operating segments. Compared with the segment information provided in the Annual Report for 2015, the allocation of companies to the various operating segments has been modified. As a result, the Group’s new structure presents information for four main operating segments (Italian motorways, overseas motorways, Italian airports and a fourth operating segment including the Parent Company, Atlantia, and the other remaining activities). Following these changes to the composition of the operating segments, amounts for 2015 have been restated with respect to those published in the Annual Report for 2015.

Details of the Atlantia Group’s new operating segments are as follows:

a) Italian motorways: this includes the Italian motorway operators (Autostrade per l’Italia, Autostrade Meridionali, Tangenziale di Napoli, Società Italiana per Azioni per il Traforo del Monte Bianco, Raccordo Autostradale Valle d’Aosta and Società Autostrada Tirrenica), whose core business consists of the management, maintenance, construction and widening of the related motorways operated under concession. This operating segment also includes companies (AD Moving, Giove Clear, Infoblu, Essediesse and Autostrade Tech) that provide support for the Italian motorway operators and that are subsidiaries of Autostrade per l’Italia;

b) Overseas motorways: this includes the activities of the holders of motorway concessions in Brazil, Chile, India and Poland, and the companies that provide operational support for these operators and the related foreign-registered holding companies. In addition, this segment includes the Italian holding company, Autostrade dell’Atlantico, which holds investments in South America;

c) Italian airports: this includes the airports business of Aeroporti di Roma, which holds the concession to operate and expand the airports of Rome Fiumicino and Rome Ciampino;

d) Atlantia and other activities: this segment includes:

1) the Parent Company, Atlantia, which operates as a holding company for its subsidiaries and associates whose business is the construction and operation of motorways, airports and transport infrastructure, parking areas and intermodal systems, or who engage in activities related to the management of motorway or airport traffic;

2) the companies that produce and operate free-flow tolling systems, traffic and transport management systems and electronic payment systems. The key companies in this segment are Telepass and Electronic Transaction Consultants;

3) the companies whose business is the design, construction and maintenance of infrastructure, essentially referring to Spea Engineering and Pavimental.
Key performance indicators for each of the Group’s operating segments in the two comparative periods are shown below.

### Key performance indicators by operating segment

<table>
<thead>
<tr>
<th>€M</th>
<th>ITALIAN MOTORWAYS</th>
<th>OVERSEAS MOTORWAYS</th>
<th>ITALIAN AIRPORTS</th>
<th>ATLANTIA AND OTHER ACTIVITIES (1)</th>
<th>CONSOLIDATION ADJUSTMENTS</th>
<th>TOTAL ATLANTIA GROUP (2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>REPORTED AMOUNTS</td>
<td></td>
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<tr>
<td>External revenue</td>
<td>3,794</td>
<td>3,661</td>
<td>558</td>
<td>546</td>
<td>883</td>
<td>803</td>
</tr>
<tr>
<td>Intersegment revenue</td>
<td>47</td>
<td>35</td>
<td>1</td>
<td>-</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Total operating revenue</td>
<td>3,841</td>
<td>3,696</td>
<td>559</td>
<td>546</td>
<td>884</td>
<td>804</td>
</tr>
<tr>
<td>EBITDA</td>
<td>2,384</td>
<td>2,238</td>
<td>422</td>
<td>407</td>
<td>532</td>
<td>450</td>
</tr>
<tr>
<td>Operating cash flow</td>
<td>1,632</td>
<td>1,403</td>
<td>340</td>
<td>335</td>
<td>387</td>
<td>320</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>718</td>
<td>962</td>
<td>177</td>
<td>172</td>
<td>445</td>
<td>318</td>
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<tr>
<td>ADJUSTED AMOUNTS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>2,384</td>
<td>2,238</td>
<td>513</td>
<td>493</td>
<td>532</td>
<td>450</td>
</tr>
<tr>
<td>Adjusted operating cash flow</td>
<td>1,632</td>
<td>1,403</td>
<td>379</td>
<td>368</td>
<td>387</td>
<td>320</td>
</tr>
</tbody>
</table>

(1) The operating segment, “Atlantia and other activities” also includes the impact of the costs incurred by Azzurra Aeroporti in order to acquire ACA, a company consolidated using the equity method as at 31 December 2016.

(2) A description of the principal amounts in the consolidated income statement and statement of financial position and the related changes is provided in the section, “Group financial review.”
### 2. Report on operations

#### Segment information for Group companies (*)

<table>
<thead>
<tr>
<th>Segment Information</th>
<th>2016</th>
<th>2015</th>
<th>Increase/(Decrease) Absolute</th>
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(*) The alternative performance indicators presented above are defined in the section, “Alternative performance indicators”.

(a) This company has been consolidated by the Group from September 2015.

(b) The company is included in the scope of consolidation until the date of the merger with Nueva Vespucio Sur (the end of 2016).
### Segment information for Group companies

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Italian motorways

The Group’s Italian motorway operations generated operating revenues of €3,841 million in 2016, an increase of €145 million on 2015 (up 4%).

The Group’s Italian motorway operators report net toll revenues of €3,483 million, marking an increase of €160 million on 2015, primarily due to the following:

- a 3.2% increase in traffic (including the positive impact of the different traffic mix, the increase in toll revenue is approximately €97 million). The performance also reflects the fact that there was an extra day in February 2016, a leap year, accounting for an increase in traffic of around 0.3%;
- application of annual toll increases for 2016 (a rise of 1.09% for Autostrade per l’Italia from 1 January 2016), boosting toll revenue by €30 million;
- the change in the scope of consolidation resulting from the consolidation of Autostrada Tirrenica from 30 September 2015 (up €30 million).

Other operating income and contract revenue, amounting to €358 million, is down €15 million on the figure for the previous year. This primarily reflects a reduction in Autostrade per l’Italia’s service area royalties, linked to the discounts granted to operators at areas where concessions have been renewed, the contingent assets recognised by Tangenziale di Napoli in 2015, following settlement of a legal dispute regarding expropriations in previous years, and refunds obtained in 2015 by Autostrade Meridionali. These reductions were partially offset by the contribution of Autostrada Tirrenica and an increase in other operating income at Autostrade per l’Italia, primarily linked to the release of provisions considered excess to requirements and proceeds from damages received.

EBITDA for the Italian motorway operations in 2016 amounts to €2,384 million, up €146 million (7%) on 2015.

Net operating costs are in line as a result of a combination of the following:

- increased costs resulting from the consolidation of Autostrada Tirrenica;
- an increase in concession fees linked to the rise in toll revenue;
- lower maintenance costs, above all at Autostrade per l’Italia, linked to a different scheduling of work on the network in the comparative periods and reduced snowfall in 2016, compared with 2015;
- reduced insurance deductibles on accidents at Autostrade per l’Italia;
- a reduction in corporate advertising costs incurred by Autostrade per l’Italia;
- an increase in staff costs which, before deducting capitalised expenses, are up 4.2% due to:
  - an increase in the average cost (up 3.6%), primarily due to the cost of contract renewals;
  - an increase of 40 (0.6%) in the average workforce (excluding agency staff), primarily attributable to the consolidation of Autostrada Tirrenica (an increase of 60 on average), partially offset by a slowdown in the recruitment of toll collectors at Autostrade per l’Italia, Tangenziale di Napoli and Autostrade Meridionali, and an increase in Giove Clear’s workforce, reflected an expansion of the company’s operations.
Traffic
Traffic on the Group’s Italian network in 2016 (measured in kilometres travelled) is up 3.2% on the previous year.
The number of kilometres travelled by vehicles with 2 axles is up 3.1%, with the figure for those with 3 or more axles up 4.1%.
After adjusting for the leap-year effect, the increase in kilometres travelled in 2016 is 2.9%.

Traffic performance

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</tr>
<tr>
<td>Autostrada Tirrenica **</td>
<td>271</td>
<td>24</td>
<td>295</td>
<td>10.1</td>
<td>18,478</td>
</tr>
<tr>
<td>Raccordo Autostradale Valle d’Aosta</td>
<td>93</td>
<td>19</td>
<td>112</td>
<td>4.4</td>
<td>9,559</td>
</tr>
<tr>
<td>Società Italiana per il Traforo del Monte Bianco</td>
<td>8</td>
<td>3</td>
<td>11</td>
<td>1.3</td>
<td>5,278</td>
</tr>
<tr>
<td><strong>Total Italiane operators</strong></td>
<td><strong>43,625</strong></td>
<td><strong>6,276</strong></td>
<td><strong>49,901</strong></td>
<td><strong>3.2</strong></td>
<td><strong>45,329</strong></td>
</tr>
</tbody>
</table>

* Average theoretical vehicles per day, equal to number of kilometres travelled/journey length/number of days.
** The 15-km Civitavecchia – Tarquinia section was opened to traffic at the end of March 2016 (the increase on a like-for-like kilometre basis is approximately 3.0%).

Toll increases
Autostrade per l’Italia, the Group’s principal motorway operator, applied an annual toll increase of 1.09% from 1 January 2016¹.
Information on the toll increases applied by the Group’s other Italian motorway operators is provided in the section, “Significant regulatory aspects”.

¹ The increase for 2016 includes: 0.0% for inflation; 0.97% to provide a return capital expenditure via the “X” tariff component; and 0.12% to provide a return on investment via the “K” tariff component.
2. Report on operations

Capital expenditure

Autostrade per l’Italia is in the process of implementing a programme of investment in major infrastructure projects under the original Agreement of 1997 and the IV Addendum of 2002, totalling €15.7 billion. Projects with a value of €9.4 billion have been completed as at 31 December 2016, with the opening to traffic of 432 km of new lanes.

The purpose of this investment is to increase the capacity of the existing motorway network on the country’s principal arteries, in order to improve traffic flow, road safety and service quality.

In addition to the above programme, Autostrade per l’Italia’s new Single Concession Arrangement of 2007 also envisages further investment totalling €7 billion, via:

- extensions to projects already included in the Agreement of 1997, involving new specific network upgrades worth approximately €2 billion;
- a commitment to develop preliminary designs for the upgrade of certain sections of motorway operated under concession, totalling around 325 km, at a cost of approximately €5 billion.

<table>
<thead>
<tr>
<th></th>
<th>TOTAL KM</th>
<th>VALUE OF PROJECT (€bn)</th>
<th>KM OPENED TO TRAFFIC</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>828</td>
<td>22.7</td>
<td>9.8</td>
</tr>
<tr>
<td>Autostrade per l’Italia</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agreement of 1997</td>
<td>233</td>
<td>7.1</td>
<td>5.8</td>
</tr>
<tr>
<td>IV Addendum 2002</td>
<td>270</td>
<td>8.6</td>
<td>3.6</td>
</tr>
<tr>
<td>Single Arrangement 2007</td>
<td>325</td>
<td>5.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Other projects Agreement of 1997</td>
<td>-</td>
<td>2.0</td>
<td>0.4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>828</td>
<td>22.7</td>
<td>9.8</td>
</tr>
<tr>
<td>Subsidiaries</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Raccordo Autostradale Valle d’Aosta</td>
<td>12</td>
<td>0.4</td>
<td>0.4</td>
</tr>
<tr>
<td>Autostrade Meridionali</td>
<td>20</td>
<td>0.5</td>
<td>0.5</td>
</tr>
<tr>
<td>Autostrada Tirrenica</td>
<td>205</td>
<td>1.4</td>
<td>0.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>237</td>
<td>2.4</td>
<td>1.2</td>
</tr>
<tr>
<td><strong>Total Group</strong></td>
<td>1,066</td>
<td>28.1</td>
<td>11.0</td>
</tr>
</tbody>
</table>

(*) Total cost of carrying out the works, as assessed at 31 December 2016, including the base bid price (net of tender or agreed price reductions), available funds, recognised reserves and early completion bonuses. The value of works under the Arrangement of 1997 is net of an amount included in “Other investment”.

Autostrade Meridionali and Raccordo Autostradale Valle d’Aosta have, in contrast, completed their planned investment in major works under their respective concession arrangements. Autostrada Tirrenica opened the new section of motorway between Civitavecchia and Tarquinia to traffic in 2016. Completion of the remaining section from Tarquinia to Livorno (at an estimated cost of €1.2 billion) is, on the other hand, subject to fulfilment of the technical and financial conditions to be verified jointly by the grantor and Autostrada Tirrenica, and execution of an addendum to the Concession Arrangement, to include a viable financial plan.
In 2009, Autostrade per l’Italia’s Board of Directors set up a body known as the “Committee responsible for the Completion of Projects”, with the role of monitoring:
- the performance of infrastructure investment plans in terms of state of progress of the works, the related costs and compliance with the commitments given by the Company and its subsidiaries in the relevant concession arrangements;
- the process of selecting contractors to carry out the works;
- the organisational and procedural aspects of carrying out the works;
- the state of contract reserves;
- the status of the most important legal disputes.

The Committee met on 7 occasions in 2016.

**Capital expenditure in 2016**

Autostrade per l’Italia and the Group’s other Italian operators invested a total of €718 million in 2016.

<table>
<thead>
<tr>
<th>€M</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Autostrade per l’Italia - projects in Agreement of 1997</td>
<td>305</td>
<td>370</td>
</tr>
<tr>
<td>Autostrade per l’Italia - projects in IV Addendum of 2002</td>
<td>169</td>
<td>268</td>
</tr>
<tr>
<td>Investment in major works by other operators</td>
<td>27</td>
<td>28</td>
</tr>
<tr>
<td>Other capital expenditure and capitalised costs (staff, maintenance and other)</td>
<td>176</td>
<td>250</td>
</tr>
<tr>
<td><strong>Total investment in infrastructure operated under concession</strong></td>
<td><strong>677</strong></td>
<td><strong>916</strong></td>
</tr>
<tr>
<td>Investment in other intangible assets</td>
<td>17</td>
<td>14</td>
</tr>
<tr>
<td>Investment in property, plant and equipment</td>
<td>24</td>
<td>22</td>
</tr>
<tr>
<td><strong>Total investment in motorways in Italy</strong></td>
<td><strong>718</strong></td>
<td><strong>952</strong></td>
</tr>
</tbody>
</table>

Work on completion of the *Variante di Valico*, opened to traffic in December 2015, continued in 2016, with the construction of works not having an impact on operation of the new infrastructure. Work proceeded on widening the A1 between Barberino and Florence North to three lanes, with approximately 2.5 km of third lane opened to traffic in December 2016 (in both directions). The reduction compared with 2015, relating to works envisaged in the Agreement of 1997 (a decline of €65 million) is primarily due to the decreased volume of work on the carriageways of the *Variante di Valico*, completed and opened to traffic in 2015.

With regard to Autostrade per l’Italia’s IV Addendum of 2002, work on widening the A14 from Rimini to Porto Sant’Elpidio was also completed, with the opening of 17 km between the Ancona North and Ancona South toll stations taking place in July 2016. The entire section of 154.7 km along the Adriatic coast is now open to traffic.

The reduction of €99 million compared with 2015 is largely due to the impact of the completion of work on the Senigallia-Ancona North section, which was opened to traffic in December 2015, and to a reduction in the volume of work carried out on a fifth lane for the A8 between Milan and Lainate. Investment in major works by the Group’s other Italian operators almost entirely relates to works carried out by Autostrada Tirrenica, which invested €27.3 million in completion of the Civitavecchia - Tarquinia South section and in the final designs for the widening of other parts of the motorway.
Planned investment in the Italian network
Planned upgrades and modernisation of the network operated under concession

<table>
<thead>
<tr>
<th>Autostrade per l’Italia: Arrangement of 1997</th>
<th>STATUS AS AT 31 DECEMBER 2016</th>
<th>KM COVERED BY PROJECT (KM)</th>
<th>VALUE OF PROJECT (€M)</th>
<th>KM OPENED TO TRAFFIC AS AT 31 DECEMBER 2016 (KM)</th>
<th>STAGE OF COMPLETION AS AT 31 DECEMBER 2016 (€M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. A3 3rd and 4th lanes Milan-Gallarate</td>
<td>Completed</td>
<td>28.7</td>
<td>65</td>
<td>28.7</td>
<td>65</td>
</tr>
<tr>
<td>2. A1 4th lane Modena-Bologna</td>
<td>Completed</td>
<td>31.6</td>
<td>180</td>
<td>31.6</td>
<td>146</td>
</tr>
<tr>
<td>3. A14 3rd lane Bologna Ring Road</td>
<td>Completed</td>
<td>13.7</td>
<td>59</td>
<td>13.7</td>
<td>59</td>
</tr>
<tr>
<td>4. A1 3rd lane Casalecchio - Sasso Marconi</td>
<td>Completed</td>
<td>4.1</td>
<td>83</td>
<td>4.1</td>
<td>83</td>
</tr>
<tr>
<td>5. A1 Variante di Valico</td>
<td>Completed/in progress (3)</td>
<td>58.7</td>
<td>4,317</td>
<td>58.7</td>
<td>4,117</td>
</tr>
<tr>
<td>6. A1 3rd lane Barberino - Incisa</td>
<td>Work in progress/completed</td>
<td>58.5</td>
<td>2,170</td>
<td>24.4</td>
<td>1,099</td>
</tr>
<tr>
<td>7. A1 3rd lane One - Rome North</td>
<td>Completed</td>
<td>37.8</td>
<td>193</td>
<td>37.8</td>
<td>192</td>
</tr>
<tr>
<td>Other projects</td>
<td>Work in progress/completed</td>
<td>28</td>
<td>n/a</td>
<td>24</td>
<td></td>
</tr>
<tr>
<td>Total projects under Arrangement of 1997</td>
<td></td>
<td>233.1</td>
<td>7,096</td>
<td>199.0</td>
<td>5,785</td>
</tr>
</tbody>
</table>

Projects included in IV Addendum of 2002

| A1 3rd lane Fiorenzuola - Settala and Castelnuovo di Porto junction | Completed | 15.0 | 130 | 15.9 | 127 |
| 2. A4 4th lane Milan East - Bergamo | Completed | 33.6 | 514 | 33.6 | 512 |
| 3. A8 5th lane Milan - Launate | Work in progress (5) | 4.4 | 197 | 2.2 | 55 |
| 4. A9 3rd lane Lainate - Como Grandate | Completed | 23.2 | 345 | 23.2 | 308 |
| 5. A14 3rd lane Rimini North - Porto Serravalle | Completed (6) | 154.7 | 2,523 | 154.7 | 2,202 |
| 6. A7/A10/A12 Genoa Bypass | Final design undergoing approval (1) | 34.8 | 4,408 | - | 82 |
| 7. A8 Link road for New Milan Exhibition Centre | Completed | 3.8 | 86 | 3.8 | 86 |
| Other projects | Work in progress/completed (8) | 356 | n/a | - | 220 |
| Total projects under IV Addendum of 2002 |                                | 270.4                       | 8,559                  | 233.4                                         | 3,592                                         |

Other Group motorway operators

| A5 RAV new Morgex-Entreves section | Completed | 12.4 | 430 | 12.4 | 422 |
| 8. A3 Autostrada Meridionale, 3rd lane Naples-Pompei East/Scorrer (2) | Work in progress/completed | 20.0 | 545 | 20.0 | 541 |
| A12 Autostrada Tirrenica | Work in progress/to be approved (6) | 204.8 | 1,422 | 190.0 | 240 |
| Total projects of other operators |                                | 257.2                       | 2,387                  | 51.4                                          | 1,203                                         |
| Total investment in major works |                                | 740.7                       | 18,051                 | 484                                           | 10,880                                        |

(a) Total cost of carrying out the works, as assessed at 31 December 2016, including the base bid price (net of tender or agreed price reductions), available funds, recognised reserves and early completion bonuses. The value of works under the Arrangement of 1997 is net of an amount included in “Other investment”.

(b) Excludes capitalised costs (financial expenses and staff costs).

(c) Planned widening on Autostrade Meridionali’s network regards 24.5 km, including 4.5 km already open to traffic over duration of Arrangement of 1972-1992. The concession held by Autostrade Meridionali expired on 31 December 2012. As requested by the Grantor, from 1 January 2013 the company has continued to be responsible for day-to-day operation of the motorway, including completion of the investment plan, whilst awaiting the transfer of the concession to the new operator (subject to inclusion of the related costs in the value of its takeover right).

(1) Includes construction of the Modena Ring Road, a work requested by local authorities and awaiting approval from the Services Conference.

(2) Total investment of €247 million, of which €59 million in the Major Works Plan of 1997 and €188 million in “Other investment”.

(3) The Variante di Valico opened to traffic on 23 December 2015. Work is continuing on off carriageway works, landscaping and completion of the new Rioveggio junction.

(4) Work on the Barberino-Florence North section is in progress as at December 2016, with 2.5 km of third lane opened to traffic between the Florence North junction and the southern end of the Boscaccio tunnel. Approximately 21.9 km of third lane between Florence North and Florence South has been opened to traffic; the executive design for lot 2 of the Florence South-Incisa section is awaiting approval, whilst work on lot 1 is in progress.
2. Report on operations

(5) Work is nearing completion on lot 1 and the tender procedure for lot 2 is in progress.

(6) All 154.7 km of third lane is open to traffic between Rimini North and Porto Sant’Elpidio, in addition to the new junctions at Montemarciano, Porto Sant’Elpidio and Senigallia.

(7) The portion of investment completed relates to other authorised works.

(8) The tender procedure is underway for the Maddaloni junction; work is in progress on the Tunnel Safety Plan and on the A4/A13 interchange; work has been completed on the Villamarzana, Ferentino, Guidonia, Rubicone and Padua Industrial Park junctions.

(9) Work is in progress on external roads for lot 6A. Work on the section from San Pietro in Palazzi to Tarquinia South is dependent on approval of a new Addendum.
The Group’s overseas motorway operators generated operating revenue of €559 million in 2016, up €13 million (2%) on 2015, despite the negative impact of exchange rate movements. At constant exchange rates, operating revenue is up €34 million (6%).

The growth was driven by toll increases applied by operators in accordance with the terms of their concession arrangements, and by increases in traffic (measured in terms of kilometres travelled) compared with 2015. Traffic growth was particularly evident in Chile (5.8%) and Poland (10.5%), compared with a decline in Brazil (down 2.7%), linked to the continuing weakness of the Brazilian economy.

EBITDA for the overseas companies, amounting to €422 million for 2016 is up €15 million (4%) on 2015, despite being impacted, among other things, by increased costs linked to planned maintenance and resurfacing work carried out in Brazil and the negative impact of exchange rate movements. At constant exchange rates, EBITDA is up €31 million (8%).

**EBITDA for the overseas motorway segment**
Chile

The Chilean operators’ operating revenue for 2016 amounts to a total of €280 million, up €37 million (15%) on 2015. At constant exchange rates, operating revenue is up €46 million (19%).

EBITDA of €189 million is up €29 million (18%) on 2015. At constant exchange rates, EBITDA is up €35 million (22%). The increase in EBITDA in 2016 reflects lower maintenance costs, primarily at Vespucio Sur which, in 2015, incurred higher maintenance costs, and increased margins on the work carried out by the in-house construction company, Gesvial, mainly work on widening the Santiago Centro Oriente motorway on the sections operated by Costanera Norte.

Adjusted EBITDA\(^1\) of €280 million is up approximately €34 million compared with 2015 (up 14%).

Traffic performance

<table>
<thead>
<tr>
<th>MILLIONS OF KM TRAVELLED</th>
<th>2016</th>
<th>2015</th>
<th>% INCREASE/ (DECREASE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costanera Norte</td>
<td>1,199</td>
<td>1,153</td>
<td>4.0%</td>
</tr>
<tr>
<td>Nororiente</td>
<td>89</td>
<td>79</td>
<td>12.2%</td>
</tr>
<tr>
<td>Vespucio Sur</td>
<td>939</td>
<td>898</td>
<td>4.6%</td>
</tr>
<tr>
<td>Litoral Central</td>
<td>121</td>
<td>111</td>
<td>8.3%</td>
</tr>
<tr>
<td>AMB</td>
<td>24</td>
<td>23</td>
<td>7.5%</td>
</tr>
<tr>
<td>Los Lagos</td>
<td>734</td>
<td>673</td>
<td>9.2%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,106</strong></td>
<td><strong>2,936</strong></td>
<td><strong>5.8%</strong></td>
</tr>
</tbody>
</table>

Traffic on the motorways operated by the Group’s Chilean operators in 2016, measured in terms of kilometres travelled, rose by a total of 5.8%. After adjusting for the leap-year effect, the increase in traffic is 5.5%.

From January 2016, the operators controlled by Grupo Costanera applied the following annual toll increases, calculated under the terms of the related concession arrangements:

- 7.6% for Costanera Norte, Vespucio Sur and Nororiente, reflecting a combination of the increase linked to inflation in 2015 (+3.9%) and a further increase of 3.5%;
- 5.5% for AMB, reflecting a combination of the increase linked to inflation in 2015 (+3.9%) and a further increase of 1.5%;
- 3.9% for Litoral Central, linked to inflation in 2015 (+3.9%).

From January 2016, the tolls applied by Los Lagos have risen 2.3%, reflecting a combination of the increase linked to inflation in 2015 (+3.9%) and a further increase in the form of a bonus relating to

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\(^1\) Adjusted EBITDA is calculated by adding, to the Chilean companies’ total reported EBITDA, the impact of application of the “financial model”, introduced by IFRIC 12, by the Chilean operators who have adopted this model, amounting to €91 million for 2016. Details of the adjustments made and the reconciliation with the corresponding reported amounts are provided in the section, “Adjusted consolidated results of operations and financial position and reconciliation with reported consolidated amounts”, included in the “Group financial review”.
safety improvements in 2016 (up 2.4%), less the bonus for safety improvements awarded in 2015, equal to 4.0%.

Capital expenditure amounts to a total of €105 million for 2016. Around 74% of the works to be carried out as part of the Santiago Centro Oriente upgrade programme have been completed. The programme involves investment of approximately €256 billion pesos (equal to approximately €349 million) in upgrading the section of motorway operated by Costanera Norte.

Brazil

The Brazilian operators’ operating revenue for 2016 amounts to a total of €268 million, down €7 million (3%) on 2015. At constant exchange rates, operating revenue is up €4 million (1%). EBITDA of €181 million is down approximately €15 million (8%) on the figure for 2015, reflecting the negative impact of exchange rate movements. At constant exchange rates, EBITDA is down €7 million (4%).

The reduction is primarily due to an increase in cyclical maintenance and resurfacing work compared with 2015, primarily by the operators, Triangulo do Sol and Rodovia MG050.

Traffic performance

<table>
<thead>
<tr>
<th>MILIONS OF KM TRAVELLED</th>
<th>2016</th>
<th>2015</th>
<th>% INCREASE/ (DECREASE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Triangulo do Sol</td>
<td>1,404</td>
<td>1,465</td>
<td>-4.2%</td>
</tr>
<tr>
<td>Rodovias das Colinas</td>
<td>1,972</td>
<td>2,042</td>
<td>-3.4%</td>
</tr>
<tr>
<td>Rodovia MG050</td>
<td>809</td>
<td>794</td>
<td>1.9%</td>
</tr>
<tr>
<td>Total</td>
<td>4,185</td>
<td>4,301</td>
<td>-2.7%</td>
</tr>
</tbody>
</table>

Traffic on the network operated by the Group’s Brazilian operators fell 2.7% in terms of kilometres travelled in 2016. This reflects a combination of declines in traffic recorded by operators in the State of Sao Paulo, Triangulo do Sol and Rodovias das Colinas, partially offset by growth recorded by Rodovia MG050 in the State of Minas Gerais, reflecting an increase in traffic linked to the mining and steel industries. After adjusting for the leap-year effect, the decrease in total traffic in Brazil in 2016 is 3.0%.

Toll revenue for the first nine months of 2016 benefitted from the annual toll increases applied by the operators in the State of Sao Paulo from July 2015 and by the operator, Rodovia MG050, in the State of Minas Gerais from June 2015, as well as from a further adjustment for 2016 applied in the State of Sao Paulo from 1 July 2016.

During 2016, a total of €63 million was invested in upgrading the network operated under concession in Brazil.

With the opening to traffic of the last 5.5 km of the Rodoanel (Sao Paulo’s orbital motorway), the entire stretch of this road, covering 105 km, is now operational with a provisional layout. This road is operated under concession by SPMAR, on whose shares Atlantia Bertin Concessões has a call option exercisable in

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(3) More detailed information on the toll increases applied by the Brazilian companies is provided in the section “Significant regulatory aspects”.

(2) The regulator for the State of Sao Paulo (ARTESP) also authorised collection of tolls from 2 July 2015, despite the fact that a number of construction works still have to be carried out to complete the section of motorway.
accordance with the terms of agreements with the Bertin group, currently SPMAR’s controlling shareholder.

Poland

The Stalexport Autostrady group’s operating revenue for 2016 amounts to €68 million, up €4 million (6%) on 2015. At constant exchange rates, revenue is up €7 million (11%). EBITDA of €52 million is up €1 million (2%) on 2015. At constant exchange rates, EBITDA is up €3 million (6%). The performance, moreover, reflects the increased cost of cyclical maintenance and resurfacing work.

Traffic performance

<table>
<thead>
<tr>
<th>MILLIONS OF KM TRAVELLED</th>
<th>2016</th>
<th>2015</th>
<th>% INCREASE/DECREASE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stalexport Autostrada Malopolska</td>
<td>908</td>
<td>822</td>
<td>10.5%</td>
</tr>
</tbody>
</table>

The Polish operator, Stalexport Autostrada Malopolska, registered a 10.5% increase in traffic, in terms of kilometres travelled, in 2016, compared with 2015 (light vehicles up 10.5%, heavy vehicles up 10.7%). After adjusting for the leap-year effect, the increase in traffic is 10.2%.

Tolls were increased by 10.7%\(^4\), from 1 March 2015, rising from 9.0 to 10.0 zlotys for light vehicles, from 15.0 to 16.5 zlotys for vehicles with up to 3 axles and from 24.5 to 26.5 zlotys for those with more than 3 axles. There were no further increases for 2016.

\(^{4}\) The weighted average increase based on the distribution of traffic in the first quarter of 2015 (in terms of km travelled) over the three classes of vehicle.
The Italian airports business generated operating revenue of €884 million in 2016, up €80 million (10%) on the previous year.

Aviation revenue of €636 million is up by a total of €71 million (13%) compared with 2015, essentially reflecting traffic growth (passengers up 1.8%) and the increases in airport fees applied from 1 March in both 2016 and 2015.

The average fees\(^1\) for operating Fiumicino and Ciampino airports rose by 10.4% and 5.9%, respectively, from 1 March 2016.

Other operating income of €248 million is up €9 million on the previous year, primarily due to the positive performance of non-aviation revenue, reflecting traffic growth and an increase in retail space at Fiumicino compared with 2015, when the fire had an impact. Other operating income also reflects determination, in 2016, of the insurance proceeds receivable in order to cover the additional expenses and the cost of rebuilding and salvage operations incurred as a result of the fire that affected Terminal 3 in 2015. This sum adds to the value of the proceeds already recognised on the basis of an estimate made in the previous year.

EBITDA of €532 million is up €82 million (18%) on the previous year. In addition to the increase in revenue, the performance of EBITDA reflects the following:

- a reduction in the cost of materials and external services, primarily influenced by a decrease in the costs linked to the fire at Terminal 3 which, in the period under review, include the additional costs resulting from the disruption to operations caused by the fire. This reduction is partially offset by increased expenditure on improvements to quality (routine maintenance and policing and security services) and on commercial initiatives (promotions);
- an increase in concession fees due to traffic growth;
- a 10% increase in net staff costs, primarily due to an increase in the ADR group’s average workforce, reflecting heightened anti-terrorism measures, initiatives designed to improve the quality of passenger assistance, the insourcing of cleaning services and staff hired in relation to implementation of the infrastructure development plan envisaged in the Planning Agreement.

\(^{1}\) In terms of the ratio between the maximum permitted revenue for regulated services and fee-paying passengers, in accordance with traffic projections for the regulatory period 2012-2016.
Traffic performance

The Roman airport system handled 47 million passengers in 2016, marking an increase of 1.8% on the previous year. After stripping out calendar-related effects (the leap-year effect), the increase is approximately 1.6%.

In terms of the airport system as a whole, the EU segment is up 2.4% on 2015 (accounting for 51% of total traffic). The non-EU segment is up 3.6%, whilst domestic traffic is broadly stable (down 0.6%). In particular, passenger traffic at Fiumicino airport is up 3.2%, whilst Ciampino registered a fall of 7.5%. The latter decline is entirely due to the exceptional transfer, in May, June and July 2015, of flights that could no longer operate from Fiumicino as a result of the above fire. Capacity at the Roman airport system is also up, with the number of available seats rising 0.7% and aircraft tonnage up 1.4%, compared with a reduction in the number of movements (down 1.6%).

Breakdown of traffic using the Roman airport system in 2016
(millions of pax and change 2016 vs 2015)
Capital expenditure

Aeroporti di Roma is working on the construction of new infrastructure for Leonardo da Vinci airport according to a strict timetable. The aim is to ensure sufficient capacity to meet demand and achieve continuous improvements in the level of service offered to passengers.

By 2021, the airport’s capacity will be in excess of 50 million passengers a year, in line with other major European airports. In addition to upgrading airside infrastructure, the investment plan is focusing on expansion of the various terminals.

In the Western area of the airport (primarily earmarked for non-Schengen international traffic), two new areas were opened in 2016:

- the avant-corps for Terminal 3, a separate building connected to the existing terminal and housing, in addition to 8 new gates, a retail area providing services and facilities for passengers;
- a new departure area, where finishing and complementary works and the setup of equipment is in progress; the new area is connected with the avant-corps and houses a baggage handling system and 14 new gates equipped with loading bridges, including 2 for class F aircraft.

In the Eastern area of the airport (primarily earmarked for domestic and Schengen traffic), construction of the following is planned over the coming years:

- a new departure area towards the far side of the terminal (pier A), which will host 24 new gates, with 14 equipped with loading bridges;
- the expansion of Terminal 1, through construction of a new retail area, linked to the new pier;
- the extension of Terminal 1 towards the west and taking up space currently occupied by Terminal 2, with the complete upgrade of departure area C and of the area linking it with departure area D.

Capital expenditure totalled €445 million in 2016 (up €109 million compared with 2015). The largest part regarded construction of the avant-corps for Terminal 3 at Fiumicino and the new departure area E.
where finishing work, the setup of equipment, testing and complementary works are underway. Both facilities opened on 21 December 2016. Inauguration of the new facade of Terminal 3 took place on the same day, after work designed to restore the building to its original style, in accordance with the requirements set out by the Ministry of Cultural heritage and Tourism.

Work on the new baggage handling system for Fiumicino’s Terminal 1 was also completed in 2016 (HBS/BHS T1), as was renovation of the Immigration Area in Terminal 3 and the upgrade and restyling of part of departure area B in Terminal 1. Work on internal upgrades of both Terminal 1 and Terminal 3 began in readiness for the transfer of high-risk flights that currently depart from Terminal 5. Again with regard to terminals and piers, work on the final design for Lot 2 of the Eastern Terminal System at Fiumicino airport is in progress. With regard to work on runways and aprons, work on extension of the aprons included in the Piazzali 200 (“200 Aprons”) project has been completed, whilst work on the first phase of construction of the Western Aprons is in progress.

Other works at Fiumicino include the reconstruction of the portion of Terminal 3 damaged by the fire of May 2015.

Work at Ciampino, on upgrading runways and taxiways and on an upgrade of the arrivals hall for commercial flights, was completed. Work on the upgrade of the General Aviation Terminal is nearing completion.

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Departure area E (Avant-corps and third BHS)</td>
<td>195</td>
<td>82</td>
</tr>
<tr>
<td>Work on baggage handling sub-systems and airport equipment</td>
<td>55</td>
<td>80</td>
</tr>
<tr>
<td>Work on terminals and piers</td>
<td>61</td>
<td>69</td>
</tr>
<tr>
<td>Work on technical systems and networks</td>
<td>33</td>
<td>47</td>
</tr>
<tr>
<td>Work on runways and aprons</td>
<td>21</td>
<td>12</td>
</tr>
<tr>
<td>Other</td>
<td>81</td>
<td>46</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>445</strong></td>
<td><strong>336(^*)</strong></td>
</tr>
</tbody>
</table>

\(^*\) Including capital expenditure funded by ENAC, totalling €18 million.
Other activities

Spea Engineering
Spea Engineering operates in Italy and overseas, supplying engineering services involved in the design, project management and controls connected to the upgrade and maintenance of the Group’s motorway and airport infrastructure.
Operating revenue in 2016 amounts to €124 million, an increase of €16 million on the previous year. This primarily reflects the design of new motorway infrastructure, which has offset the reduction in project management following the closure of construction sites and the production of final statements, and the progress of work on overseas contracts.
91% of the company’s total revenue during the period was earned on services provided to the Group.
EBITDA for 2016 amounts to €29 million, substantially in line with the figure for the previous year.

Electronic Transaction Consultants
Electronic Transaction Consultants (ETC) is the leading US provider of systems integration, hardware and software maintenance, customer services and consultancy in the field of free-flow electronic tolling systems.
ETC generated operating revenue of €64 million in 2016, down €8 million compared with 2015. EBITDA of approximately €6 million is down approximately €3 million on the figure for 2015.

Telepass
Telepass, the company responsible for operating electronic tolling systems and the supplier, in Italy and overseas, of other transport-related payment systems, generated revenue of €158 million in 2016, up €7 million on the figure for the previous year. This is primarily represented by Telepass fees of €102 million, Viacard subscription fees of €21 million and payments for Premium services of €18 million. The company’s EBITDA for 2016 amounts to €91 million, an increase of €2 million on the previous year. As at 31 December 2016, there are 9,211,761 Telepass devices in circulation (up approximately 390,000 compared with 31 December 2015), whilst the number of subscribers of the Premium Option total 1,990,530 (up approximately 86,000 compared with 31 December 2015).
A new company named Telepass Pay SpA was established on 11 November 2016. The company’s issued capital, amounting to €350,000, was fully subscribed by Telepass SpA.
In January 2017, the company applied to the Bank of Italy for authorisation to operate as an electronic money institution.
Pavimental

The company provides the Group with motorway and airport maintenance services and carries out major infrastructure works for the Group and external customers. Operating revenue for 2016 amounts to €300 million, down €207 million compared with 2015. This is primarily due to the application of deeper discounts on infrastructure contracts for the Barberino-Florence North section of motorway, the impact of completion of intragroup contracts subject to price cuts and a reduction in construction and maintenance work. Negative EBITDA amounts to €40 million, a deterioration of €64 million compared with 2015, primarily reflecting the above factors. The difference also reflects the fact that an early completion bonus was recognised with regard to the Rho-Monza contract in the first quarter of 2015.
Innovation, research and development

The Group’s innovation, research and development activities aim to offer innovative, technologically advanced solutions designed to improve service quality and infrastructure efficiency, and minimise the impacts of activities right from the start of the design process.

These activities, some of which are long-term in nature, are undertaken by Group companies, and sometimes in collaboration with national and international research centres and universities. Many projects were carried out in 2016, some of which were co-financed at EU and national level. Among the projects that have reached the application stage, in 2016 new functions were developed for the MyWay and MyWayTruck applications. In addition, the main activities in 2016 include:

- the development of an integrated platform for motorway management with virtual sensors;
- the development of innovative systems for monitoring traffic conditions in tunnels based on average journey times and calculation of queue waiting times recorded by sensors installed in the vehicle;
- the trial of new technical solutions aimed at improving visibility and safety when mobile roadworks are present;
- the study of innovative technical solutions as part of the noise abatement plan;
- the design and construction of new prototypes for the management of free-flow toll systems (channelled and multi-lane), as well as new in-vehicle satellite devices.

EU-funded projects under way in which Atlantia participates include:

- Regional European Electronic Toll Service (REETS), regarding implementation of a Regional European Electronic Toll Service, set up by Directive 2004/527EC and Decision 750/2009/750/EC;

In the airport sector, the implementation and trial phase of the Smart Grid pilot project, an initiative designed to save energy and more effectively manage internal distribution networks, was completed at Fiumicino airport.

Group companies’ total expenditure on innovation, research and development in 2016 amounts to €9 million. This sum represents the total amount spent by the Group on research and development, including operating costs and investment in staff and the related expenses.
Workforce

As at 31 December 2016, the Group employs 14,584 staff on permanent contracts and 1,254 temporary staff, resulting in a total workforce of 15,838, including 12,599 in Italy and 3,239 at overseas companies. This is up 179 on the 15,659 of 31 December 2015. The increase in permanent staff at 31 December 2016 compared with the end of 2015 (up 178) primarily reflects events at the following Group companies:

- the Aeroporti di Roma Group (up 204), primarily due to the conversion of a number of temporary contracts into permanent ones as a result of the contractual flexibility introduced by the recent reform of employment law, as well as recruitments connected with the implementation of investment plans and passenger service quality improvement actions;
- the Brazilian companies (up 67), primarily due to the insourcing of maintenance;
- the Chilean companies (up 28), due to recruitment of staff engaged in the implementation of investments provided for in the Santiago Centro Oriente expansion programme;
- Italian motorway operators (down 105) primarily due to a slowdown in recruitment of toll collectors at Autostrade per l’Italia, Tangenziale di Napoli and Società Autostrade Meridionali, partly offset by recruitment for certain specific units at Autostrade per l’Italia;
- Giove Clear (down 12) due to various types of termination (voluntary resignations, staff reaching retirement age, dismissals).

The number of temporary staff at 31 December 2016 was substantially in line with the end of 2015 (up 1), primarily reflecting events at the following Group companies:

- Italian motorway operators (up 44), primarily due to the higher number of seasonal toll collectors required by Autostrade per l’Italia;
- Giove Clear (up 28), reflecting an expansion of operations;
- the Stalexport Autostrady group (up 24), due to recruitment of staff in response to traffic growth and higher volumes of maintenance activities;
- the Aeroporti di Roma group (down 71), primarily due to the conversion of a number of temporary contracts into permanent ones as a result of the contractual flexibility introduced by the recent reform of employment law, partially offset by expansion of the activities managed by Airport Cleaning;
- Pavimental (down 27), primarily reflecting a reduction in the volumes of infrastructure activities.

The average workforce (including agency staff) is up from 14,600 in 2015 to 14,997 in 2016, marking an increase of 397 on average (up 3%). This increase primarily reflects:

- the Aeroporti di Roma group (up 232 on average), primarily linked to insourcing and expansion of activities managed by Airport Cleaning, stepping up of anti-terrorism security checks, passenger assistance improvement initiatives and recruitment linked to implementation of the development plan;
• the Brazilian companies (up 76 on average), primarily due to the insourcing of routine maintenance;
• Autostrada Tirrenica (up 60 on average), following this company’s consolidation from 30 September 2015;
• Electronic Transaction Consultants (up 27 on average), due to changes in the workforce in response to an increase in contract work;
• the Chilean companies (up 17 on average), due to recruitment of staff engaged in the implementation of investments provided for in the Santiago Centro Oriente expansion programme;
• Spea Engineering (up 13 on average), reflecting the knock-on effect of recruitments made in 2015, due to an increase in design activities for new motorway works;
• Giove Clear (up 10 on average), reflecting an expansion of operations;
• the Stalexport Autostrady group (up 10 on average), due to recruitment of staff in response to traffic growth and higher volumes of maintenance activities;
• Pavimental (down 34 on average), primarily reflecting a reduction in the volumes of infrastructure activities;
• Italian motorway operators (down 23 on average), primarily due to a slowdown in recruitment of toll collectors, partly offset by recruitment for certain specific units at Autostrade per l’Italia.

Information on the performance of staff costs is provided in the “Group financial review”.
2. Report on operations

Permanent staff

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>31 December 2016</th>
<th>31 December 2015</th>
<th>INCORSE/(DECREASE)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ABSOLUTE</td>
<td>%</td>
<td></td>
</tr>
<tr>
<td>Senior managers</td>
<td>245</td>
<td>238</td>
<td>7</td>
</tr>
<tr>
<td>Middle managers</td>
<td>989</td>
<td>989</td>
<td>0</td>
</tr>
<tr>
<td>Administrative staff</td>
<td>6,459</td>
<td>6,328</td>
<td>131</td>
</tr>
<tr>
<td>Manual workers</td>
<td>3,765</td>
<td>3,618</td>
<td>147</td>
</tr>
<tr>
<td>Toll collectors</td>
<td>3,126</td>
<td>3,233</td>
<td>-107</td>
</tr>
<tr>
<td>Total</td>
<td>14,584</td>
<td>14,406</td>
<td>178</td>
</tr>
</tbody>
</table>

Temporary staff

<table>
<thead>
<tr>
<th>QUALIFICHE</th>
<th>31 December 2016</th>
<th>31 December 2015</th>
<th>INCORSE/(DECREASE)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ABSOLUTE</td>
<td>%</td>
<td></td>
</tr>
<tr>
<td>Senior managers</td>
<td>4</td>
<td>5</td>
<td>-1</td>
</tr>
<tr>
<td>Middle managers</td>
<td>2</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>Administrative staff</td>
<td>525</td>
<td>604</td>
<td>-79</td>
</tr>
<tr>
<td>Manual workers</td>
<td>483</td>
<td>457</td>
<td>26</td>
</tr>
<tr>
<td>Toll collectors</td>
<td>240</td>
<td>187</td>
<td>53</td>
</tr>
<tr>
<td>Total</td>
<td>1,254</td>
<td>1,253</td>
<td>1</td>
</tr>
</tbody>
</table>

Average workforce (*)

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>2016</th>
<th>2015</th>
<th>INCORSE/(DECREASE)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ABSOLUTE</td>
<td>%</td>
<td></td>
</tr>
<tr>
<td>Senior managers</td>
<td>250</td>
<td>242</td>
<td>8</td>
</tr>
<tr>
<td>Middle managers</td>
<td>986</td>
<td>970</td>
<td>16</td>
</tr>
<tr>
<td>Administrative staff</td>
<td>6,673</td>
<td>6,473</td>
<td>200</td>
</tr>
<tr>
<td>Manual workers</td>
<td>3,880</td>
<td>3,689</td>
<td>191</td>
</tr>
<tr>
<td>Toll collectors</td>
<td>3,208</td>
<td>3,226</td>
<td>-18</td>
</tr>
<tr>
<td>Total</td>
<td>14,997</td>
<td>14,600</td>
<td>397</td>
</tr>
</tbody>
</table>

(*) includes agency staff.
Distribution of the Group’s workforce
(permanent staff)

- **Distribution of workforce**
  - by length of service:
    - under 1 year: 12.0%
    - 2 to 5 years: 17.6%
    - 6 to 10 years: 17.7%
    - 11 to 20 years: 16.6%
    - 21 to 30 years: 20.7%
    - over 30 years: 15.4%

- **Distribution of workforce**
  - by educational qualification:
    - University graduates: 19.4%
    - High school graduates: 47.3%
    - Other: 33.3%

- **Breakdown of workforce**
  - by age range:
    - 30 and under: 8.1%
    - 31 to 45: 31.6%
    - 46 to 55: 33.5%
    - 56 to 60: 16.8%
    - over 60: 10.0%

- **Distribution of workforce**
  - by category:
    - Senior managers: 1.7%
    - Middle managers: 6.8%
    - Admin. staff: 44.3%
    - Toll collectors: 21.4%
    - Manual workers: 25.8%
2. Report on operations

The Group’s human resources policies

During 2016, the Group extended its commitment to developing expertise, improving performance, enhancing talent and supporting organisational change.

Regarding initiatives aimed at integrating the Group’s people management processes, in 2016 the Group’s Human Resources department consolidated a process designed to capitalise on the Group’s skills base, via intercompany mobility and cross-fertilisation initiatives. These initiatives are designed to:

- enhance the Group’s human resources;
- promote and encourage the diversification of experience in order to enrich skills;
- and expand cross-company experience.

The Group’s Leadership Model, aimed at development of individuals’ skills in order to strengthen performances in the long term, was updated. The new model will underpin the appraisal system for senior managers, and have an impact on the annual incentive scheme.

The Group’s talent management and succession planning procedures support career development and organisational development decisions, thus guaranteeing the Group’s managerial continuity.

The partnership programme with Italy’s major universities and polytechnics, called Atlantia per la Conoscenza (Atlantia for Knowledge), continued. The initiative entails provision of scholarships for the best students enrolled in the final year of master’s degree courses, focusing in particular on the faculties of engineering and economics.

Details of remuneration policies are provided in Atlantia’s Remuneration Report for 2017 (as approved by the Board of Directors on 10 March 2017) and in the information circulars for the various equity plans, prepared pursuant to art.84-bis, paragraph 1 of the Regulations for Issuers and available for inspection on the Company’s website at http://www.atlantia.it/it/corporategovernance/remunerazione.html

Training

Training plays a key role in career development, process innovation and in achieving the Group’s business targets.

A total of 200 thousand hours of training was provided in 2016, involving over 12 thousand participants at a total cost of €2.6 million. Approximately 36.5% of the training hours provided regarded health, safety and the environment.

In confirmation of the importance given to the quality of customer services, the Group also renewed its commitment to providing training for Aeroporti di Roma front-end staff and motorway personnel, focusing on improvements to customer relations and customer care.

Organisation

In 2016, the organisational development of the holding company focused on the new responsibilities regarding the Group’s compliance and security. Overall, in line with previous years, the organisational activities of the various sub-holding companies focused on improving the quality of services (via the constant monitoring of pre-defined quality indicators and the implementation of specific projects). Finally, it should be noted that Atlantia launched a corporate restructuring plan that was completed in March 2017, whereby it acts as the holding company for a Group that breaks down into five main areas of business (see the section “Other information”).
Industrial relations

The Group reached a number of agreements with the labour unions in 2016. In the Italian motorways segment, the most important regard the renewal of the relevant national collective labour contract (motorways and tunnels), with respect to both pay and conditions, and setting of the productivity bonus. Other agreements reached during the year regarded improvements to customer service, with particular attention to operational personnel. With respect to Aeroporti di Roma, given the growing degree of attention to improving the quality of the services provided to customers/passengers and to individual performance, dialogue with social partners primarily regarded:

• revision of the performance bonus criteria for non-managerial personnel, with the introduction of new quality indicators and parameters linked to work attendance;
• a workforce consolidation plan, aimed at improving the productivity of front-end operational personnel.

Workplace health and safety

Atlantia implements a health and safety management system certified in accordance with the OHSAS 18001 international standard, the Workplace Health and Safety Organisation and Management Model. The Model defines the responsibilities, processes, procedures, staff, means and tools for implementing the Group’s Safety Policies within the various departments, with a view to preventing accidents, in compliance with current legislation. The Model aims to ensure that the above policies are efficiently implemented and smoothly integrated within the Group’s operations. In 2016, Group companies implemented various initiatives relating to workplace health and safety training and updates, taking into account the provisions of the relevant legislation, and also adopting the Parent Company’s management system.
Corporate governance

Atlantia SpA’s Corporate Governance system is based on a collection of rules that are in line with regulatory guidelines and best market practices. This system is based on Atlantia SpA’s Corporate Governance Code, which has been drawn up in accordance with the principles and criteria contained in the Corporate Governance Code for listed companies, which was updated by the Corporate Governance Committee in July 2015. In accordance with the current Articles of Association, management of the Company is assigned to the Board of Directors, whilst supervisory functions are the responsibility of the Board of Statutory Auditors and responsibility for auditing the Group’s accounts is assigned to the Independent Auditors. Based on the provisions of art. 30 of the Articles of Association, the Chairman represents the Company. Separation of the roles of Chairman and Chief Executive Officer means that it is not necessary to appoint a Lead Independent Director. Based on the provisions of the Company’s Corporate Governance Code, the Board of Directors has established the following board committees: the Human Resources and Remuneration Committee and the Internal Control, Risk and Corporate Governance Committee. The Board has also appointed the Director, Guiliano Mari, as Director responsible for internal control and risk management.

In implementation of the provisions of Legislative Decree 231/2001, Atlantia has adopted the Organisational, Management and Control Model and has set up a Supervisory Board. Lastly, in compliance with the CONSOB requirements contained in the Regulations for Related Party Transactions (Resolution 17221 of 12 March 2010, as amended), Atlantia set up a Committee of Independent Directors with responsibility for Related Party Transactions – consisting of three independent Directors – and adopted the Procedure for Related Party Transactions, which came into effect from 1 January 2011. In addition to the above Procedure, Atlantia has, among others, adopted the Procedure for Market Announcements, the Procedure for relations with the Independent Auditors, the Procedure for Reporting to the Board of Statutory Auditors, the Code of Conduct for internal dealing, and the Procedure for Notification of the Ethics Officer.

The Company’s Governance system is completed by the regulations contained in the Articles of Association and in the General Meeting Regulations. Sintonia SpA, the shareholder that directly holds a relative majority of the issued capital of Atlantia SpA, owns 30.25% of the Company. Given this level of investment, Sintonia SpA is deemed to hold sufficient voting rights to exercise dominant influence at the ordinary general meetings of Atlantia SpA’s shareholders, pursuant to art. 2359, paragraph 1, no. 3), of the Italian Civil Code. However, Sintonia does not manage or coordinate Atlantia SpA, pursuant to art. 2497 of the Italian Civil Code, as was confirmed in a specific declaration sent to Atlantia SpA on 12 March 2009 by the former Sintonia SA and by Schemaventotto SpA. Given that there have not been any further announcements, the basis for considering Atlantia as not subject to management and coordination by Sintonia is deemed to be unchanged.
Atlantic SpA is responsible for management and coordination of the direct Italian subsidiaries, which in turn manage and coordinate their own subsidiaries.

The full text of the “Annual report on Corporate Governance and the Ownership Structure”, prepared in accordance with indications contained in the format for corporate governance reports formulated by Borsa Italiana, is available in the “Corporate Governance” section of the Company’s website at www.atlantia.it
Sustainability

Over the years, sustainability has played an increasingly important strategic role for Atlantia, a leading player in the construction and management of motorway and airport infrastructure, creating value for all the Group’s stakeholders over time.

For the Group, being sustainable means operating ethically and transparently in order to guarantee and enhance the safety of the infrastructure managed, raise service quality standards, safeguard workplace health and safety, enhance people’s skills, and dialogue with communities to reduce the environmental impact of business activities.

As confirmation of the effectiveness of the Group’s approach and proof of its commitment, Atlantia was again rewarded in 2016 with reconfirmation of the Group’s membership of the prestigious Dow Jones Sustainability World and Europe Indices, which select the best companies on the basis of economic, environmental and social criteria, registering steady improvement in all three areas evaluated by the analysts. Once again in 2016, ADR and Autostrade per l’Italia were recognised as best employers, for the quality of the policies they implemented to develop human capital.

Regarding the methodological approach adopted for reporting the above performances, and more generally for non-financial information as a whole, Atlantia carries out a study every two years with a view to identifying key issues for the Group and its stakeholders. These so-called “materiality analyses” are prepared using a methodology that complies with the instructions contained in the GRI G4 guidelines1 issued in 2013 by the Global Reporting Initiative (GRI) and in accordance with the framework <IR> of the International Integrated Reporting Council (IIRC)2.

Economic responsibility

Economic responsibility is closely linked to sustainability as a company that does not create value is no longer sustainable.

Distributable Integrated Added Value (DIAV) is the tool used to measure how the value generated is distributed among the different stakeholders. DIAV is calculated by subtracting the costs of materials, services and provisions and other expenses from the value of production, which includes toll revenue from Italy and overseas, revenue from airport management and other operating income. Extraordinary and ancillary items3, as well as amortisation and depreciation are thendeducted from the gross Added Value from ordinary activities to obtain the total net Added Value. The Added Value parameter serves to provide social information and measure the value

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1. https://www.globalreporting.org/information/g4
3. Financial income/expenses, revaluations/impairments of financial assets, gains/losses, profit/loss from discontinued operations, dividends from investees, foreign exchange gains/losses, impairments and reversals of impairment losses on property, plant and equipment, other sundry income.
(economic and financial) produced by the Group during the year, with reference to the stakeholders who participate in its distribution.

The DIAV of €3,446 million generated in 2016 is up 12% on the figure for 2015, with increases in toll revenue (up 4.5%) and aviation revenue (up 12.5%) contributing to the improvement. DIAV was distributed to the Group’s stakeholders as follows:

- €577 million (16.7% of the total) was paid to capital providers as interest on borrowings, after deducting financial income;
- 23% of DIAV was paid to shareholders in the form of dividends of approximately €784 million;
- approximately €555 million (16% of the total) was transferred to the government in the form of direct and indirect taxation and deferred tax liabilities. The government as stakeholder also received approximately €477 million in concession fees;
- 13% of the total, amounting to approximately €454 million, calculated as the difference between profit for the year and dividends paid, was kept by the Group and used to finance its operations;
- staff accounted for 31% (€1,076 million) in salaries, wages, post-employment benefits, staff-related provisions, Directors’ fees, social security contributions and other expenses.

### DIAV breakdown

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2016/2015 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A) Value of production</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Toll revenue</td>
<td>4,008,757</td>
<td>3,835,930</td>
<td>4.5%</td>
</tr>
<tr>
<td>Aviation revenue</td>
<td>635,701</td>
<td>565,312</td>
<td>12.5%</td>
</tr>
<tr>
<td>Revenues from construction services</td>
<td>695,952</td>
<td>716,412</td>
<td>-2.9%</td>
</tr>
<tr>
<td>Contract revenue</td>
<td>53,812</td>
<td>106,467</td>
<td>-49.5%</td>
</tr>
<tr>
<td>Other operating income</td>
<td>1,365,042</td>
<td>1,458,339</td>
<td>-6.4%</td>
</tr>
<tr>
<td><strong>B) Intermediate costs of production</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Raw and ancillary materials and consumables, purchases of goods for resale</td>
<td>-283,630</td>
<td>-378,510</td>
<td>-25.1%</td>
</tr>
<tr>
<td>Service costs</td>
<td>-1,410,766</td>
<td>-1,457,839</td>
<td>-3.2%</td>
</tr>
<tr>
<td>Lease expense</td>
<td>-17,316</td>
<td>-16,466</td>
<td>5.2%</td>
</tr>
<tr>
<td>Provisions</td>
<td>-132,472</td>
<td>-74,911</td>
<td>76.8%</td>
</tr>
<tr>
<td>Other operating costs</td>
<td>-56,4966</td>
<td>-558,360</td>
<td>1.2%</td>
</tr>
<tr>
<td><strong>Gross added value from ordinary activities</strong></td>
<td>4,350,114</td>
<td>4,196,374</td>
<td>3.7%</td>
</tr>
<tr>
<td><strong>C) Ancillary and extraordinary items</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross total added value</td>
<td>4,401,456</td>
<td>3,996,505</td>
<td>10.1%</td>
</tr>
<tr>
<td>- Amortisation and depreciation</td>
<td>-955,247</td>
<td>-916,892</td>
<td>4.2%</td>
</tr>
<tr>
<td><strong>Net total added value</strong></td>
<td>3,446,209</td>
<td>3,079,613</td>
<td>11.9%</td>
</tr>
</tbody>
</table>

**Note:** The added value and its distribution were calculated using accounting data from the income statement, with application of the methods established by the GBS Social Reporting Study Group.
Service quality

Improving service quality is a key objective in all the areas of business in which Atlantia operates. This entails constant monitoring of the standard of service provided and the ongoing implementation of improvements.

Motorways

In 2016, on the network operated by Autostrade per l’Italia and its Italian subsidiaries, a substantial reduction in accident and fatal accident rates was registered, defined respectively as the number of accidents and fatal accidents per 100 million kilometres travelled. Specifically, the accident rate fell from 32.5 to 29.67, while the fatal accident rate fell from 0.32 to 0.21. Such significant results reward the Group’s constant efforts and the initiatives undertaken over the years, including deployment of the “Tutor” system for measuring average speeds, continual improvements in network maintenance standards, and the information campaigns designed to raise safety awareness among road users. In addition, Autostrade per l’Italia deploys a series of instruments, systems and devices to provide traffic information and a widespread network of Information Centres, operating 24 hours a day, 7 days a week, throughout Italy. All incidents with an impact on road conditions are registered by the information system and reported in real time via the various communication channels (Variable Message Panels, radio channels, the internet, satellite navigation systems, etc.) under the supervision of the Multimedia Centre in Rome, which operates round the clock.

Particular attention is given to road network management during emergency events, such as snowfall, for which Autostrade per l’Italia has developed a complex operational model that is continuously improved. Despite traffic growth, improvements in management of the network have enabled stabilisation of delays caused by traffic queues and tailbacks, which are measured by the Total Delay indicator\(^4\). The overall

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\(^4\) Total Delay (“TD”) measures the difference between the average transit time for a section of the network in the period under review and the average time under normal traffic flow conditions at a specific average speed typical of the section in question. This difference is then multiplied by the number of vehicles in transit, thereby obtaining the total delay for all customers using the section in question.
Total Delay for the network managed by Autostrade per l’Italia in 2016 is approximately 4.58 million hours, up 2.2% on the figure for 2015, proportionally less than the increase in traffic.

Customer satisfaction with the motorway service is measured through customer satisfaction surveys, conducted periodically by specialised firms and/or via telephone interviews. In 2016, Autostrade per l’Italia’s Customer Satisfaction Index (CSI) was based on a sample of 2,918 “frequent travellers”, namely customers who use motorways at least once a month: commuters, truck drivers, traders.

<table>
<thead>
<tr>
<th>CUSTOMER SATISFACTION</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SAFETY</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of satisfied customers (score &gt; or equal to 7-scale 1:10)</td>
<td>68.8</td>
<td>73.6</td>
<td>77.2</td>
</tr>
<tr>
<td>Overall score (average score scale 1:10)</td>
<td>7.13</td>
<td>7.3</td>
<td>7.36</td>
</tr>
<tr>
<td><strong>TRAFFIC CONDITIONS INFORMATION</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of satisfied customers (score &gt; or equal to 7-scale 1:10)</td>
<td>74.7</td>
<td>75.4</td>
<td>77.9</td>
</tr>
<tr>
<td>Overall score (average score scale 1:10)</td>
<td>7.16</td>
<td>7.24</td>
<td>7.28</td>
</tr>
<tr>
<td><strong>TOLLGATES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of satisfied customers (score &gt; or equal to 7-scale 1:10)</td>
<td>79.9</td>
<td>81.2</td>
<td>82.1</td>
</tr>
<tr>
<td>Overall score (average score scale 1:10)</td>
<td>7.32</td>
<td>7.41</td>
<td>7.4</td>
</tr>
<tr>
<td><strong>PAYMENT SYSTEMS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of satisfied customers (score &gt; or equal to 7-scale 1:10)</td>
<td>88.2</td>
<td>87.4</td>
<td>90.1</td>
</tr>
<tr>
<td>Overall score (average score scale 1:10)</td>
<td>8.18</td>
<td>8.06</td>
<td>8.21</td>
</tr>
<tr>
<td><strong>ROAD NETWORK</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of satisfied customers (score &gt; or equal to 7-scale 1:10)</td>
<td>63.1</td>
<td>58.0</td>
<td>59.6</td>
</tr>
<tr>
<td>Overall score (average score scale 1:10)</td>
<td>6.73</td>
<td>6.67</td>
<td>6.66</td>
</tr>
<tr>
<td><strong>SERVICE AREAS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of satisfied customers (score &gt; or equal to 7-scale 1:10)</td>
<td>70.0</td>
<td>73.4</td>
<td>75.6</td>
</tr>
<tr>
<td>Overall score (average score scale 1:10)</td>
<td>6.97</td>
<td>7.07</td>
<td>7.16</td>
</tr>
<tr>
<td><strong>Total CSI</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>7.18</td>
<td>7.19</td>
<td>7.24</td>
</tr>
</tbody>
</table>

Italian airports

2016 saw acceleration of the service quality and customer satisfaction process launched in previous years, aimed at bringing Fiumicino into line with other European airports of similar size. Surveys conducted during the year by the ACI – Airports Council International (international association that measures perceived quality via interviews with passengers in over 250 airport arounds the world) to measure overall customer satisfaction regarding services offered at the airport registered a score of 4.07 on a scale from 1 (poor) to 5 (excellent), for the first time ever. This score ranks Fiumicino among the European Union’s best airports in terms of quality of the services offered to passengers. Security checks, free Wi-Fi and the new e-gates for automatic passport control were particularly appreciated. In terms of comfort, hygiene and the availability of washrooms, together with the overall cleanliness of the airport, which is constantly monitored by dedicated airport staff, also made a significant impact.

Several initiatives to improve the passenger journey experience were also launched at Ciampino airport, with tangible results in terms of perceived quality: the percentage of generally satisfied passengers rose from 80% in 2015 to 85.5% in 2016 (up 5.5 percentage points). Particularly noteworthy was the percentage of passengers satisfied with check-in procedures, which registered an uptick of 6 percentage points, rising from 81.8% in 2015 to 88% in 2016. In line with perceived quality, appreciable improvements were also registered for quality provided regarding check-in waiting times, which fell around 19% to 16’38” compared with 20’32” in 2015 (waiting times in 90% of cases).
2. Report on operations

With regard to the Quality and Environmental Protection Plan, forming part of the Planning Agreement entered into with ENAC, Aeroporti di Roma again met all the related targets for both the airports it operates in 2016.

In order to ensure compliance with the above indicators, ADR carries out daily surveys of both passenger satisfaction and the quality of the main services provided: check-in, hand baggage screening, baggage reclaim and the punctuality of departing flights.

At Fiumicino, all the indicators were above the relevant standards, except for the punctuality of departing flights, which was slightly below target, albeit marking a significant improvement on the previous year. The performance registered by baggage reclaim was highly significant, both in comparison with 2015 and with the standard.

At Ciampino, the overall situation is stable and in keeping with the type of low-cost passenger served. Significant improvement was registered by the punctuality of departing flights figure, which was above standard.

### KEY INDICATORS OF AIRPORT QUALITY (%)

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>Standard</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fiumicino</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Check-in waiting times for domestic flights, within 6 minutes</td>
<td>95.9</td>
<td>94.3</td>
<td>90</td>
</tr>
<tr>
<td>Check-in waiting times for international flights, within 15 minutes</td>
<td>95.4</td>
<td>95.4</td>
<td>90</td>
</tr>
<tr>
<td>Waiting times for carry-on baggage security screening, within 10 minutes for flights at risk, within 5 minutes for other flights</td>
<td>95.6</td>
<td>97.6</td>
<td>90</td>
</tr>
<tr>
<td>Delivery of first bag from block-on within set time</td>
<td>75.8</td>
<td>91.2</td>
<td>90</td>
</tr>
<tr>
<td>Delivery of last bag from block-on within set time</td>
<td>79.6</td>
<td>91.2</td>
<td>90</td>
</tr>
<tr>
<td>Punctuality of departing flights (flights departing with less than 15 minutes’ delay)</td>
<td>66.7</td>
<td>73.0</td>
<td>77</td>
</tr>
<tr>
<td><strong>Ciampino</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Check-in waiting times, within 17 minutes</td>
<td>86.1</td>
<td>90.5</td>
<td>90</td>
</tr>
<tr>
<td>Waiting times for carry-on baggage security screening, within 8 minutes</td>
<td>97.1</td>
<td>98.4</td>
<td>90</td>
</tr>
<tr>
<td>Delivery of first bag from block-on within set time</td>
<td>90.9</td>
<td>88.7</td>
<td>90</td>
</tr>
<tr>
<td>Delivery of last bag from block-on within set time</td>
<td>90.4</td>
<td>87.1</td>
<td>90</td>
</tr>
<tr>
<td>Punctuality of departing flights (flights departing with less than 15 minutes’ delay)</td>
<td>79.6</td>
<td>85.3</td>
<td>85</td>
</tr>
</tbody>
</table>
The environment

Environmental responsibility is incorporated at all organisational levels and promoted among all parties the Group has dealings with, and thus permeates all phases of its activities. During the phases of design, implementation and use of infrastructure, appropriate solutions are identified aimed at achieving ever higher levels of environmental compatibility. The Group is committed to using and sustainably managing environmental inputs and outputs.

Use of resources

Particularly significant with regard to the use of resources are water and energy consumption, and the production of waste, the impact of which on the environment has to be constantly monitored and limited. In 2016, total water consumption amounted to 3.86 million cubic metres, thus registering a 10% decrease compared with 2015, primarily due to favourable weather conditions in South America, with shorter dry seasons that enabled a reduction in the irrigation required for green areas. In addition, recycled water represented 18% of total consumption. At Fiumicino airport, for example, the presence of a biological treatment plant enables waste water to be reused in industrial applications. The industrial water is used primarily to clean the tanks and pumps used in lifting gear, in fire-fighting equipment and the heating systems that serve the airport.

Energy and climate change

Among environmental issues, special attention is undoubtedly focused on energy via various types of projects and initiatives aimed at adoption of renewable energy sources, and the study and implementation of eco-efficient solutions in terms of consumption. Commitments on the energy front also enable important synergies with emission monitoring, management and reduction and, more generally, with the approach to the issue of climate change. The main energy sources used by the Group are fuel - directly used for heating and air conditioning buildings, plant operation, maintenance equipment, service vehicles and generators - and electricity for powering the various systems and equipment. The Group consumed 2,783 T Joules of energy in 2016, including electricity, natural gas, LPG, diesel, petrol and ethanol. This figure marks a decrease of around 4% compared with the previous year, reflecting lesser use of natural gas and diesel, offset by an increase in electricity consumption, partly as a result of the entry into service of the Variante di Valico. Fiumicino airport, in particular, is served by a co-generation plant fuelled by natural gas, which synergically generates electrical and thermal energy covering around 80% of the airport’s energy requirements. The remaining 20% is provided by natural gas and diesel plants. Again with regard to tri-generation (the combined production of electricity, heat and cooling), in 2016 Autostrade per l’Italia completed the construction of the plant to serve the Florence Data Processing Centre building. The aim of reducing and optimising energy consumption is also pursued via the use of renewable energy and energy efficiency and saving initiatives. During the year, the photovoltaic plants installed and in operation produced around 11,690 MWh of electricity (including 40% for internal use on site), enabling the emission of approximately 3,760 tonnes of CO2 to be avoided.
As part of its energy saving programme, in 2016 Group companies continued to implement a series of initiatives, above all with regard to lighting, with the replacement of traditional forms of lighting with LED technology, and air conditioning, with the installation of solar thermal plants, the conversion of heating systems to run on natural gas rather than diesel, the installation of more efficient boilers, the implementation of initiatives in buildings with a view to reducing heat loss, the implementation of automated systems for monitoring air conditioning and heat in order to manage internal temperatures, and the installation of inverters in air conditioning units.

Both the airports operated by Aeroporti di Roma have an energy management system certified in accordance with the ISO 50001 standard. Thanks to a continually updated energy action plan, this enables the company to plan work to be carried out and investment, and to analyse and monitor energy trends in order to improve performance.

With regard to greenhouse gas emissions, the Group’s CO2 equivalent emissions (CO2eq) totalled 222,456 tonnes in 2016, down around 2% on the figure for 2015. In 2016, Fiumicino and Ciampino airports reconfirmed their accreditation under the Airport Carbon Accreditation (ACA) scheme set up by ACI Europe (Airport Council International). Fiumicino confirmed its level 3+ “Neutrality” accreditation, offsetting direct and indirect emissions (scope 1 and 2) with the acquisition of carbon credits from renewable energy production projects and projects involving the implementation of energy-saving lighting systems, while Ciampino confirmed its level 3 “Optimisation” accreditation, requiring quantification of all direct and indirect emissions and other indirect emissions (scope 1, 2 and 3) and proof of absolute or relative improvements in performance.

Waste

The total amount of waste produced by the Atlantia Group in 2016 amounted to around 579,000 tonnes, compared with around 558,000 tonnes in 2015, with the amount recovered or recycled totalling 91%, marking a further increase with respect to the previous year.

Over 90% of the waste produced derives from motorway and airport works carried out, which consequently produced mixed waste from demolition and construction activities, as well as soil, rocks and bituminous conglomerate.
### Key Environmental Indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2016</th>
<th>2015&lt;sup&gt;[1]&lt;/sup&gt;</th>
<th>2016/2015 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water consumption (m&lt;sup&gt;3&lt;/sup&gt;)</td>
<td>3,863,486</td>
<td>4,287,951</td>
<td>-10%</td>
</tr>
<tr>
<td>Water recycled (%)</td>
<td>18</td>
<td>32</td>
<td>-43%</td>
</tr>
<tr>
<td>Energy consumption by type (Tjoules)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diesel</td>
<td>628</td>
<td>703</td>
<td>-11%</td>
</tr>
<tr>
<td>Natural gas</td>
<td>916</td>
<td>1,068</td>
<td>-14%</td>
</tr>
<tr>
<td>Petrol</td>
<td>35</td>
<td>67</td>
<td>-48%</td>
</tr>
<tr>
<td>Electricity</td>
<td>1,019</td>
<td>883</td>
<td>15%</td>
</tr>
<tr>
<td>Other</td>
<td>185</td>
<td>182</td>
<td>2%</td>
</tr>
<tr>
<td>CO2 emissions (t)</td>
<td>222,456</td>
<td>227,405</td>
<td>-2%</td>
</tr>
<tr>
<td>Direct emissions&lt;sup&gt;[2]&lt;/sup&gt;</td>
<td>131,798</td>
<td>148,931</td>
<td>-12%</td>
</tr>
<tr>
<td>Indirect emissions from electricity consumption</td>
<td>90,658</td>
<td>78,431</td>
<td>16%</td>
</tr>
<tr>
<td>Waste produced (t)&lt;sup&gt;[3]&lt;/sup&gt;</td>
<td>579,708</td>
<td>557,819</td>
<td>4%</td>
</tr>
<tr>
<td>% of waste recycled/recovered</td>
<td>91</td>
<td>83</td>
<td>10%</td>
</tr>
</tbody>
</table>

1) The 2015 figures only include Autostradale Tirrenica’s data for the quarter in which the company was consolidated. In 2016, the company is consolidated over the full year.
2) This type of emissions includes fuel consumption for heating and air conditioning buildings, motor vehicles, running generators, road maintenance works.
3) The figure for 2015 differs from the amount published in the Annual Report for 2015, due to the subsequent consolidation of data.

### Government and the Community

A leading international player in the motorway and airport concessions sector, the Group works closely with communities and maintains constant dialogue with central and local government authorities throughout all stages of its operations. At central government level, the Group’s vital counterparties are the Ministries of Infrastructure, the Environment, Heritage and Culture and Tourism, parliamentary committees – during the discussion phase of new regulatory proposals for the sector – supervisory and monitoring bodies, and government-level technical organisations. Relations with local stakeholders, regions and municipalities, as well as with government departments, in order to guarantee a shared approach to local planning for development. A good example of such stakeholder engagement was the public discussion on the Bologna Bypass, held between July and October 2016, during which the preliminary project to upgrade Bologna’s motorway system and ring road was presented to the general public, including evaluation of all the proposals and suggestions made by citizens.

In 2016, the ADR Group finalised stakeholder engagement activities aimed at improving perceptions of airport activities achieving greater consensus regarding expansion of the airport. The “Find your way around the area” (“navigare il territorio”) project also continued, aimed at enabling passengers and the local community to get to know the rich cultural heritage of the Porto di Traiano archaeological site.
Suppliers

The Group’s main suppliers are businesses that provide goods and services, road and airport construction and maintenance, engineering and architecture firms, electronics, electro-technical and IT operators, telecommunications operators and logistics firms.

Group companies have a Register of Suppliers, for which financial, technical and organisational details of potential suppliers are requested and assessed during the qualification process. This qualification process for new suppliers also includes requests for specific information on sustainability backed up by documentary evidence (e.g. sustainability reports, environmental reports, adoption of sustainability strategies, certification of processes and/or products, implementation of initiatives aimed at developing a socially responsible approach to planning and business management).

All the Group’s suppliers must commit to complying with the Group’s Code of Ethics and Conduct on their own behalf and to meeting all social and environmental obligations, including health and safety at the workplace and the procedures used in disposing of waste and scrap. In order to ensure that suppliers comply with their obligations regarding sustainability, a number of specific audits and training and awareness raising initiatives have been carried out.

Finally, in order to enhance the role of operators in the areas in which it operates, and reduce the environmental impact of transport, Atlantia uses local goods and service providers.
Related party transactions

Information on related party transactions is provided in note 10.5 to the consolidated financial statements and note 8.2 to Atlantia SpA’s separate financial statements.
Significant regulatory aspects

Italian motorways

Toll increases with effect from 1 January 2016

From 1 January 2016, Autostrade per l’Italia applied an annual toll increase of 1.09%, corresponding to the sum of the following components: 0.00% for inflation; 0.97% to provide a return capital expenditure via the “X” tariff component; and 0.12 to provide a return on investment via the “K” tariff component.

The toll increases to be applied by Tangenziale di Napoli, Raccordo Autostradale Valle d’Aosta and Autostrada Tirrenica with effect from 1 January 2016 were provisionally suspended (therefore equal to 0.00%), whilst awaiting approval of the operators’ revised financial plans. The toll increases will be finalised by the interministerial decree approving the related addenda revising the financial plans, subject to the right of the operators to recoup any toll increases on the basis of the revised financial plans. The above companies have challenged the decision to suspend the toll increases for 2016. With regard to the challenge brought by Raccordo Autostradale Valle d’Aosta, Valle D’Aosta Regional Administrative Court sentence no. 45, published on 12 October 2016, upheld the company’s challenge, cancelling the suspension and requiring the ministries to accede to the toll increase within 60 days of receipt of notification of the sentence, eventually basing the increase on the indicators contained in the existing Economic and Financial Planning document that has yet to be updated.

Autostrade Meridionali was denied the right to apply any toll increase, in view of the fact that its concession expired on 31 December 2012. Autostrade Meridionali has brought a legal challenge contesting the above decision, in line with the approach adopted in previous years (see the following paragraph).

Based on bilateral agreements between Italy and France, Traforo del Monte Bianco applied an increase of 0.02%, in compliance with the relevant Intergovernmental Committee resolution. This was determined on the basis of inflation (the average rate for Italy and France).

Toll increases with effect from 1 January 2017

The Minister of Infrastructure and Transport and Minister of the Economy and Finance issued the related decrees on 30 December 2016, determining that:

a) Autostrade per l’Italia was to apply a toll increase of 0.64%, compared with the 0.77% requested. The reason given for the reduction with respect to the requested percentage (equal to 0.13%) was that additional documentation was required in respect of the “X” and “K” tariff components. Once these documents have been submitted, the Grantor will decide whether or not to allow the company to recover the shortfall through subsequent toll increases. In this regard, having had access to the paperwork relating to the Grantor’s determination, Autostrade per l’Italia is in the process of preparing further additional documentation for submission to the Grantor;
b) Raccordo Autostradale Valle d’Aosta and Autostrada Tirrenica were to apply an increase based on the target inflation rate (0.90%), whilst determining that any over or under recoveries, including those for previous years, will be assessed following revision of the operators’ financial plans. The companies thus challenged the related decree before the Regional Administrative Court.

c) Tangenziale di Napoli was to apply a toll increase of 1.76%, thus lower than the requested increase, and that any over or under recoveries, including those for previous years, will be assessed following revision of the operator’s financial plans. The company thus challenged the related decree before the Regional Administrative Court.

d) Autostrade Meridionali, as in previous years, did not have the right to apply any toll increase, in view of the fact that its concession expired on 31 December 2012. Autostrade Meridionali has brought a legal challenge contesting the above decision, in line with the approach adopted in previous years (for 2014 and 2015, the courts found in the company’s favour, whilst the challenge relating to 2016 is still pending).

e) As regards Traforo del Monte Bianco, which operates under a different regulatory regime, on 2 December 2016, the Intergovernmental Committee for the Mont Blanc Tunnel gave to go-ahead for a toll increase of 0.06%, representing the average of the inflation rates registered in Italy (-0.07%) and France (+0.2%).

Agreement on the upgrade of the existing motorway system/ring road interchange serving Bologna

On 15 April 2016, Autostrade per l’Italia, the Ministry of Infrastructure and Transport, Emilia-Romagna Regional Authority, the Bologna Metropolitan Authority and the Municipality of Bologna signed an agreement for the upgrade of the existing motorway system/ring road interchange serving the city of Bologna. On 16 December 2016, the signatories to the agreement signed a final memorandum following a public meeting. The memorandum confirms that Autostrade per l’Italia has modified the design for the project in full compliance with the principles set out in the agreement, and that it will carry out the work needed to complete the road network connecting the urban and metropolitan area to the new motorway infrastructure. The environmental assessment is expected to be completed in 2017 and, following receipt of all the necessary consents, work should start during the year.

Addendum to Autostrada Tirrenica’s Single Concession Arrangement

In response to observations from the European Commission regarding, among other things, extension of the concession to 2046, on 14 October 2014 the Grantor sent Autostrada Tirrenica a draft addendum envisaging extension of the concession to 2043, completion of work on the Civitavecchia–Tarquinia section, and eventual completion of the motorway (in sections, if necessary) to be put out to tender. Completion of the motorway is subject to fulfilment of the technical and financial conditions to be verified jointly by the grantor and the operator and execution of an addendum to the Concession Arrangement, with a viable financial plan attached. Subsequently, on 13 May 2015, a memorandum of understanding was signed by the Grantor, Tuscany Regional Authority, Lazio Regional Authority, Autostrade per l’Italia and Autostrada Tirrenica with an attached draft addendum which, whilst maintaining the duration of the concession until 2043, a viable financial plan for the Civitavecchia–Tarquinia section and the obligation to put all the works out to tender. The memorandum also provides for further commitments regarding the design of the Tarquinia–Ansedonia and Ansedonia–Grosseto South sections and of the improvements to the existing dual carriageway (the SS. t Variante Aurelia) between Grosseto South and San Pietro in Palazzi, retaining the current layout of the road.
Performance of the above construction work is subject to positive outcomes of studies of the technical/design, financial and administrative feasibility to be conducted jointly by the Grantor and Autostrada Tirrenica and execution of an addendum with a viable financial plan.

Subsequently, after further discussions between the Grantor and the European Commission, at the Grantor’s request, Autostrada Tirrenica submitted further versions of a financial plan, initially assuming an expiry date of 31 December 2040 and then one of 31 December 2038. In this latter regard, on 21 October 2016, the company submitted a letter of commitment, by which the company, subject to execution of an addendum governing completion of the road, has undertaken to award all the contracts for work on completion of the Civitavecchia–San Pietro in Palazzi section of motorway by public tender. The company has also agreed to accept the inclusion, in a new addendum, of a provision reducing the concession term to 2038.

Award of the concession for the A3 Naples – Pompei – Salerno motorway

In 2012, the Ministry of Infrastructure and Transport issued a call for tenders for the new concession for the A3 Naples – Pompei – Salerno motorway. Following the challenges brought by Autostrade Meridionali and Consorzio Stable SIS before Campania Regional Administrative Court, contesting the Ministry’s decision, dated 22 March 2016, to disqualify both bidders from the tender process, on 19 December 2016, Campania Regional Administrative Court announced that it did not have jurisdiction for either action, referring the challenges to Lazio Regional Administrative Court. On 29 and 30 December 2016, respectively, Consorzio Stable SIS and Autostrade Meridionali returned to court and, on 31 January 2017, Lazio Regional Administrative Court published its view that the Campania Regional Administrative Court had jurisdiction, referring the matter to the Council of State in order to decide on the question.

New legislation concerning tenders and concessions

Enabling Act 11/2016 regarding tenders and concessions, designed to apply the relevant EU directives and reform the regulations governing public contracts, was published in the Official Gazette of 29 January 2016. Legislative Decree 50/2016, named “Implementation of directives 2014/23/EU, 2014/24/EU and 2014/25/EU on the award of concessions, public tenders and tender procedures for the providers of water, energy, transport and postal services, and reform of the existing legislation regarding the public procurement of works, services and goods”, was published in the Official Gazette of 19 April 2016.

Art. 177 of the new legislation, for which ANAC (the Autorità Nazionale Anti Corruzione, Italy’s National Anti-Corruption Authority) is in the process of issuing interpretation guidelines, with regard to the “award of concessions”, has confirmed that public or private entities, not operating in the so-called excluded sectors, and who hold an existing concession at the date of entry into force of the legislation not awarded in the form of project financing or by public tender in accordance with EU law, have an obligation to award 80% of the related contracts for works, services or goods, with a value of over €150 thousand, by public tender. The legislation also establishes that the remaining part (equal to 20%) may, in the case of private entities, be contracted out to direct or indirect subsidiaries or associates.

The new legislation came into force on 20 April 2016. There will be a transitional period to enable operators to comply with the new legislation and this will last for 24 months from the date of entry into force.

Annual checks on compliance with the above limit of 80% are to be conducted by the competent authorities and ANAC. Any instances of non-compliance must be rectified within the following year.
event of repeated failures to comply over a period of two consecutive years, the penalties of 10% of the total value of the works, services or goods that should have been purchased by public tender may be applied.

**Recognition of final price reductions for work on the third lane of the Barberino-Incisa section of motorway**

With regard to the widening to three lanes of the section of the A1 between Barberino del Mugello and Florence North, operated by Autostrade per l’Italia and included among construction services with no additional economic benefits, in previous years the company had requested the Ministry of Infrastructure and Transport to make a final decision on the price reductions to be applied in the related construction contracts awarded to Pavimental for lots 0, 1 and 2. At 31 December 2016, work on lot 0 has been completed, whilst work on lots 1 and 2 is in progress.

On completing its assessment, in November 2016, the Ministry notified the final price reductions to Autostrade per l’Italia. These are far higher than those previously applied on a provisional basis. Autostrade per l’Italia has, therefore, informed Pavimental of the application of the price reductions decided on by the Ministry. This has resulted in an adjustment of the amount spent on works already carried out and a revised estimate of the cost of the works in progress. Correspondingly, Pavimental recognised a reduction in its value of production for 2016 and has made provision for losses at completion with regard to the lots still to be completed.

**Overseas motorways**

**Chile**

From January 2017, Grupo Costanera’s motorway operators have applied the following annual toll increases, determined on the basis of their concession arrangements:

- 6.5% for Costanera Norte, Vespucio Sur and Nororiente, reflecting a combination of the increase linked to inflation in 2016 (2.9%) and a further increase of 3.5%;
- 4.5% for AMB, reflecting a combination of the increase linked to inflation in 2016 (2.9%) and a further increase of 1.5%;
- 2.9% for Litoral Central, reflecting a combination of the increase linked to inflation in 2016 (2.9%).

From January 2017, the tolls applied by Los Lagos have risen 4.0%, reflecting a combination of the increase linked to inflation in 2016 (up 2.9%) and a further increase in the form of a bonus relating to safety improvements in 2017 (up 3.5%), less the bonus for safety improvements awarded in 2016, equal to 2.4%.
Brazil

Triangulo do Sol and Colinas increased their tolls by 4.11% from 1 July 2015, based on the rate of general price inflation (IGP-M) in the period between June 2014 and May 2015, as provided for in the respective concession arrangements.

Triangulo do Sol and Colinas increased their tolls by 9.32% from 1 July 2016, based on the rate of consumer price inflation (IPCA) in the period between June 2015 and May 2016, as provided for in the respective concession arrangements.

This reflects the fact that this figure was lower than the rate of general price inflation in the period between June 2015 and May 2016 (11.09%). The difference will be compensated for in accordance with the related concession arrangements.

From 24 June 2015, the tolls applied by the operator, Rodovia MG050, rose by 8.17%, based on the rate of consumer price inflation in the period between May 2014 and April 2015, as provided for in the related concession arrangement.

In June 2016, Rodovia MG050 had not proceeded to apply the annual inflation-linked toll increase permitted by its concession arrangement. This was because, pending negotiations aimed at ensuring that the concession arrangement is financially viable, the grantor, SETOP, had requested the prior conclusion of the negotiations. Given the extended nature of the talks, Rodovia MG050 notified the grantor of its decision to apply the annual toll increase from 17 January 2017.

In response to a formal notice from the grantor, reiterating its request not to proceed with the toll increase, Rodovia MG050 obtained a precautionary injunction on 30 January 2017, authorising it to raise tolls with immediate effect. Rodovia MG050 thus applied the increase from 1 February 2017, raising its tolls by 9.28%, based on the rate of consumer price inflation in the period between May 2015 and April 2016, as provided for in the related concession arrangement. The delay in authorising the toll increase, with respect to the contractually established date of 13 June 2016, will be subject to compensation in accordance with the concession arrangement. The grantor has appealed the precautionary injunction.

Rodovia MG050’s toll revenue was negatively affected by the suspension of charges for the suspended axles of heavy vehicles introduced by federal law 13103/2015, which came into effect on 17 April 2015. The loss of revenue resulting from the entry into effect of the above legislation will be subject to compensation in accordance with the concession arrangement.

Italian airports

Tariff proposal for the five-year period 2017-2021

On 9 September 2016, ADR began a consultation process, involving the users of Fiumicino and Ciampino airports, on future airport charges during the second sub-period from 1 March 2017 to 28 February 2021. The procedure meets existing Italian and EU requirements and is in line with the guidelines in the “Procedure for consultation between airport operators and users for ordinary planning agreements and those in derogation”, published by the Civil Aviation Authority (ENAC) on 31 October 2014. The consultation process came to a conclusion on 22 November 2016. On 29 December 2016, ENAC published a table on its website showing a summary of the fees for Fiumicino and Ciampino, to be
Significant regulatory aspects

applied from March 2017. The review of fees for the period 1 March 2017 - 30 April 2018 envisages that the fees for Fiumicino and Ciampino will fall by an average of 6.1% and 11.6%, respectively\(^1\).

\(^1\) In terms of the ratio between the maximum permitted revenue and fee-paying passengers for the twelve months from 1 March.
Other information

As at 31 December 2016, Atlantia SpA holds 5,436,047 treasury shares, representing 0.66% of its issued capital. Atlantia SpA does not own, either directly or indirectly through trust companies or proxies, shares or units issued by parent companies. No transactions were carried out during the period involving shares or units issued by parent companies.

During 2016, share grants issued in relation to share-based incentive plans for certain of the Group’s managers were converted into a total of 292,302 shares and a total of 281,532 shares were allotted as a result of the exercise of share options.

Atlantia does not operate branch offices. Its administrative headquarters are at Via Bergamini 50, 00159 Rome.

With reference to CONSOB Ruling 2423 of 1993, regarding criminal proceedings or judicial investigations, the Group is not involved in proceedings, other than those described in note 10.7 “Significant legal and regulatory aspects”, that may result in charges or potential liabilities with an impact on the consolidated financial statements.

On 17 January 2013, a meeting of the Board of Directors elected to apply the exemption provided for by article 70, paragraph 8 and article 71, paragraph 1-bis of the CONSOB Regulations for Issuers (Resolution 11971/99, as amended). The Company will therefore exercise the exemption from disclosure requirements provided for by Annex 3B of the above Regulations in respect of significant mergers, spin-offs, capital increases involving contributions in kind, acquisitions and disposals.

Partial buyback of bonds in the form of a Tender Offer

On 24 November 2016, Autostrade per l’Italia launched a partial buyback of bonds issued by Atlantia SpA, guaranteed by Autostrade per l’Italia SpA and maturing in 2017, 2019 and 2020. The cash consideration offered was up to a nominal amount of €500 million, in accordance with the terms and conditions set out in the Tender Offer Memorandum of 24 November 2016.

On closure of each of the offers, valid acceptances with a total nominal value of €147.9 million had been submitted, the amount that the Offeror decided to establish as the Final Acceptance Amount for the bonds presented. The price paid for the bonds maturing in 2017, 2019 and 2020, for which valid acceptances were received, was determined on the basis of the procedures set out in the Tender Offer Memorandum.

Issuer substitution

In July 2016, the boards of directors of Atlantia and Autostrade per l’Italia approved a plan involving Autostrade per l’Italia’s replacement of Atlantia as the principal debtor for bonds originally issued by the latter under its €10bn Euro Medium Term Note Programme. These bonds were covered by an upstream guarantee provided by Autostrade per l’Italia SpA, which was the ultimate beneficiary through
intercompany loans substantially replicating the same terms, conditions and maturities applicable to the bonds issued by Atlantia. The substitution took effect on 22 December 2016 following the signature of a supplemental trust deed and of supplemental agency agreements (on 21 December 2016) for the related series of private and public placements. In this way, Autostrade per l’Italia repaid the intercompany loans from Atlantia and assumed the role of issuer of the above bonds. The bonds issued as a result of the public placement are covered by a new guarantee issued by Atlantia (a Downstream Guarantee) through to the respective maturities, whilst the bonds issued following the private placement are covered until September 2025. The above substitution did not apply to the retail bonds issued by Atlantia in 2012, maturing in 2018.

**Atlantia acquires an interest in SAVE**

In September 2016, Atlantia acquired a 21.3% interest in SAVE SpA, the company that operates the Venice and Treviso airport system, at a price of €14.75 per share. In a subsequent transaction in November 2016, Atlantia acquired a further 0.8% interest at a price of €15.25 per share. The total outlay for a 22.1% interest in SAVE is approximately €180 million. The agreement also includes an earn-out provision that will be triggered if, within 3 years, there is a public tender or exchange offer for SAVE’s shares at a price that is higher than the price paid. The investment does not form part of any shareholder agreement and does not grant Atlantia any additional rights with respect to those provided for in SAVE’s articles of association.

**Group restructuring**

During a presentation of the Group’s strategies in October 2016, the Company announced a restructuring that will result in Atlantia assuming the role of holding company for a group made up of 5 divisions operating in the following areas of business:

- Italian motorways, with Autostrade per l’Italia having the role of operating parent that controls a group focusing on motorway concessions in Italy;
- Overseas motorways, including the operations in Chile and Brazil, Poland and India;
- Italian airports, with Aeroporti di Roma;
- Overseas airports, with Aéroports de la Côte d’Azur;
- Other businesses, including Pavimental, Spea Engineering, Telepass and ETC.

The new organisational structure will allow each area of business to develop independently and offer the potential to offer investment opportunities to international equity partners. The restructuring process was completed in December 2016, with Atlantia’s acquisition of Autostrade per l’Italia’s interests in Telepass and Stalexport Autostrady. Autostrade per l’Italia’s investments in Autostrade dell’Atlantico Srl (the holding company that controls the Group’s Chilean and Brazilian motorway businesses and ETC in the USA) and Autostrade Indian Infrastructure Development Private Limited were transferred to Atlantia via distribution of a special dividend in kind, using available reserves. The transaction was approved by Autostrade per l’Italia’s shareholders in January 2017.
Launch of share buyback programme

Following on from the resolution passed by the Annual General Meeting of shareholders on 21 April 2016, on 1 December 2016, Atlantia announced the launch of a share buyback programme involving the purchase of the Company’s ordinary shares, within the meaning and for the purposes of the market practices permitted by the CONSOB, in order to increase the liquidity of Atlantia’s shares and to establish a portfolio of treasury shares with a view to medium- and long-term investment, also for the purposes of long-term investment or, in any event, to take advantage of market opportunities.

The maximum number of shares that may be purchased within eighteen months of the Annual General Meeting is 39,258,523, representing 4.75% of the issued capital, taking into account treasury shares already held by the Company, representing approximately 0.25% of the issued capital. The authority to sell, dispose of and/or use the treasury shares is without any time limit.

As at 28 February 2017, the Company holds 9,295,113 treasury shares.
Events after 31 December 2016

€750 million bond issue by Atlantia, maturing in 2025

On 26 January 2017, Atlantia carried out the first bond issue forming part of its €3bn Euro Medium Term Note Programme launched in October 2016.
The transaction involved the issue of a series with a value of €750 million, maturing in 2025.
The bonds were placed with institutional investors. Moody’ s, Standard & Poor’ s and Fitch Ratings have assigned the Programme ratings of “Baa2”/negative, “BBB”/stable and “A-” in negative watch.

Roma Capitale’s sale of its investment in Aeroporti di Roma

In Official Gazette no. 150 of 28 December 2016, Special Series V– Public Contracts, Roma Capitale called for bids for its 1.329% interest in Aeroporti di Roma, represented by 826,800 ordinary shares in the company with a par value of €1 each.

At the end of the public session held to open the bids on 21 February 2017, Roma Capitale announced that the provisional winning bidder for the interest was Atlantia SpA, which was the sole bidder. The value of the winning bid was €48,125,000.

Distribution of a special dividend in kind

On 1 March 2017, Atlantia carried out the distribution of a special dividend in kind, using Autostrade per l’Italia’s available reserves. This took the form of the transfer of the entire interest in Autostrade dell’Atlantico (the holding company that controls the Group’s Chilean and Brazilian motorway businesses and ETC in the USA).

Distribution of the dividend, via the transfer of investments, is part of the Group restructuring that, via the demerger of Autostrade per l’Italia’s overseas assets, together with the intragroup transfers completed at the end of 2016, aims to confer on Autostrade per l’Italia the role of operating parent that controls a group focusing on motorway concessions in Italy.

Accident on the A14 Bologna-Taranto

During work on the widening of the A14 between Ancora South and Porto Sant’Elpidio to three lanes, a motorway bridge (no. 167) close to Camerano collapsed. Work was in progress in order to raise the level of the bridge, in order to maintain its height with respect to the raised level of the motorway following its widening to three lanes.

Autostrade per l’Italia’s technicans are in the process of obtaining the necessary information in order to reconstruct the events and, to this end, have requested the contractors who designed and carried the works to provide a detailed report on what happened.

As noted above, the above work is included in the planned widening of the A14 motorway between Rimini North and Porto Sant’Elpidio and regards the Ancona South–Porto Sant’Elpidio sub-section between kilometre 230+973 and kilometre 271+273.
2. Report on operations

The work forms part of the completion of Lot 6B for which Autostrade per l’Italia has awarded the contract to Pavimental. The contract for raising the height of the motorway bridge was awarded by Pavimental to the sub-contractor, De.L.A.Be.Ch.
Outlook and risks or uncertainties

Overall, we expect to see an improvement in the Group’s earnings in 2017 and growth in key performance indicators.

**Italian motorways**
Traffic using the Group’s Italian network is expected to grow. Work on upgrading the network operated under concession will continue in 2017, whilst approval of the final design prior to the start-up of construction of the Genoa Bypass is awaited.

**Overseas motorways**
Traffic continues to register overall growth, with the exception of Brazil, where the performance of the local economy continues to weigh. The contribution of the Group’s overseas motorway operations to results is, however, subject to movements in the respective currencies.

**Italian airports**
Aviation revenue for the current year will reflect changes in fees linked to the start of the new 5-year regulatory period and the remodelled offerings of a number of airlines, including Alitalia, whose contribution to aviation revenue has, in any event, already fallen to around 30%. On the other hand, non-aviation revenue may, instead, benefit from the opening of the new retail area in the non-Schengen area (area E) at Fiumicino.

The Group’s results for 2017 will also include the contribution resulting from line-by-line consolidation of Aéroports de la Côte d’Azur, which has, moreover, reported growth in traffic.
Proposed resolutions for the Annual General Meeting of Atlantia SpA’s shareholders

Dear Shareholders,

In conclusion, we invite you:

a) to discuss and approve the Board of Directors’ report on operations and the financial statements as at and for the year ended 31 December 2016, which report profit of €919,229,996.21;

b) to appropriate the remaining €556,778,538.21 in profit for the year, after payment of the interim dividend of €362,451,458.00 (equal to €0.440 per share) in 2016, to:
   1) pay a final dividend of €0.530 per share, payable to holders of each of the shares with a par value of €1.00. The total value of the final dividend, based on the number of shares outstanding as at 28 February 2017 (816,488,877), is estimated at €432,739,104.81;
   2) take the remaining profit for the year to retained earnings. This amount, based on the number of shares outstanding as at 31 December 2016, is estimated at €124,039,433.40;

c) to establish the dividend payment date as 24 May 2017, the ex-dividend date for coupon 30 as 22 May 2017 and the record date as 23 May 2017.

For the Board of Directors

The Chairman
Proposed resolutions for the Annual General Meeting of Atlantia SpA’s shareholders

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Consolidated financial statements as at and for the year ended 31 December 2016: consolidated financial statements and notes
CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statement of financial position

<table>
<thead>
<tr>
<th>6000</th>
<th>NOTE</th>
<th>31 December 2016</th>
<th>OF WHICH RELATED PARTY TRANSACTIONS</th>
<th>31 December 2015</th>
<th>OF WHICH RELATED PARTY TRANSACTIONS</th>
</tr>
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<tbody>
<tr>
<td><strong>ASSETS</strong></td>
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<tr>
<td><strong>NON-CURRENT ASSETS</strong></td>
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<td>Contract work in progress</td>
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<td>Current derivative assets</td>
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<td>Current portion of medium/long-term financial assets</td>
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</table>
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</thead>
<tbody>
<tr>
<td><strong>EQUITY AND LIABILITIES</strong></td>
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<tr>
<td><strong>EQUITY</strong></td>
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<td>Equity attributable to owners of the parent</td>
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<td>Issued capital</td>
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<td>825,784</td>
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<td>Reserves and retained earnings</td>
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<td>5,489,653</td>
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<td>Treasury shares</td>
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<td>-38,985</td>
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<td>Profit/(Loss) for the year net of interim dividends</td>
<td>759,387</td>
<td>523,182</td>
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<td><strong>Equity attributable to non-controlling interests</strong></td>
<td>2,784,697</td>
<td>1,683,182</td>
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<tr>
<td>Issued capital and reserves</td>
<td>2,671,343</td>
<td>1,561,728</td>
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<tr>
<td>Profit/(Loss) for the year net of interim dividends</td>
<td>113,354</td>
<td>121,454</td>
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<tr>
<td><strong>TOTAL EQUITY</strong></td>
<td>10,008,605</td>
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<tr>
<td><strong>NON-CURRENT LIABILITIES</strong></td>
<td></td>
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<tr>
<td>Non-current portion of provisions for construction services required by contract</td>
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<td>Non-current derivative liabilities</td>
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<td>Other non-current financial liabilities</td>
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<td>98,778</td>
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<td><strong>TOTAL NON-CURRENT LIABILITIES</strong></td>
<td>22,215,543</td>
<td>20,714,194</td>
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<td><strong>CURRENT LIABILITIES</strong></td>
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<tr>
<td>Trading liabilities</td>
<td>1,650,551</td>
<td>1,581,503</td>
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<td>Liabilities deriving from contract work in progress</td>
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<td>Trade payables</td>
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<td>Bank overdrafts</td>
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<td>Short-term borrowings</td>
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<td>Current derivative liabilities</td>
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<td>Intercompany current account payables due to related parties</td>
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<td>Current tax liabilities</td>
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<td><strong>Other current liabilities</strong></td>
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<td>Liabilities related to discontinued operations</td>
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<td><strong>TOTAL CURRENT LIABILITIES</strong></td>
<td>6,556,713</td>
<td>4,923,982</td>
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<td><strong>TOTAL LIABILITIES</strong></td>
<td>28,772,256</td>
<td>25,638,176</td>
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<td><strong>TOTAL EQUITY AND LIABILITIES</strong></td>
<td>38,780,861</td>
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### Consolidated income statement

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<tr>
<th>€000</th>
<th>NOTE</th>
<th>2016</th>
<th>OF WHICH RELATED PARTY TRANSACTIONS</th>
<th>2015</th>
<th>OF WHICH RELATED PARTY TRANSACTIONS</th>
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<tbody>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
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<tr>
<td>Toll revenue</td>
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<td>4,008,757</td>
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<td>Aviation revenue</td>
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<td>Revenue from construction services</td>
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<td>706,954</td>
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<td>722,989</td>
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<td>Contract revenue</td>
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<td>53,812</td>
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<td>Other operating income</td>
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<td>774,487</td>
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<td><strong>TOTAL REVENUE</strong></td>
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<td>6,179,711</td>
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<td>6,020,505</td>
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<td><strong>COSTS</strong></td>
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<td>Raw and consumable materials</td>
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<td>379,150</td>
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<td>Service costs</td>
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<td>Gain/(Loss) on sale of elements of property, plant and equipment</td>
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<td>Staff costs</td>
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<td>-904,050</td>
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<td>-606,074</td>
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<td>Concession fees</td>
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<td>Lease expense</td>
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<td>Other</td>
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<td>Operating change in provisions</td>
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<td>76,086</td>
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<tr>
<td>Provisions/ (Uses of provisions) for repair and replacement of motorway infrastructure</td>
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<td>-66,798</td>
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<td>36,635</td>
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<tr>
<td>Provisions/ (Uses of provisions) for refurbishment of airport infrastructure</td>
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<td>57,723</td>
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<td>66,846</td>
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<td>Provisions</td>
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<td>-27,395</td>
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<td>Use of provisions for construction services required by contract</td>
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<td>455,024</td>
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<td>502,495</td>
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<td>Amortisation and depreciation</td>
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<td>Depreciation of property, plant and equipment</td>
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<td>-55,259</td>
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<td>51,334</td>
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<td>Amortisation of intangible assets deriving from concession rights</td>
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<td>-834,893</td>
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<td>-800,887</td>
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<tr>
<td>Amortisation of other intangible assets</td>
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<td>-64,671</td>
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<td>Impairment losses/Reversals of impairment losses</td>
<td>8.13</td>
<td>-24,263</td>
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<td>-11,181</td>
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<td><strong>TOTAL COSTS</strong></td>
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<td>-3,859,249</td>
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<td>-3,779,579</td>
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<tr>
<td><strong>OPERATING PROFIT/(LOSS)</strong></td>
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<td>2,240,926</td>
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<td>Financial income</td>
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<td>360,650</td>
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<td>338,870</td>
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<td>Financial income accounted for as an increase in financial assets deriving from concession rights and government grants</td>
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<td>67,425</td>
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<td>63,437</td>
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<td>Dividends received from investees</td>
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<td>3,497</td>
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<tr>
<td>Other financial income</td>
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<td>-20,234</td>
<td></td>
<td>76,086</td>
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<tr>
<td>Financial expenses</td>
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<td>-1,149,345</td>
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<td>Financial expenses from discounting of provisions for construction services required by contract and other provisions</td>
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<td>-85,621</td>
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<tr>
<td>Other financial expenses</td>
<td></td>
<td>-834,893</td>
<td></td>
<td>-800,887</td>
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<tr>
<td>of which non-recurring</td>
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<td>-64,671</td>
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<tr>
<td>Foreign exchange gains/(losses)</td>
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<td><strong>FINANCIAL INCOME/(EXPENSES)</strong></td>
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<td>-537,611</td>
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<td>Share of (profit)/loss of investees accounted for using the equity method</td>
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<td><strong>PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS</strong></td>
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<td>1,778,677</td>
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<td>1,438,314</td>
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<td>Income tax (expense)/benefit</td>
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<td>Differences on tax expense for previous years</td>
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<td>Deferred tax income and expense</td>
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<td><strong>PROFIT/(LOSS) FROM CONTINUING OPERATIONS</strong></td>
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<td>Profit/(Loss) from discontinued operations</td>
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<td><strong>PROFIT FOR THE YEAR</strong></td>
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<td>994,335</td>
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<tr>
<td>Profit attributable to owners of the parent</td>
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<td>Profit attributable to non-controlling interests</td>
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<td>121,808</td>
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<table>
<thead>
<tr>
<th>€</th>
<th>2016</th>
<th>2015</th>
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<tr>
<td>Basic earnings per share attributable to owners of the parent</td>
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<td>1.36</td>
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<tr>
<td>- continuing operations</td>
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<td>1.37</td>
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<tr>
<td>- discontinued operations</td>
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<td>-0.01</td>
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<tr>
<td>Diluted earnings per share attributable to owners of the parent</td>
<td>8.17</td>
<td>1.36</td>
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<tr>
<td>of which:</td>
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<td></td>
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<tr>
<td>- continuing operations</td>
<td></td>
<td>1.37</td>
</tr>
<tr>
<td>- discontinued operations</td>
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<td>-0.01</td>
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### Consolidated statement of comprehensive income

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<th><strong>€000</strong></th>
<th><strong>2016</strong></th>
<th><strong>2015</strong></th>
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<tr>
<td><strong>Profit for the year</strong></td>
<td></td>
<td><strong>A</strong></td>
</tr>
<tr>
<td><strong>Fair value gains/(losses) on cash flow hedges</strong></td>
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<tr>
<td><strong>Tax effect of fair value gains/(losses) on cash flow hedges</strong></td>
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<td>17,142</td>
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<td><strong>Gains/(losses) from translation of assets and liabilities of consolidated companies denominated in functional currencies other than the euro</strong></td>
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<td>347,343</td>
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<td><strong>Gains/(Losses) from translation of investments accounted for using the equity method denominated in functional currencies other than the euro</strong></td>
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<tr>
<td><strong>Other comprehensive income/(loss) for the year reclassifiable to profit or loss</strong></td>
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<td><strong>B</strong></td>
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<tr>
<td><strong>Gains/(losses) from actuarial valuations of provisions for employee benefits</strong></td>
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<td></td>
</tr>
<tr>
<td><strong>Tax effect of gains/(losses) from actuarial valuations of provisions for employee benefits</strong></td>
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<tr>
<td><strong>Other comprehensive income for the year not reclassifiable to profit or loss</strong></td>
<td></td>
<td><strong>C</strong></td>
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<tr>
<td><strong>Reclassifications of other components of comprehensive income to profit or loss for the year</strong></td>
<td></td>
<td><strong>D</strong></td>
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<tr>
<td><strong>Tax effect of reclassifications of other components of comprehensive income to profit or loss for the year</strong></td>
<td></td>
<td><strong>E</strong></td>
</tr>
<tr>
<td><strong>Total other comprehensive income/(loss) for the year</strong></td>
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<td><strong>F=B+C+D+E</strong></td>
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<tr>
<td></td>
<td>of which attributable to discontinued operations</td>
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<tr>
<td><strong>Comprehensive Income for the year</strong></td>
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<td><strong>A+F</strong></td>
</tr>
<tr>
<td></td>
<td>Of which attributable to owners of the parent</td>
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<tr>
<td></td>
<td>Of which attributable to non-controlling interests</td>
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### Statement of changes in consolidated equity

#### Consolidated financial statements as at and for the year ended 31 December 2016

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<tr>
<th>Description</th>
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<th>2016</th>
<th>2017</th>
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<tr>
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<tr>
<td>Issued capital</td>
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<tr>
<td>Cash flow</td>
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<tr>
<td>Hedge reserve</td>
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#### Consolidated financial statements as at and for the year ended 31 December 2015

<table>
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<th>2016</th>
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### Notes to the financial statements

1. **Consolidated financial statements as at and for the year ended 31 December 2016**

2. **Statement of changes in consolidated equity**

3. **Consolidated financial statements as at and for the year ended 31 December 2015**

4. **Consolidated financial statements as at and for the year ended 31 December 2016**

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**Atlantia SpA's final dividend** (€0.445 per share)

**Transfer of profit/(loss) for previous year to retained earnings**

**Atlantia SpA's interim dividend** (€0.400 per share)

**Dividends paid by other Group companies to non-controlling shareholders**

**Sale of treasury shares**

**Share-based incentive plans**

**Change in scope of consolidation, Other minor changes and reclassifications**

**Returns of capital to non-controlling shareholders and other minor changes**
## Consolidated statement of cash flows

### CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES

<table>
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<tr>
<th>NOTE</th>
<th>2016</th>
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<tr>
<td>Profit for the year</td>
<td>1,238,261</td>
<td>974,335</td>
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<td>Adjusted by:</td>
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<tr>
<td>Amortisation and depreciation</td>
<td>955,247</td>
<td>918,882</td>
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<tr>
<td>Operating change in provisions, after use of provisions for refurbishment of airport infrastructure</td>
<td>137,309</td>
<td>84,830</td>
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<tr>
<td>Financial expenses from discounting of provisions for construction services required by contract and other provisions</td>
<td>8.13</td>
<td>65,351</td>
<td>55,521</td>
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<td>Impairment losses/(Reversal of impairment losses) on financial assets and investments accounted for at cost or fair value</td>
<td>-11,207</td>
<td>36,249</td>
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<td>Share of (profit)/losses of investees accounted for using the equity method</td>
<td>8.34</td>
<td>7,174</td>
<td>17,658</td>
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<tr>
<td>Impairment losses/(Reversal of impairment losses) and adjustments of current and non-current assets</td>
<td>-24,531</td>
<td>1,347</td>
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<tr>
<td>(Gains)/Losses on sale of non-current assets</td>
<td>-776</td>
<td>379</td>
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<td>Net change in deferred tax assets/liabilities through profit or loss</td>
<td>111,343</td>
<td>20,910</td>
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<td>Other non-cash costs (income)</td>
<td>-7,852</td>
<td>-3,019</td>
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<td>Change in working capital and other changes</td>
<td>-35,212</td>
<td>1,680</td>
<td>105,718</td>
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<td>Net cash generated from/(used in) operating activities (a)</td>
<td>2,061,810</td>
<td>2,210,820</td>
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### CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES

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<tr>
<td>Investment in assets held under concession</td>
<td>7.2</td>
<td>-1,263,213</td>
<td>-1,352,095</td>
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<td>Purchases of property, plant and equipment</td>
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<tr>
<td>Purchases of other intangible assets</td>
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<td>-45,923</td>
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<tr>
<td>Contributions to activities in concessions</td>
<td>6,291</td>
<td>56,021</td>
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<td>Increase in financial assets deriving from concession rights (related to capital expenditure)</td>
<td>76,079</td>
<td>95,120</td>
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<td>Purchase of investments</td>
<td>-100,163</td>
<td>-17,746</td>
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<td>Investment in consolidated companies, net of cash acquired</td>
<td>-1,244,459</td>
<td>-72,193</td>
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<tr>
<td>Proceeds from sales of property, plant and equipment, intangible assets and unconsolidated investments</td>
<td>4,964</td>
<td>2,731</td>
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<td>Net change in other non-current assets</td>
<td>-13,559</td>
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<td>Net change in current and non-current financial assets</td>
<td>-64,872</td>
<td>2,492</td>
<td>101,683</td>
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<tr>
<td>Net cash generated from/(used in) investing activities (b)</td>
<td>-2,897,599</td>
<td>-1,340,825</td>
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### CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES

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<td>(Purchases)/Sale of treasury shares</td>
<td>-77,202</td>
<td>227,952</td>
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<td>Dividends paid</td>
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<td>Contributions from non-controlling shareholders</td>
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<td>Return of capital to non-controlling shareholders</td>
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<td>Proceeds from exercise of rights under share-based incentive plans</td>
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<td>Issuance of bonds</td>
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<td>Increase in short-term borrowings</td>
<td>7.15</td>
<td>1,600,000</td>
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<td>Increase in medium/long term borrowings (excluding finance lease liabilities)</td>
<td>738,589</td>
<td>290,972</td>
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<td>Bond redemptions</td>
<td>7.15</td>
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<td>Buyback of bonds issued by Atlantia and purchase of notes issued by Romulus Finance</td>
<td>7.15</td>
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<td>Repayments in medium/long term borrowings (excluding finance lease liabilities)</td>
<td>-253,381</td>
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<td>Payment of finance lease liabilities</td>
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<td>Net change in other current and non-current financial liabilities</td>
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<td>204,432</td>
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<tr>
<td>Net cash generated from/(used in) financing activities (c)</td>
<td>9.1</td>
<td>128,821</td>
<td>172,578</td>
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<td>Net effect of foreign exchange rate movements on net cash and cash equivalents (d)</td>
<td>33,073</td>
<td>-36,008</td>
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<tr>
<td>Increase/(Decrease) in cash and cash equivalents (a)+(b)+(c)+(d)</td>
<td>9.1</td>
<td>426,645</td>
<td>1,008,865</td>
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### NET CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR

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<td>2,969,613</td>
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### NET CASH AND CASH EQUIVALENTS AT END OF YEAR

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<tr>
<th>€000</th>
<th>NOTE</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income taxes paid</td>
<td></td>
<td>455,227</td>
<td>445,702</td>
</tr>
<tr>
<td>Interest and other financial income collected</td>
<td></td>
<td>109,753</td>
<td>148,995</td>
</tr>
<tr>
<td>Interest and other financial expenses paid</td>
<td></td>
<td>808,567</td>
<td>867,272</td>
</tr>
<tr>
<td>Dividends received</td>
<td>8.13</td>
<td>7,832</td>
<td>3,497</td>
</tr>
<tr>
<td>Foreign exchange gains collected</td>
<td></td>
<td>1,038</td>
<td>168</td>
</tr>
<tr>
<td>Foreign exchange losses incurred</td>
<td></td>
<td>1,119</td>
<td>204</td>
</tr>
</tbody>
</table>

Reconciliation of net cash and cash equivalents

<table>
<thead>
<tr>
<th>€000</th>
<th>NOTE</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>NET CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</td>
<td>2,959,613</td>
<td>1,952,748</td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>7.8</td>
<td>2,957,246</td>
<td>1,904,996</td>
</tr>
<tr>
<td>Bank overdrafts repayable on demand</td>
<td>7.15</td>
<td>-36,654</td>
<td>-813</td>
</tr>
<tr>
<td>Intercompany current account payables due to related parties</td>
<td></td>
<td>-</td>
<td>-67</td>
</tr>
<tr>
<td>Cash and cash equivalents related to discontinued operations</td>
<td>7.11</td>
<td>39,021</td>
<td>48,632</td>
</tr>
<tr>
<td>NET CASH AND CASH EQUIVALENTS AT END OF YEAR</td>
<td>3,386,258</td>
<td>2,959,613</td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>7.8</td>
<td>3,383,029</td>
<td>2,957,246</td>
</tr>
<tr>
<td>Bank overdrafts repayable on demand</td>
<td>7.15</td>
<td>-4,757</td>
<td>-36,654</td>
</tr>
<tr>
<td>Cash and cash equivalents related to discontinued operations</td>
<td>7.11</td>
<td>7,986</td>
<td>39,021</td>
</tr>
</tbody>
</table>
Notes

1. **INTRODUCTION**

The core business of the Atlantia Group (the “Group”) is the management of concessions granted by the relevant authorities. Under the related concession arrangements, the Group’s operators are responsible for the construction, management, improvement and serviceability of motorway and airport assets in Italy and abroad. Further information on the Group’s concession arrangements is provided in note 4.

The Parent Company is Atlantia SpA (“Atlantia” or the “Company” or the “Parent Company”), a holding company listed on the screen-based trading system (Mercato Telematico Azionario) operated by Borsa Italiana SpA.

The Company’s registered office is in Rome, at Via Nibby, 20. The Company does not have branch offices. The duration of the Company is currently until 31 December 2050.

At the date of preparation of these consolidated financial statements, Sintonia SpA is the shareholder that holds a relative majority of the issued capital of Atlantia SpA. Neither Sintonia SpA nor its direct parent, Edizione Srl, exercise management and coordination of Atlantia SpA.

The consolidated financial statements as at and for the year ended 31 December 2016 were approved by the Board of Directors of Atlantia at its meeting of 10 March 2017.

2. **BASIS OF PREPARATION**

The consolidated financial statements as at and for the year ended 31 December 2016 are based on the assumption that the Parent and consolidated companies are going concerns. They have been prepared in compliance with articles 2 and 3 of Legislative Decree 38/2005 and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and endorsed by the European Commission, as in force at that date. These standards reflect the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), in addition to previous International Accounting Standards (IAS) and interpretations issued by the Standard Interpretations Committee (SIC) and still in force.

For the sake of simplicity, all the above standards and interpretations are hereinafter referred to as “IFRS”.

Moreover, the measures introduced by the CONSOB, in application of paragraph 3 of article 9 of Legislative Decree 38/2005, relating to the preparation of financial statements, have also been taken into account.

The consolidated financial statements consist of the statement of financial position, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and these notes, applying the historical cost convention, with the exception of those items that are required by IFRS to be recognised at fair value, as explained in the accounting policies for individual items described in note 3. The statement of financial position is based on the format that separately discloses current and non-current assets and liabilities. The income statement is classified by nature of expense. The statement of cash flows has been prepared in application of the indirect method.

IFRS have been applied in accordance with the indications provided in the “Conceptual Framework for Financial Reporting”, and no events have occurred that would require exemptions pursuant to paragraph 19 of IAS 1.

CONSOB Resolution 15519 of 27 July 2006 requires that, in addition to the specific requirements of IAS 1 and other IFRS, financial statements must, where material, include separate sub-items providing (i) disclosure of amounts deriving from related parties transactions; and, with regard to income statement, (ii) separate disclosure of income and expenses deriving from events and transactions that are non-recurring in nature or transactions or events that do not occur on a frequent basis in the normal course of business.
No atypical or unusual transactions, having a material impact on the Group’s income statement and statement of financial position, were entered into during the period, either with third or related parties. A number of transactions and events classifiable as non-recurring, with a material impact on the Group’s income statement, did, however, occur in 2015, as described in note 8.18. As a result, the consolidated financial statements for 2015 alone show the effects of the non-recurring events and financial transactions with a material impact on the Group’s income statement and statement of financial position in 2015 alone, in addition to the principal amounts relating to the related party transactions.

All amounts are shown in thousands of euros, unless otherwise stated. The euro is both the functional currency of the Parent Company and its principal subsidiaries and the presentation currency for these consolidated financial statements.

Each component of the consolidated financial statements is compared with the corresponding amount for the comparative reporting period. Comparative amounts have not been either restated or reclassified. However, in certain cases, the names of items or sub-items have been changed to aid the reader’s understanding of the content of each item.

3. **ACCOUNTING STANDARDS AND POLICIES APPLIED**

A description follows of the more important accounting standards and policies used in the consolidated financial statements as at and for the year ended 31 December 2016. These accounting standards and policies are consistent with those applied in preparation of the consolidated financial statements for the previous year, as no new standards, interpretations, or amendments to existing standards became effective in 2016 having a material effect on the Atlantia Group’s consolidated financial statements.

It should be noted that the following new standards and interpretations and/or amendments to existing standards and interpretations were applicable from 1 January 2016:

a) **IFRS 11 – Joint Arrangements.** The amendment has clarified the method of accounting for acquisitions of an interest in a joint operation that constitutes or contains a business, as defined by IFRS 3, requiring application of the provisions of this latter standard;

b) **IFRS 7 – Financial Instruments: Disclosures.** The amendments to the standard clarify that when a financial asset is transferred, but at the same time service arrangements are entered into, resulting in an interest in the asset’s future performance, it is, in any event, necessary to provide the disclosures required by the standard;

c) **IAS 19 – Employee Benefits.** The amendments clarify that the rate used to discount post-employment benefit obligations (whether financial or non-financial) must be determined with reference to market returns, at the reporting date, on high-quality corporate bonds denominated in the same currency as the benefits to be paid;

d) **IAS 16 – Property, Plant and Equipment and IAS 38 – Intangible Assets.** The amendments introduce the presumption that a revenue-based method of depreciation or amortisation for an asset or group of assets is not appropriate. This is because the IASB believes that revenue generated by an asset or group of assets, represented by an item of property, plant and equipment or an intangible asset, generally reflects factors not directly linked to consumption of the economic benefits embodied in the asset. The above presumption may only be overcome in limited circumstances, when it can be demonstrated that revenue and the consumption of economic benefits of the item of property, plant or equipment or intangible asset are highly correlated, or when the item of property, plant or equipment or intangible asset is expressed as a measure of revenue that can be obtained from the asset (such as, for example, in the case of concession rights giving rise to receipt of a determinate amount of revenue).

**Property, plant and equipment**
Property, plant and equipment is stated at cost. Cost includes expenditure that is directly attributable to the acquisition of the items and financial expenses incurred during construction of the asset. Assets acquired through business combinations prior to 1 January 2004 (the IFRS transition date) are stated at previous amounts, as determined under Italian GAAP for those business combinations and representing deemed cost.

The cost of assets with finite useful lives is systematically depreciated on a straight-line basis applying rates that represent the expected useful life of the asset. Each component of an asset with a cost that is significant in relation to the total cost of the item, and that has a different useful life, is accounted for separately. Land, even if undeveloped or annexed to residential and industrial buildings, is not depreciated as it has an indefinite useful life.

Investment property, which is held to earn rentals or for capital appreciation, or both, is recognised at cost measured in the same manner as property, plant and equipment. The relevant fair value of such assets has also been disclosed.

The bands of annual rates of depreciation used in 2016 are shown in the table below by asset class:

<table>
<thead>
<tr>
<th></th>
<th>Rate of Depreciation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings</td>
<td>2.5% - 33.33%</td>
</tr>
<tr>
<td>Plant and machinery</td>
<td>10% - 33%</td>
</tr>
<tr>
<td>Industrial and business equipment</td>
<td>4.5% - 40%</td>
</tr>
<tr>
<td>Other assets</td>
<td>8.6% - 33.33%</td>
</tr>
</tbody>
</table>

Assets acquired under finance leases are initially accounted for as property, plant and equipment, and the underlying liability recorded in the statement of financial position, at an amount equal to the relevant fair value or, if lower, the present value of the minimum payments due under the contract. Lease payments are apportioned between the interest element, which is charged to the income statement as incurred, and the capital element, which is deducted from the financial liability.

Property, plant and equipment is tested for impairment, as described below in the relevant note, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Property, plant and equipment is derecognised on disposal. Any gains or losses (determined as the difference between disposal proceeds, less costs to sell, and the carrying amount of the asset) are recognised in the income statement for the year in which the asset is sold.

Intangible assets
Intangible assets are identifiable assets without physical substance, controlled by the entity and from which future economic benefits are expected to flow, and purchased goodwill. Identifiable intangible assets are those purchased assets that, unlike goodwill, can be separately distinguished. This condition is normally met when: (i) the intangible asset arises from a legal or contractual right, or (ii) the asset is separable, meaning that it may be sold, transferred, licensed or exchanged, either individually or as an integral part of other assets. The asset is controlled by the entity if the entity has the ability to obtain future economic benefits from the asset and can limit access to it by others.

Internally developed assets are recognised as assets to the extent that: (i) the cost of the asset can be measured reliably; (ii) the entity has the intention, the available financial resources and the technical expertise to complete the asset and either use or sell it; (iii) the entity is able to demonstrate that the asset is capable of generating future economic benefits.

Intangible assets are stated at cost which, apart from concession rights, is determined in the same manner as the cost of property, plant and equipment. The cost of concession rights is recovered in the form of payments received from road users and may include one or more of the following:

a) the fair value of construction services and/or improvements carried out on behalf of the Grantor (measured as described in the note on “Construction contracts and services in progress”) less finance-
related amounts, consisting of (i) the amount funded by government grants, (ii) the amount that will be unconditionally paid by replacement operators on termination of the concession (so-called "takeover rights"), and/or (iii) any minimum level of tolls or revenue guaranteed by the Grantor. In particular, the following give rise to intangible assets deriving from concession rights:

1) rights received as consideration for specific obligations to provide construction services for road widening and improvement for which the operator does not receive additional economic benefits. These rights are initially recognised at the fair value of the construction services to be provided in the future (equal to their present value, less the portion covered by grants, and excluding any financial expenses that may be incurred during provision of the services), with a contra entry of an equal amount in “Provisions for construction services required by contract”, accounted for in liabilities in the statement of financial position. In addition to the impact of amortisation, the initial value of the rights changes over time as a result of periodic reassessment of the fair value of the part of the construction services still to be rendered at the end of the reporting period (equal to their present value, less the portion covered by grants, and excluding any financial expenses that may be incurred during provision of the services);

2) rights received as consideration for construction and/or upgrade services rendered for which the operator receives additional economic benefits in the form of specific toll increases and/or significant increases in the expected number of users as a result of expansion/upgrade of the infrastructure;

3) rights to infrastructure constructed and financed by service area concession holders which will revert free of charge to Group companies on expiry of the related concessions;

b) rights acquired from third parties, to the extent costs were incurred to acquire concessions from the Grantor or from third parties (the latter relating to the acquisition of companies that hold a concession).

Concession rights, on the other hand, are amortised over the concession term in a pattern that reflects the estimated manner in which the economic benefits embodied in the right are consumed. Amortisation rates are, consequently, determined taking, among other things, any significant changes in traffic volumes during the concession term into account. Amortisation is charged from the date on which economic benefits begin to accrue.

In contrast, amortisation of other intangible assets with finite useful lives begins when the asset is ready for use, in relation to their residual useful lives.

The bands of annual rates of amortisation used in 2016 are shown in the table below by asset class:

<table>
<thead>
<tr>
<th>INTANGIBLE ASSETS</th>
<th>RATE OF AMORTISATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Concession rights</td>
<td>On the commencement of generation of economic benefits for the entity, based on the residual term of the concession or, when significant, traffic projections.</td>
</tr>
<tr>
<td>Development costs</td>
<td>4.8% - 33.33%</td>
</tr>
<tr>
<td>Industrial patents and intellectual property rights</td>
<td>5% - 55%</td>
</tr>
<tr>
<td>Licences and similar rights</td>
<td>7.7% - 33.33%</td>
</tr>
<tr>
<td>Other assets</td>
<td>3.3% - 33.33%</td>
</tr>
</tbody>
</table>
Intangible assets are tested for impairment, as described below in the note on “Impairment of assets and reversals (impairment testing)”, whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable.

Gains and losses on the disposal of intangible assets are determined as the difference between the disposal proceeds, less costs to sell, and the carrying amount of the asset and then recognised in profit or loss on disposal.

**Goodwill**

Acquisitions of companies or business units are accounting for using the acquisition method, as required by IFRS 3. For this purpose, the identifiable assets acquired and liabilities assumed through business combinations are measured at their respective fair values at the acquisition date. The cost of an acquisition is measured as the fair value, at the date of exchange, of the assets acquired, liabilities assumed and any equity instruments issued by the Group in exchange for control.

Goodwill is initially measured as the positive difference between 1) the acquisition cost, plus both the fair value at the acquisition date of any previous non-controlling interests held in the acquiree and the value of non-controlling interests held by third parties in the acquiree (at fair value or prorated to the current net asset value of the acquiree), and 2) the fair value of the net assets acquired.

The goodwill, as measured on the date of acquisition, is allocated to each of the substantially independent cash generating units or groups of cash generating units which are expected to benefit from the synergies of the business combination.

A negative difference between the cost of the acquisition, as increased by the above components, and the Group’s share in the fair value of net assets is recognised as income in profit or loss in the year of acquisition.

Goodwill on acquisitions of non-controlling interests is included in the carrying amount of the relevant investments.

After initial recognition, goodwill is no longer amortised and is carried at cost less any accumulated impairment losses, determined as described in the note on impairment testing.

IFRS 3 was not applied retrospectively to acquisitions prior to 1 January 2004, the Parent Company’s IFRS transition date, as noted above. As a result, the carrying amount of goodwill on these acquisitions is that determined under Italian GAAP, which is the net carrying amount at this date, subject to impairment testing and the recognition of any impairment losses.

**Investments**

Investments in unconsolidated subsidiaries and other companies, which qualify as available-for-sale financial instruments as defined by IAS 39, are initially accounted for at cost at the settlement date, in that this represents fair value, plus any directly attributable transaction costs.

After initial recognition, these investments are measured at fair value, to the extent reliably determinable, through the statement of comprehensive income and hence in a specific equity reserve. On realisation or recognition of an impairment loss in the income statement, the accumulated gains and losses in that reserve are reclassified to the income statement.

Impairment losses, identified as described below in the note on “Impairment of assets and reversals (impairment testing)”, are reversed to other comprehensive income in the event the circumstances giving rise to the impairment cease to exist.

When fair value cannot be reliably determined, investments, classified as available-for-sale, are measured at cost less any impairment losses. In this case impairment losses may not be reversed.

Investments in associates and joint ventures are accounted for using the equity method. The Group’s share of post-acquisition profits or losses is recognised in the income statement for the accounting period to which they relate, with the exception of the effects deriving from other changes in the equity of the investee, excluding any owner transactions, when the Group’s share is recognised directly in comprehensive income attributable to owners of the parent.
Provisions are made to cover any losses of an associate or joint venture exceeding the carrying amount of the investment, to the extent that the investor is required to comply with actual or constructive obligations to cover such losses.

Construction contracts and services in progress
Construction contracts are accounted for on the basis of a contract’s revenue and costs that can be reliably estimated with reference to the stage of completion of the contract, in accordance with the percentage of completion method, as determined by a survey of the works carried out or based on the ratio of costs incurred to total estimated costs. Contract revenue is allocated to the individual reporting periods in proportion to the stage of contract completion. Any positive or negative difference between contract revenue and any advance payments received is recognised in assets or liabilities, taking account of any impairments, in order to reflect the risks linked to the inability to recover the value of work performed on behalf of customers.
In addition to contract payments, contract revenue includes variations, price reviews and any additional payments to the extent that they can be reliably determined.
Expected losses are recognised immediately in profit or loss, regardless of the stage of contract completion.
Revenue from construction and/or upgrade services provided to the Grantor and relating to the concessions held by certain Group companies, are recognised on a percentage of completion basis.
Construction and/or upgrade service revenues, representing the consideration for services provided, are measured at fair value, calculated on the basis of the total costs incurred (consisting primarily of the cost of materials and external services, relevant employee benefits and financial expenses, the latter only in the case of construction and/or upgrade services for which the operator receives additional economic benefits), plus any arm’s length profits realised on construction services provided by Group entities (in that they represent the fair value of the services). The double entry of construction and/or upgrade service revenue is represented by financial assets deriving from concession rights and/or grants, or by intangible assets deriving from concession rights, as explained in the relevant note.

Inventories
Inventories, primarily consisting of stocks and spare parts used in the maintenance and assembly of plant, are measured at the lower of purchase or conversion costs and net realisable value obtained on their sale in the ordinary course of business. The purchase cost is determined using the weighted average cost method.

Receivables and payables
Receivables are initially recognised at fair value and subsequently measured at amortised cost, using the effective interest method, less any allowance for bad debts. The amount of the allowance is based on the present value of expected future cash flows. These cash flows take account of expected collection times, estimated realisable value, any guarantees received, and the expected costs of recovering amounts due. Impairment losses are reversed in future periods if the circumstances that resulted in the loss no longer exist. In this case, the reversal is accounted for in the income statement and may not in any event exceed the amortised cost of the receivable had no previous impairment losses been recognised.
Payables are initially recognised at cost, which corresponds to the fair value of the liability, after any directly attributable transaction costs. After initial recognition, payables are recognised at amortised cost, using the effective interest method.
Trade receivables and payables, which are subject to normal commercial terms and conditions, are not discounted to present value.
Cash and cash equivalents
Cash and cash equivalents is recognised at face value. They include highly liquid demand deposits or very short-term instruments subject to an insignificant risk of changes in value.

Derivative financial instruments
All derivative financial instruments are recognised at fair value at the end of the year. As required by IAS 39, derivatives are designated as hedging instruments when the relationship between the derivative and the hedged item is formally documented and the periodically assessed effectiveness of the hedge is high and ranges between 80% and 125%. Changes in the fair value of cash flow hedges hedging assets and liabilities (including those that are pending and highly likely to arise in the future) are recognised in the statement of comprehensive income. The gain or loss relating to the ineffective portion is recognised in profit or loss.

Changes in the value of the fair value hedged assets and liabilities are recognised in profit or loss for the period. Likewise, the hedged assets and liabilities are restated at fair value through profit or loss. Since derivative contracts deemed net investment hedges in accordance with IAS 39, because they were concluded to hedge the risk of unfavourable movements in the exchange rates used to translate net investments in foreign operations, are treated as cash flow hedges, the effective portion of fair value gains or losses on the derivatives is recognised in other comprehensive income, thus offsetting changes in the foreign currency translation reserve for net investments in foreign operations. Accumulated fair value gains and losses, recognised in the net investment hedge reserve, are reclassified from equity to profit or loss on the disposal or partial disposal of the foreign operation. Changes in the fair value of derivative instruments that do not qualify for hedge accounting under IAS 39 are recognised in profit or loss.

Other financial assets and liabilities
Other financial assets that Group companies intend and are able to hold to maturity and other financial liabilities are recognised at the fair value of the purchase consideration at the settlement date, with assets being increased and liabilities being reduced by transaction costs directly attributable to the purchase of the assets or issuance of the liabilities. After initial recognition, financial assets and liabilities are measured at amortised cost using the original effective interest method. Financial assets and liabilities are derecognised when, following their sale or settlement, the Group is no longer involved in their management and has transferred all risks and rewards of ownership. Financial assets held for trading are recognised and measured at fair value through profit or loss. Other categories of financial asset classified as available-for-sale financial instruments are recognised and measured at fair value through comprehensive income and, consequently, in a specific equity reserve. The financial instruments in these categories have, to date, never been reclassified. Financial assets also include the following receivables arising from assets held under concession:

a) “takeover rights”, being the amount that will be unconditionally paid by an incoming operator on termination of the concession;

b) the present value of minimum toll revenue guaranteed by the Grantor, representing an unconditional right to receive cash payments for construction services performed, regardless of the extent to which the public uses the service;

c) amounts due from public entities as grants or similar compensation relating to the construction of infrastructure (construction and/or upgrade services).

Fair value measurement and the fair value hierarchy
For all transactions or balances (financial or non-financial) for which an accounting standard requires or permits fair value measurement and which falls within the application of IFRS 13, the Group applies the following criteria:

a) identification of the unit of account, defined as the level at which an asset or a liability is aggregated or disaggregated in an IFRS for recognition purposes;
b) identification of the principal market or, in the absence of such a market, the most advantageous market in which the particular asset or liability to be measured could be traded; unless otherwise indicated, it is assumed that the market currently used coincides with the principal market or, in the absence of such a market, the most advantageous market;

c) definition for non-financial assets of the highest and best use of the asset; unless otherwise indicated, highest and best use is the same as the asset’s current use;

d) definition of valuation techniques that are appropriate for the measurement of fair value, maximising the use of relevant observable inputs that market participants would use when determining the price of an asset or liability;

e) determination of the fair value of assets, based on the price that would be received to sell an asset, and of liabilities and equity instruments, based on the price paid to transfer a liability in an orderly transaction between market participants at the measurement date;

f) inclusion of non-performance risk in the measurement of assets and liabilities and above all, in the case of financial instruments, determination of a valuation adjustment when measuring fair value to include, in addition to counterparty risk (CVA – credit valuation adjustment), the own credit risk (DVA - debit valuation adjustment).

Based on the inputs used for fair value measurement, a fair value hierarchy for classifying the assets and liabilities measured at fair value, or the fair value of which is disclosed in the financial statements, has been identified:

a) level 1: includes quoted prices in active markets for identical assets or liabilities;

b) level 2: includes inputs other than quoted prices included within level 1 that are observable, such as the following: i) quoted prices for similar assets or liabilities in active markets; ii) quoted prices for similar or identical assets or liabilities in markets that are not active; iii) other observable inputs (interest rate and yield curves, implied volatilities and credit spreads);

c) level 3: unobservable inputs used to the extent that observable data is not available. The unobservable inputs used for fair value measurement should reflect the assumptions that market participants would use when pricing the asset or liability being measured.

Definitions of the fair value hierarchy level in which individual financial instruments measured at fair value have been classified, or for which the fair value is disclosed in the financial statements, are provided in the notes to individual components of the financial statements.

There are no assets or liabilities classifiable in level 3 of the fair value hierarchy.

No transfers between the various levels of the fair value hierarchy took place during the year.

The fair value of derivative financial instruments is based on expected cash flows that are discounted at rates derived from the market yield curve at the measurement date and the curve for listed credit default swaps entered into by the counterparty and Group companies, to include the non-performance risk explicitly provided for by IFRS 13.

In the case of medium/long-term financial instruments, other than derivatives, where market prices are not available, the fair value is determined by discounting expected cash flows, using the market yield curve at the measurement date and taking into account counterparty risk in the case of financial assets and own credit risk in the case of financial liabilities.
Provisions for construction services required by contract and other provisions

“Provisions for construction services required by contract” relate to specific contractual obligations having regard to motorway expansion and upgrading for which the operator receives no additional economic benefit. Since the performance of such obligations is treated as part of the consideration for the concession, an amount equal to the fair value of future construction services (equal to the present value of the services, less the portion covered by grants, and excluding any financial expenses that may be incurred during provision of the services) is initially recognised. The double entry is concession rights for works without additional economic benefits. The fair value of the residual liability for future construction services (equal to their present value, less the portion covered by grants, and excluding any financial expenses that may be incurred during provision of the services) is periodically reassessed and changes to the measurement of the liabilities (such as, for example, changes to the estimated cash outflows necessary to discharge the obligation, a change in the discount rate or a change in the construction period) are recognised as a matching increase or reduction in the corresponding intangible asset. Any increase in provisions to reflect the time value of money is recognised as a financial expense.

Other provisions are made when: (i) the Group has a present (actual or constructive) obligation as a result of a past event; (ii) it is probable that an outflow of resources will be required to settle the obligation; and (iii) the related amount can be reliably estimated.

Provisions are measured on the basis of management’s best estimate of the expenditure required to settle the present obligation at the end of the reporting period. If the discount to present value is material, provisions are determined by discounting future expected cash flows to their present value at a rate that reflects the market view of the time value of money. Subsequent to the computation of present value, the increase in provisions over time is recognised as a financial expense.

“Provisions for the repair and replacement of motorway infrastructure” cover the liability represented by the contractual obligation to repair and replace motorway infrastructure, as required by the concession arrangements entered into by the Group’s motorway operators and the respective grantors. These provisions are calculated on the basis of the usage and wear and tear of motorways at the end of the reporting period, taking into account, if material, the time value of money.

In accordance with existing contractual obligations, “Provisions for the refurbishment of airport infrastructure” reflect, at the end of the reporting period, provisions covering the cost of cyclical maintenance works and the refurbishment of parts of the airport infrastructure for which specific increases in charges are not envisaged. The provisions are calculated on the basis of the estimated costs to be incurred in order to carry out the maintenance or refurbishment works, taking account, if material, of the time value of money.

Employee benefits

Short-term employee benefits, provided during the period of employment, are accounted for as the accrued liability at the end of the reporting period.

Liabilities deriving from medium/long-term employee benefits are recognised in the vesting period, less any plan assets and advance payments made. They are determined on the basis of actuarial assumptions and, if material, recognised on an accruals basis in line with the period of service necessary to obtain the benefit.

Post-employment benefits in the form of defined benefit plans are recognised at the amount accrued at the end of the reporting period.

Post-employment benefits in the form of defined benefit plans are recognised in the vesting period, less any plan assets and advance payments made. Such defined benefit plans primarily regard the obligation as determined on the basis of actuarial assumptions and recognised on an accruals basis in line with the period of service necessary to obtain the benefit. The obligation is calculated by independent actuaries. Any resulting actuarial gain or loss is recognised in full in other comprehensive income in the period to which it relates.
Non-current assets held for sale, assets and liabilities included in disposal groups and/or related to discontinued operations.

Where the carrying amount of non-current assets held for sale, or of assets and liabilities included in disposal groups and/or related to discontinued operations is to be recovered primarily through sale rather than through continued use, these items are presented separately in the statement of financial position. Immediately prior to being classified as held for sale, each asset and liability is recognised under the specific IFRS applicable and subsequently accounted for at the lower of the carrying amount and fair value. Any impairment losses are recognised immediately in the income statement. Disposal groups or discontinuing operations are recognised in profit or loss as discontinued operations provided the following conditions are met:

a) they represent a major line of business or geographical area of operation;
b) they are part of a single coordinated plan to dispose of a separate major line of business or geographical area of operation;
c) they are subsidiaries acquired exclusively with a view to resale.

After tax gains and losses resulting from the management or sale of such operations are recognised as one amount in profit or loss with comparatives.

Revenue

Revenue is recognised when the fair value can be reliably measured and it is probable that the economic benefits associated with the transactions will flow to the Group. Depending on the type of transaction, revenue is recognised on the basis of the following specific criteria:

a) toll revenue is accrued with reference to traffic volumes;
b) revenue from airport charges is recognised when the facilities are utilised by airport users;
c) to the extent, for sales of goods, that significant risks and rewards of ownership are transferred to the buyer;
d) the provision of services is prorated to percentage of completion of work, based on the previously described criteria used for “construction contracts and services in progress”, which also include the construction and/or upgrade services provided to grantors, in application of IFRIC 12. When revenue cannot be reliably determined, it is only recognised to the extent that expenses are considered to be recoverable;
e) rental income or royalties, on an accruals basis, based on the agreed terms and conditions of the contract;
f) interest income (and interest expense) is calculated with reference to amount of the financial asset or liability, in accordance with the effective interest method;
g) dividend income is recognised when the right to receive payment is established.

Government grants

Government grants are accounted for at fair value when: (i) the related amount can be reliably determined and there is reasonable certainty that (ii) they will be received and that (iii) the conditions attaching to them will be satisfied.

Grants related to income are accounted for in the income statement for the accounting period in which they accrue, in line with the corresponding costs.

Grants received for investment in motorways and airports are accounted for as construction service revenue, as explained in the note on “Construction contracts and services work in progress”. Any grants received to fund investment in property, plant and equipment are accounted for as a reduction in the cost of the asset to which they refer and result in a reduction in depreciation.
Income taxes
Income taxes are recognised on the basis of an estimate of tax expense to be paid, in compliance with the regulations in force, as applicable to each Group company.
Income tax payables are reported under current tax liabilities in the statement of financial position less any payments of taxes on account. Any overpayments of IRAP are recognised as current tax assets.
Deferred tax assets and liabilities are determined on the basis of temporary differences between the carrying amounts of assets and liabilities as in the Company’s books (resulting from application of the accounting policies described in note 3) and the corresponding tax bases (resulting from application of the tax regulations in force in the country relevant to each subsidiary), as follows:
a) deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the asset can be utilised;
b) deferred tax liabilities are always recognised.
The Parent Company, Atlantia SpA, has again operated a tax consolidation arrangement for 2016, in which certain Italian-registered subsidiaries participate.

Share-based payments
The cost of services provided by directors and/or employees remunerated through share-based incentive plans, and settled through the award of financial instruments, is based on the fair value of the rights at the grant date. Fair value is computed using actuarial assumptions and with reference to all characteristics, at the grant date (vesting period, any consideration due and conditions of exercise, etc.), of the rights and the plan’s underlying securities. The obligation is determined by independent actuaries. The cost of these plans is recognised in profit or loss, with a contra-entry in equity, over the vesting period, based on a best estimate of the number of options that will vest.
The cost of any services provided by Directors and/or employees and remunerated through share-based payments, but settled in cash, is instead measured at the fair value of the liability assumed and recognised in profit or loss, with a contra entry in liabilities, over the vesting period, based on a best estimate of the number of options that will vest. Fair value is remeasured at the end of each reporting period until such time as the liability is settled, with any changes recognised in profit or loss.

Impairment of assets and reversals (impairment testing)
At the end of the reporting period, the Group tests property, plant and equipment, intangible assets, financial assets and investments for impairment.
If there are indications that these assets have been impaired, the value of such assets is estimated in order to verify the recoverability of the carrying amounts and eventually measure the amount of the impairment loss. Irrespective of whether there is an indication of impairment, intangible assets with indefinite lives and those which are not yet available for use are tested for impairment at least annually, or more frequently, if an event has occurred or there has been a change in circumstances that could cause an impairment.
If it is not possible to estimate the recoverable amounts of individual assets, the recoverable amount of the cash-generating unit to which a particular asset belongs is estimated. This entails estimating the recoverable amount of the asset (represented by the higher of the asset’s fair value less costs to sell and its value in use) and comparing it with the carrying amount. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount. In calculating value in use, expected future pre-tax cash flows are discounted, using a pre-tax rate that reflects current market assessments of the cost of capital, embodying the time value of money and the risks specific to the asset.
In estimating an operating CGU’s future cash flows, after-tax cash flows and discount rates are used because the results are substantially the same as pre-tax computations.
Impairments are recognised in profit or loss in a variety of classifications depending on the nature of the impaired asset. Losses are reversed if the circumstances that resulted in the loss no longer exist, provided
that the reversal does not exceed the cumulative impairment losses previously recognised, unless the impairment loss relates to goodwill and investments measured at cost, where the related fair value cannot be reliably determined.

**Estimates and judgements**
Preparation of financial statements in compliance with IFRS involves the use of estimates and judgements, which are reflected in the measurement of the carrying amounts of assets and liabilities and in the disclosures provided in the notes to the financial statements, including contingent assets and liabilities at the end of the reporting period. These estimates are primarily used in determining amortisation and depreciation, impairment testing of assets (including the measurement of receivables), provisions, employee benefits, the fair value of financial assets and liabilities, and deferred tax assets and liabilities. The amounts subsequently recognised may, therefore, differ from these estimates. Moreover, these estimates and judgements are periodically reviewed and updated, and the resulting effects of each change immediately recognised in the financial statements.

**Translation of foreign currency items**
The reporting package of each consolidated enterprise is prepared using the functional currency of the economy in which the enterprise operates. Transactions in currencies other than the functional currency are recognised by application of the exchange rate at the transaction date. Assets and liabilities denominated in currencies other than the functional currency are, subsequently, remeasured by application of the exchange rate at the end of the reporting period. Any exchange differences on remeasurement are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies and recognised at historical cost are translated using the exchange rate at the date of initial recognition. Translation of the liabilities, assets, goodwill and consolidation adjustments shown in the reporting packages of consolidated companies with functional currencies other than the euro is made at the closing rate of exchange, whereas the average rate of exchange is used for income statement items to the extent that they approximate the transaction date rate or the rate during the period of consolidation, if lower. All resultant exchange differences are recognised directly in comprehensive income and reclassified to profit or loss upon the loss of control of the investment and the resulting deconsolidation.

**Earnings per share**
Basic earnings per share is computed by dividing profit attributable to owners of the parent by the weighted average number of shares outstanding during the accounting period. Diluted earnings per share is computed by dividing profit attributable to owners of the parent by the above weighted average, also taking into account the effects deriving from the subscription, exercise or conversion of all potential shares that may be issued as a result of the exercise of any outstanding rights.
New accounting standards and interpretations, or revisions and amendments of existing standards, that have yet to come into effect

As required by IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”, this section describes new accounting standards and interpretations, and amendments of existing standards and interpretations that are already applicable, but that have either yet to come into effect at the reporting date, and that may in the future be applied in the Group’s consolidated financial statements:

<table>
<thead>
<tr>
<th>Name of document</th>
<th>Effective date of IASB document</th>
<th>Date of EU endorsement</th>
</tr>
</thead>
<tbody>
<tr>
<td>New accounting standards and interpretations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IFRS 9 – Financial Instruments</td>
<td>1 January 2018</td>
<td>November 2016</td>
</tr>
<tr>
<td>IFRS 15 – Revenue from Contracts with Customers</td>
<td>1 January 2018</td>
<td>September 2016</td>
</tr>
<tr>
<td>IFRS 16 – Leases</td>
<td>1 January 2019</td>
<td>Not endorsed</td>
</tr>
<tr>
<td>Amendments to existing standards and interpretations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amendments to IAS 7 – Statement of Cash Flows</td>
<td>1 January 2017-2018</td>
<td>Not endorsed</td>
</tr>
<tr>
<td>Amendments to IAS 12 – Income Taxes</td>
<td>1 January 2017-2018</td>
<td>Not endorsed</td>
</tr>
<tr>
<td>Amendments to IFRS 2 – Share-based Payment</td>
<td>1 January 2018</td>
<td>Not endorsed</td>
</tr>
<tr>
<td>Annual Improvements to IFRSs: 2014–2016</td>
<td>1 January 2017-2018</td>
<td>Not endorsed</td>
</tr>
</tbody>
</table>

**IFRS 9 – Financial Instruments**

In July 2014, the IASB published the final version of IFRS 9, the standard created to replace the existing IAS 39 for the classification and measurement of financial instruments.

The standard introduces new rules for the classification and measurement of financial instruments, a new impairment model for financial assets and a new hedge accounting model.

**Classification and measurement**

IFRS 9 envisions a single approach for the assessment and classification of all financial assets, including those containing embedded derivatives. The classification and related measurement is driven by both the business model in which the financial asset is held and the contractual cash flow characteristics of the asset.

The financial asset is measured at amortised cost subject to both of the following conditions:

a) the asset is held in conjunction with a business model whose objective is to hold assets in order to collect contractual cash flows; and

b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The financial asset is measured at fair value, with any changes recognised in comprehensive income, if the objectives of the business model are to hold the financial asset to collect the contractual cash flows, or to sell it. Finally, the standard envisages a residual category of financial asset measured at fair value through profit or loss, which includes assets held for trading.

A financial asset meeting the conditions to be classified and measured at amortised cost may, on initial recognition, be designated as a financial asset at fair value through profit or loss, to the extent that this accounting treatment would eliminate or significantly reduce a measurement or recognition inconsistency (sometimes referred to as an ‘accounting mismatch’) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

In addition, the new standard provides that an entity may, with respect to investments in equity instruments, which consequently may not be carried and measured at amortised cost unless such instruments are shares that are not held for trading but rather for strategic reasons, make an irrevocable election on initial recognition to present changes in the fair value in comprehensive income.

The new IFRS 9, on the other hand, has confirmed the provisions of IAS 39 for financial liabilities including the relative measurement at amortised cost or, in specific circumstances, at fair value through profit or loss.
3. Consolidated financial statements as at and for the year ended 31 December 2016

The requirements of IAS 39 that have been changed are primarily:

a) the reporting of changes in fair value in connection with the credit risk of certain liabilities, which IFRS 9 requires to be recognised in comprehensive income rather than in profit or loss as movements in fair value as a result of other risks;

b) the elimination of the option to measure, at amortised cost, financial liabilities consisting of derivative financial instruments entailing the delivery of unlisted equity instruments. The consequence of the change is that all derivative financial instruments must now be recognised at fair value.

Impairment
IFRS 9 has defined a new impairment model for financial assets, with the objective of providing the users of financial statements with more useful information about an entity’s expected losses. The model requires an entity to recognise expected credit losses at all times and to update the amount of expected losses recognised at each reporting date to reflect changes in the credit risk of the financial instruments. It is, therefore, no longer necessary to wait for evidence of a trigger event before testing for impairment and recognition of a credit loss. All financial instruments must be tested for impairment, with the exception of those measured at fair value through profit or loss.

Hedge accounting
The most important changes introduced by IFRS 9 regard:

a) the extended scope of the risks eligible for hedge accounting, to include those to which non-financial assets and liabilities are exposed, also permitting the designation of groups and net positions as hedged items, also including any derivatives;

b) the option of designating a financial instrument at fair value through profit or loss as a hedging instrument;

c) the alternative method of accounting for forwards and options, when included in a hedge accounting relationship;

d) changes to the method of conducting hedge effectiveness tests, following introduction of the principle of the “economic relationship” between the hedged item and the hedging instrument; in addition, retrospective hedge effectiveness testing is no longer required;

e) the possibility of “rebalancing” an existing hedge where the risk management objects continue to be valid.

IFRS 15 – Revenue from Contracts with Customers
IFRS 15 replaces the previous IAS 18, in addition to IAS 11, regarding contract work, and the related interpretations, IFRIC 13, IFRIC 15, IFRIC 18 and SIC 31.

IFRS 15 establishes the standards to follow in recognising revenue from contracts with customers, with the exception of contracts falling within the scope of application of standards governing leases, insurance contracts and financial instruments.

The new standard provides an overall framework for identifying the timing and amount of revenue to be recognised in the financial statements. Under the new standard, the entity must analyse the contract and the related accounting effects using the following steps:

a) identification of the contract;

b) identification of the performance obligations in the contract;

c) determination of the transaction price;

d) allocation of the transaction price to each identified performance obligation;

e) recognition of revenue when the performance obligation is satisfied.

The amount recognised as revenue by an entity must, therefore, reflect the consideration to which the entity is entitled in exchange for goods transferred to the customer and/or services rendered. This revenue is to be recognised when the entity has satisfied its performance obligations under the contract.
In addition, in recognising revenue, the standard stresses the need to assess the likelihood of obtaining/collecting the economic benefits linked to the proceeds. In the case of contract work in progress, currently governed by IAS 11, the new standard introduces the requirement to recognise revenue taking into account the effect of discounting to present value resulting from the deferral of collections over time.

If it is not possible to retrospectively apply the new standard, a modified approach can be used upon first-time adoption. Under this approach, the effects of application of the new standard must be recognised in opening equity at the beginning of the reporting period of first-time adoption.

**IFRS 16 – Leases**

On 13 January 2016, the IASB published the final version of the new accounting standard regarding the accounting treatment for finance leases. This new standard replaces IAS 17, IFRIC 4, SIC 15 and SIC 27, and its adoption, subject to endorsement by the European Union, is required from 1 January 2019. Earlier application is permitted if IFRS 15 – Revenue from Contracts with Customers has been applied. The new accounting standard provides a single lessee accounting model for both operating and finance leases. IFRS 16 requires the lessee to recognise the leased assets in its statement of financial position, with the assets recognised and classified as a right-of-use asset (thus, in intangible assets), regardless of the nature of the leased asset, to be amortised over the life of the right. On initial recognition, the lessee recognises the right-of-use asset and the related lease liability, based on the present value of the minimum lease payments payable over the lease term. IFRS 16 also clarifies that a lessor, with regard to contracts that contain a lease component, must separate the lease components (to which IFRS 16 applies) from the non-lease components, to which other IFRS are applicable.

Application of the new method of presentation is not required, in terms of significance for the lessee, when the lease term is 12 months or less or the underlying asset has a low value. In terms of the lessor, the alternative accounting models for finance or operating leases continue to be substantially applicable, depending on the nature of the contract, as currently governed by IAS 17. As a result, it will be necessary to recognise the receivable (if a finance lease) or the fixed asset (if an operating lease).

**Amendments to IAS 7 – Statement of Cash Flows**

On 29 January 2016, the IASB published a number of amendments to IAS 7, with the aim of introducing a requirement to provide a specific disclosure enabling the users of financial statements to assess changes in liabilities arising from financing activities.

For this purpose, the entity must disclose the following changes in liabilities arising from financing activities:

a) changes from financing cash flows;

b) changes arising from the acquisition or loss of control of a subsidiary or another business;

c) the effect of changes in foreign exchange rates;

d) changes in fair value;

e) other changes.

**Amendments to IAS 12 – Income taxes**

On 19 January 2016, the IASB amended IAS 12 by issuing the document “Recognition of Deferred Tax Assets for Unrealised Losses”, which aims to clarify how to account for deferred tax assets on debt instruments measured at fair value. The amendment clarifies the following aspects:

a) unrealised losses on debt instruments accounted for at fair value, but whose tax base is based on cost, give rise to a deductible temporary difference regardless of whether or not the debt instrument’s holder expects to recover the carrying amount of the asset through its sale or use;

b) the carrying amount of an asset does not limit the estimation of probably future taxable profit;
3. Consolidated financial statements as at and for the year ended 31 December 2016

c) the estimation of probably future taxable profit must be performed regardless of any potential
tax deductions resulting from the reversal of deductible temporary differences;
d) a deferred tax asset must be measured in combination with other deferred tax assets. However,
when the applicable tax law limits the use of tax losses to offset a specific taxable profit, the
deductible temporary difference may be measured in solely combination with other deductible
temporary differences of the same type.

Amendments to IFRS 2 – Share-based Payment
On 20 June 2016, the IASB published a number of amendments to IFRS 2 in order to clarify the method
of accounting for cash-settled share-based payments linked to performance indicators, the classification of
share-based payments settled net of tax withholdings and the method of accounting in the event of
modification of share-based payment transactions from cash-settled to equity-settled.

Annual Improvements to IFRSs: 2014 – 2016
On 8 December 2016, the IASB published its “Annual Improvements to IFRSs: 2014 – 2016 cycle”.
The principal amendments that could be relevant to the Group regard IFRS 12 – Disclosure of Interest in
Other Entities. The document clarifies the scope of the standard, specifying that the disclosures required
by the standard, with the exception of those in paragraphs B10-B16, also apply to investments in other
entities held for sale, held for distribution or as discontinued operations in accordance with IFRS 5.

The effect of the future application of newly issued standards and interpretations, as well as all revisions
and amendments to existing standards, is currently being evaluated by the Company. The impact cannot
currently be reasonably estimated.

Above all, with reference to IFRS 15, the Group is assessing the applicability of the new standard to the
various types of existing contracts, and the potential operational and accounting effects.
The assessment has examined the applicability of the new standard to the concession arrangements to
which Group companies are party, and to the sub-concessions granted for motorway services areas and
retail space on motorways and at airports, which represent the most significant components of
consolidated revenue.
The evaluations carried out so far have led to the view that the Group’s concession arrangements do not
fall within the scope of application of IFRS 15. As a result, the current methods of presentation, previously described in these notes, are not expected to change, including revenue from construction
services and the above sub-concession arrangements.
As a result, based on the analyses and evaluations conducted so far, the adoption of IFRS 15 is not
expected to have a material impact on the Atlantia Group’s consolidated financial statements.
The Group has also begun an assessment of the potential impact of application of the new accounting
standards, IFRS 9 and IFRS 16. The assessment is at a preliminary stage.
With regard to IFRS 9, the principal types of financial asset held by that Group that might be potentially
affected are trade receivables due from customers and financial assets deriving from concession rights.
As regards the potential impact of the introduction of IFRS 16, the Group is not a party to significant
lease arrangements as a lessee, and it is not believed that the new standard will have a material impact in
relation to arrangements in which the Group is the lessor. These are primarily represented by sub-
concession arrangements involving the lease of space used by retailers and food service providers along the
motorways and at the airports operated under concession.
4. **CONCESSIONS**

The Group’s core business is the operation of motorways and airports under concessions held by Group companies. The purpose of the concessions is the construction and operation of motorway infrastructure (in Italy and abroad) and of the airport system. Essential information regarding the concessions held by Group companies is set out below. Further details of events of a regulatory nature, linked to the Group’s concession arrangements, during the year are provided in note 10.7.

**Italian motorways**

Existing concession arrangements establish the right for motorway operators to demand tolls from motorway users. Tolls are revised annually through a toll formula contained in the specific individual concession arrangements. On the other hand, operators have an obligation to pay concession fees, to expand and modernise the motorway infrastructure operated under the concessions, and to maintain and operate the motorways. Concessions are not automatically renewed on expiry but are publicly re-tendered in accordance with laws as may be in effect from time to time. This consequently entails the handover free of charge of all assets in a good state of repair by the operator to the Grantor, unless the concession provides for a payment by a replacement operator of the residual carrying amount of assets to be handed over.

Information on legal and regulatory matters affecting the motorway concessions held by the Group’s Italian companies is provided in note 10.7.

There are, in any event, no changes to report regarding the concession arrangements to which the Group’s Italian companies are party, given the fact that the process of revising the financial plans of Raccordo Autostradale Valle d’Aosta, Tangenziale di Napoli and Autostrada Tirrenica is still in progress.

With regard to Autostrade per l’Italia’s concession, the company is in the process of implementing a programme of investment in major infrastructure projects (including the works envisaged in the Concession Arrangement of 1997, the IV Addendum of 2002 and other investment), worth approximately €18.0 billion, including approximately €9.8 billion already completed as at 31 December 2016 (€9.2 billion as at 31 December 2015). The investment programme, which forms part of the company’s financial plan, updated to December 2013, essentially regards the upgrade of existing motorways.

With regard to the concession held by Autostrade Meridionali, which expired on 31 December 2012, the company is continuing to operate the relevant motorway (the A3 Naples-Salerno) under a contract extension, in accordance with the terms of the previous arrangement, and whilst awaiting the conclusion of the tender process that will select the new operator to take over operation of the motorway. Further information is provided in note 10.7.
3. Consolidated financial statements as at and for the year ended 31 December 2016

Ovreseas motorways

Brazil
The concessions held by the Group’s Brazilian companies also envisage a series of obligations relating to the construction, expansion, modernisation, maintenance and operation of the motorways covered by the concession arrangements, in return for the right to charge motorway users a toll, revised annually on the basis of inflation.

The following should be noted with regard to operators’ investment commitments:

a) Triangulo do Sol has residual investment commitments, under its concession arrangement, of approximately 70 million reals (equal to €20 million at the closing exchange rate at the end of 2016);

b) Rodovias das Colinas is currently engaged in widening the existing sections, with the remaining amount to be invested totalling approximately 121 million Brazilian reals (equal to €35 million at the closing exchange rate at the end of 2016). In parallel, the operator is negotiating an addendum with the Grantor relating to a new project with a value of approximately 124 Brazilian reals (equal to €36 million at the closing exchange rate at the end of 2016) in return for a consideration to be received by the operator;

c) Rodovia MG050 is currently carrying out work designed to upgrade the section of motorway. The remaining value of the works to be carried out is approximately 832 million Brazilian reals (equal to €242 million at the closing exchange rate at the end of 2016). This sum includes new works covered by an addendum that is being finalised with the Grantor, which has revised the related investment programme.

On expiry, all the motorway assets covered by the concessions must be returned to the Grantor in a good state of repair.

Chile
The concessions held by the Group’s Chilean companies envisage a series of obligations relating to investment, maintenance and operation of the sections of motorway covered by the concession arrangements, in return for the right to charge motorway users a toll. In certain cases, the tolls are subject to a guaranteed minum level of revenue by the Grantor. These tolls are revised annually on the basis of inflation and, in certain cases, other parameters represented by unconditional increases (3.5% for the concessions held by Costanera Norte, Vespucio Sur and Noroeste, 1.5% for AMB) or factors linked to accident rates (Los Lagos).

On expiry, all the motorway assets covered by the concessions must be returned to the Grantor in a good state of repair. The concessions held by Noroeste and AMB expire on reaching specific thresholds for revenue discounted to present value (using a discount rate defined in the related concession arrangement) and, in any event, not beyond a certain date.

The investment programme to which the operator, Costanera Norte, is committed, named “Programma Santiago Centro Oriente” (or “CC7”), covers seven projects designed to eliminate the principal bottlenecks on the section operated under concession. The total value of the work to be carried out is around 256 billion Chilean pesos (€349 million) with approximately 74% of the work completed at the end of 2016. The addendum has introduced a mechanism for compensating the operator for the cost of investment in the project. This will be in the form of additional revenue generated by new tollgates under a revenue-sharing arrangement with the Grantor, potential payments from the Grantor and/or extension of the concession term in order to guarantee an unconditional return on the investment.

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1 Amounts for works already carried out have been converted at the average exchange rate for the year in question. The average exchange rate for 2016 has, instead, been used for works to be carried out in future years.
In 2016, the operator, Nororiente began work on doubling the Chamisero tunnel at an estimated cost of approximately 29 billion Chilean pesos (equal to €41 million at the closing exchange rate at the end of 2016).

Finally, the operator, AMB, has plans in place for the construction of the remaining 8-km section of the motorway covered by its concession at an estimated cost of approximately 22 billion Chilean pesos (equal to €31 million at the closing exchange rate at the end of 2016). Subject to receiving the necessary consents, work is expected to begin in 2017.

Poland
Stalexport Autostrada Malopolska holds a concession for a 61-km section of motorway between Krakow and Katowice, requiring implementation of an investment programme and the obligation to operate and maintain the specific section of motorway covered by its concession arrangement. In return for the services rendered, the operator has the right to charge motorway users a toll. The concession arrangement has capped the tolls that may be charged, although the cap may rise in line with inflation and growth in Poland’s GDP. The concession arrangement envisages a profit sharing scheme, with the share of the profits to be passed on to the State rising in line with increases in shareholder returns. Completion of the second and final phase of the investment and maintenance programme is currently in progress. The operator has residual investment commitments, under its concession arrangement, of approximately 308 million zloty (equal to €70 million at the closing exchange rate for 2016).

On expiry, all the motorway assets covered by the concessions must be returned to the Grantor in a good state of repair.

Italian airports
The operator, Aeroporti di Roma (“ADR”) holds an exclusive concession to manage the airport system serving Italy’s capital city, consisting of “Leonardo da Vinci” Fiumicino airport and “G. B. Pastine” Ciampino airport, in accordance with the concession awarded to the company by Law 755 of 10 November 1973, the Single Concession Arrangement covering management of the capital city’s airport system and the Planning Agreement (“the Single Deed”), signed on 25 October 2012, and which replaced the previous Arrangement 2820, dated 26 June 1974. The Single Deed regulates, in one single document, both relations pertaining to the airport concession (Section I of the Agreement), and the criteria for determining and periodically reviewing the applicable regulatory tariffs, being the fees receivable for the aviation services provided, within the airports, on an exclusive basis by the operator, and their review throughout the airport concession term (Section II, “Planning Agreement and Tariff Regulation”).

The setting and revision of regulatory tariffs is based on application of a RAB-based method, which takes into account, among other things, the amount of capital expenditure carried out and traffic projections.

In accordance with the principle that management of the concession must be based on affordable and organic criteria, as defined by Law 755 of 10 November 1973, as amended, by signing the Single Deed, ADR has committed:

a) to progressive construction of the infrastructure listed therein for the purposes of increasing the capacity of the capital’s airport system to cope with the projected volume of traffic through to the end of the remaining concession term (June 2044);
b) to manage the above airport system by providing the airport services for which it is responsible (e.g. the maintenance of runways and aprons), but also through the sub-concession of areas and premises to be used for aviation and other activities, such as, for example, retail businesses.
Information of the investment commitments included in ADR’s concession arrangement is provided in the section, “Italian airports”, in the Report on Operations accompanying these financial statements. The commitments are focused within a period of ten years and constitute, under the terms of the concession arrangement, the so-called “Airport Master Plan”. In turn, the Master Plan contains a detailed list of the investments to be carried out in each five-year period, corresponding to each regulatory “sub-period” for tariff purposes. The first ten-year period from 2012 to 2021 is currently in progress. The latest Master Plan, approved in January 2014, envisages that during the initial regulatory period (2012-16), the company will carry out capital expenditure amounting to approximately €930 million, of which €746 million is to be carried out in the three years from 2014 to 2016. Capital expenditure totalling €920 million was effectively completed in the three-year period, 2014-2016 (based on the regulatory accounts).

In return for the commitments contained in the Single Deed, ADR has the right to receive income from:

a) the use, by airlines and passengers, of airport infrastructure;
b) the use, for whatever purpose, of areas, buildings and premises within the grounds of the airports managed under concession;
c) collection of a fair consideration from whoever conducts a non-aviation activity for profit within the grounds of the airport managed under concession, unless otherwise remunerated.

ADR is also required to pay an annual concession fee to ENAC.

The works carried out by ADR on the grounds of the airport are the property of ADR until expiry of the airport concession term, at the end of which the company will receive from ENAC a consideration equal to the remaining value of the capital expenditure carried out, as assessed on the basis of the regulatory accounts. At the end of 2016, ADR does not currently have operating assets with a remaining value, based on its regulatory accounts, of more than zero.

**Overseas airports**

_Aéroports de la Côte D’Azur (“ACA”)_ holds an exclusive concession for the airports of Nice and Cannes-Mandelieu, under the concession awarded by decree dated 14 June 2008. The concession expires on 31 December 2044. The company also owns and operates Saint Tropez airport.

In accordance with France’s Civil Aviation Code (article R. 224-3-1), the fees for airports operated under concession are linked to the following: (i) the cost of providing a public airport service, including infrastructure and services and (ii) certain types of non-aviation revenue, as itemised in a ministerial decree or in multi-year contracts. The regulatory framework requires that airport traffic, cost and aviation and non-aviation revenue projections be taken into account when determining the return on invested capital and, as a result, the level of fees payable during the next year. This method will continue to apply through to the end of the concession term.

In 2016, ACA and the French government, represented by France’s Civil Aviation Authority (the _Direction Générale de l’Aviation Civile or DGCA_), agreed on basic principles on which to base the multi-year contract establishing fees for the 2017-2022 period. The new multi-year contract redefines the scope of regulated services and establishes that the percentage contribution of non-aviation services to the scope of regulated services is to be revised annually, based on the company’s investment programme and the weighted average cost of capital.
This contract must be endorsed by the supervisory authorities and the new fees should come into effect from 1 April 2017.
### 3. Consolidated financial statements as at and for the year ended 31 December 2016

#### ITALIAN MOTORWAYS

<table>
<thead>
<tr>
<th>Country</th>
<th>Operator</th>
<th>Section of Motorway</th>
<th>Kilometres in Service</th>
<th>Expiry Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Italy</td>
<td>Autostrade per l'Italia</td>
<td>A1 Milan – Naples</td>
<td>803.5</td>
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<tr>
<td></td>
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<td>A4 Milan – Brescia</td>
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<tr>
<td></td>
<td></td>
<td>A2 Genoa – Savona</td>
<td>50.0</td>
<td>31 Dec 2035</td>
</tr>
<tr>
<td></td>
<td></td>
<td>A9/7 Milan – Lake</td>
<td>77.7</td>
<td>31 Dec 2036</td>
</tr>
<tr>
<td></td>
<td></td>
<td>AR / A9/7 link road</td>
<td>94.0</td>
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<tr>
<td></td>
<td></td>
<td>At1 Genova – Sanita</td>
<td>45.5</td>
<td>31 Dec 2035</td>
</tr>
<tr>
<td></td>
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<td>At1 Florence – Pisa North</td>
<td>81.7</td>
<td>31 Dec 2034</td>
</tr>
<tr>
<td></td>
<td></td>
<td>At2 Genoa – Savona Levante</td>
<td>24.7</td>
<td>31 Dec 2034</td>
</tr>
<tr>
<td></td>
<td></td>
<td>At2 Rome – Civitavecchia</td>
<td>65.4</td>
<td>31 Dec 2034</td>
</tr>
<tr>
<td></td>
<td></td>
<td>At3 Bologna – Padua</td>
<td>127.3</td>
<td>31 Dec 2034</td>
</tr>
<tr>
<td></td>
<td></td>
<td>At4 Bologna – Tavarnelle</td>
<td>74.4</td>
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</tr>
<tr>
<td></td>
<td></td>
<td>A16 Naples – Casamassima</td>
<td>172.3</td>
<td>31 Dec 2034</td>
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<tr>
<td></td>
<td></td>
<td>At9 Udine – Tarvisio</td>
<td>106.2</td>
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<td>At11 Genoa – Sestri Levante</td>
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<td></td>
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<td>A10 Genoa – Savona</td>
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<td>A11 Florence – Pisa North</td>
<td>81.7</td>
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<td></td>
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<td>A12 Genoa – Sestri Levante</td>
<td>48.7</td>
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<td>A12 Rome – Civitavecchia</td>
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<td>A13 Bologna – Padua</td>
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<td>A14 Bologna – Taranto</td>
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<td>A23 Udine – Tarvisio</td>
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<td>A26 Genoa – Gravellona Toce</td>
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<td>A30 Caserta – Salerno</td>
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<td></td>
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<td>TOTAL</td>
<td>2,854.6</td>
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#### OVERSEAS MOTORWAYS

<table>
<thead>
<tr>
<th>Country</th>
<th>Operator</th>
<th>Section of Motorway</th>
<th>Kilometres in Service</th>
<th>Expiry Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brasil</td>
<td>Triângulo do Sol Auto-Estradas</td>
<td>SP 310 Rodovia Washington Luis</td>
<td>440.0</td>
<td>18 July 2021</td>
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<tr>
<td></td>
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<td>SP 296 Rodovia Brigadeiro Faria Lima</td>
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<tr>
<td></td>
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<td>SP 310 Rodovia Carlos Tomasi, Nestor Nader e Laurentino Macari</td>
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<td></td>
<td>Rodovias das Colinas</td>
<td>SP 175 – Itu/Itanhaém</td>
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<tr>
<td></td>
<td></td>
<td>SP 177 – Rio Claro/Tuape</td>
<td>307.0</td>
<td>1 July 2028</td>
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<tr>
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<td></td>
<td>SP 290 – Jundiaí/Itatiba</td>
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<td></td>
<td></td>
<td>SPI-102/300</td>
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<td>MG-052</td>
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<td>BR-105</td>
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<td></td>
<td></td>
<td>BR-419</td>
<td>372.0</td>
<td>18 July 2032</td>
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<td>Chile</td>
<td>Sociedad Concesionaria de Los Lagos</td>
<td>Río Bueno – Puerto Montt (Chile)</td>
<td>135.0</td>
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<tr>
<td></td>
<td>Sociedad Concesionaria Litoral General</td>
<td>Nuevo Camino Costero – Cartegena Alperchico</td>
<td>80.0</td>
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<tr>
<td></td>
<td></td>
<td>Camino Alperchico – Cauquenes (Ruta F-10)</td>
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<td></td>
<td>Camino Costero Interior (Ruta F-10)</td>
<td>90.0</td>
<td>16 Nov 2031</td>
</tr>
<tr>
<td></td>
<td>Sociedad Concesionaria Veuparto Sur</td>
<td>Ruta 78 – General Velachez</td>
<td>23.5</td>
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</tr>
<tr>
<td></td>
<td></td>
<td>General Velachez – Ruta 5 Sur</td>
<td>23.5</td>
<td>31 Dec 2032</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ruta 5 Sur – Nuevo Acesso Sur a Santiago</td>
<td>23.5</td>
<td>31 Dec 2032</td>
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<td></td>
<td></td>
<td>Nuevo Acesso Sur a Santiago – Av. Vicuña Mackenna</td>
<td>23.5</td>
<td>31 Dec 2032</td>
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<td></td>
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<td>Av. Vicuña Mackenna – Av. Cisneros</td>
<td>23.5</td>
<td>31 Dec 2032</td>
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<tr>
<td></td>
<td>Sociedad Concesionaria Costanera Norte</td>
<td>Puente La Dehesa – Puente Centenario</td>
<td>43.0</td>
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<tr>
<td></td>
<td></td>
<td>Puente Centenario – Vina del Mar</td>
<td>43.0</td>
<td>30 June 2033</td>
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<td></td>
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<td>Vina del Mar – A. Veuparto</td>
<td>43.0</td>
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<td>Ensenada – Puente La Dehesa</td>
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<td>Sociedad Concesionaria Autopista Nororiente</td>
<td>Sector Oriente – Enlace Centenario – Enlace Av. Del Valle</td>
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<td>Sector Oriente – Enlace Centenario – Enlace Av. Del Valle</td>
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<td>7 Jan 2044</td>
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<td></td>
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<td>Sector Oriente – Enlace Centenario – Enlace Ruta 5 Norte</td>
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<td>Sociedad Concesionaria AMB</td>
<td>Tramo A</td>
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<tr>
<td></td>
<td></td>
<td>Tramo B</td>
<td>10.0</td>
<td>30 June 2023</td>
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</table>

#### COUNTRY AIRPORTS

<table>
<thead>
<tr>
<th>Country</th>
<th>Operator</th>
<th>Airport</th>
<th>Expiry Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Italy</td>
<td>Aeroporti di Roma</td>
<td>&quot;Leonardo da Vinci&quot; Fiumicino</td>
<td>30 June 2044</td>
</tr>
<tr>
<td></td>
<td></td>
<td>&quot;G. B. Pastre&quot; Ciampino</td>
<td>30 June 2044</td>
</tr>
</tbody>
</table>

### OVERSEAS AIRPORTS

<table>
<thead>
<tr>
<th>Country</th>
<th>Operator</th>
<th>Airport</th>
<th>Expiry Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brasil</td>
<td>Groupe Aéroport de la Côte d'Azur</td>
<td>Aeropuerto Cuatro Cièrtes</td>
<td>31 Dec 2044</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Aeropuerto Cuatro Cièrtes</td>
<td>31 Dec 2044</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Aeropuerto Cuatro Cièrtes</td>
<td>31 Dec 2044</td>
</tr>
</tbody>
</table>

(1) In compliance with the concession arrangement, in December 2012 the Grantor asked Autostrade Meridionali to continue operating the motorway after 1 January 2013.

(2) Estimated date: the concession will expire when the net present value of the revenues received, discounted to the start date of the concession at the real rate of 9.5%, reaches the threshold set in the concession agreement and, in any event, no later than 2048.

(3) Estimated date: the concession will expire when the net present value of the revenues received, discounted to the start date of the concession at the real rate of 9.0%, reaches the threshold set in the concession agreement and, in any event, no later than 2048.
5. **SCOPE OF CONSOLIDATION**

In addition to the Parent Company, entities are consolidated when Atlantia exercises control as a result of its direct or indirect ownership of a majority of the voting power of the relevant entities (including potential voting rights resulting from currently exercisable options), or because, as a result of other events or circumstances that (regardless of its percentage interest in the entity) mean it has power over the investee, exposure, or rights, to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amount of the investor’s returns. Subsidiaries are consolidated using the line-by-line method and are listed in Annex 1.

Two companies listed in Annex 1 have not been consolidated due to their quantitative and qualitative immateriality to a true and fair view of the Group’s financial position, results of operations and cash flows, as a result of their operational insignificance (dormant companies or companies whose liquidation is nearing completion).

All entities over which control is exercised are consolidated from the date on which the Group acquires control, as defined above, whilst they are deconsolidated from the date on which the Group ceases to exercise control.

Companies are, in part, consolidated on the basis of the specific reporting packages prepared by each consolidated company, as of the end of the reporting period and in compliance with the IFRS accounting policies adopted by the Group. Companies are consolidated according to the following criteria and procedures:

a) use of the line-by-line method, entailing the reporting of non-controlling interests in equity and profit or loss and the recognition of all assets, liabilities, revenues and costs, regardless of percentage ownership;

b) elimination of intercompany assets, liabilities, revenues and costs, including the reversal of unrealised profits and losses on transactions between consolidated companies and recognition of the consequent deferred taxation;

c) reversal of intercompany dividends and reallocation to the relevant opening equity reserves;

d) netting of the carrying amount of investments in consolidated companies against the corresponding amount of equity, with any resultant positive and/or negative differences being debited/credited to the relevant balance sheet accounts (assets, liabilities and equity), as determined on the acquisition date of each investment and adjusted for subsequent variations. Following the acquisition of control, any acquisition of further interests from non-controlling shareholders, or the sale of interests to such shareholders not resulting in the loss of control of the entity, are accounted for as owner transactions and the related changes recognised directly in equity; any resulting difference between the amount of the change in equity attributable to non-controlling interests and cash and cash equivalents exchanged are recognised directly in equity attributable to owners of the Parent;

e) translation of the reporting packages of consolidated companies in functional currencies other than the euro applying the method previously described in the policy regarding the “Translation of foreign currency items”, included in note 3.

The exchange rates, shown below, used for the translation of reporting packages denominated in functional currencies other than the euro, were obtained from the Bank of Italy:
3. Consolidated financial statements as at and for the year ended 31 December 2016

The scope of consolidation as at 31 December 2016 differs from the scope used as at 31 December 2015, following the Group’s acquisition of a controlling interest in Aéroports de la Côte d’Azur and its subsidiaries, as described in note 6.2 below. In addition, the consolidated income statement for 2016 benefitted from the full-year contribution of Autostrada Tirrenica (SAT), which was consolidated from September 2015.

6. ACQUISITIONS AND CORPORATE ACTIONS DURING THE PERIOD

6.1 Restructuring of the Group

On 19 October 2016, Atlantia announced a restructuring that would result in an organisation with operations in the following operating segments: Italian motorways, overseas motorways, Italian airports, overseas airports and other activities.

In this regard, at the end of December 2016 (following the resolution passed by Atlantia’s Board of Directors on 15 December 2016), Autostrade per l’Italia’s investments in the following companies were transferred to Atlantia:

a) Telepass, previously owned by Autostrade per l’Italia (96.15% of the issued capital) and Autostrade Tech (3.85%);

b) Stalexport Autostrady, previously 61.2% owned by Autostrade per l’Italia.

These transactions were carried out on the basis of prices based on the estimated pro rata fair value of the above investments, computed by an independent expert.

To complete the restructuring, on 15 December 2016, Autostrade per l’Italia’s Board of Directors voted to propose that the General Meeting of shareholders approve the distribution to Atlantia of a special dividend in kind, via the transfer of the Autostrade per l’Italia’s entire interests in Autostrade dell’Atlantico (the sub-holding company that controls the Group’s Chilean and Brazilian motorway businesses and holds a controlling interest in Electronic Transaction Consultants) and Autostrade Indian Infrastructure Development. On 25 January 2017, the General Meeting of Autostrade per l’Italia’s shareholders approved the above proposal, as described in note 10.8.

The above restructuring has not resulted in any change in the value of the assets and liabilities of the companies involved, but has resulted in recognition, by Autostrade per l’Italia and Autostrade Tech, of tax expense for 2016 amounting to €16 million. This regards the difference between the consideration received from Atlantia for the above investments in Telepass and Stalexport Autostrady and the relevant carrying amounts recognised for tax purposes.

<table>
<thead>
<tr>
<th>CURRENCY</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Spot exchange rate 31 December</td>
<td>Average exchange rate</td>
</tr>
<tr>
<td>Euro/US Dollar</td>
<td>1.054</td>
<td>1.107</td>
</tr>
<tr>
<td>Euro/Polish Zloty</td>
<td>4.410</td>
<td>4.363</td>
</tr>
<tr>
<td>Euro/Chilean Peso</td>
<td>704.945</td>
<td>748.477</td>
</tr>
<tr>
<td>Euro/Brazilian Real</td>
<td>3.431</td>
<td>3.856</td>
</tr>
<tr>
<td>Euro/Indian Rupee</td>
<td>71.594</td>
<td>74.372</td>
</tr>
</tbody>
</table>

The scope of consolidation as at 31 December 2016 differs from the scope used as at 31 December 2015, following the Group’s acquisition of a controlling interest in Aéroports de la Côte d’Azur and its subsidiaries, as described in note 6.2 below. In addition, the consolidated income statement for 2016 benefitted from the full-year contribution of Autostrada Tirrenica (SAT), which was consolidated from September 2015.
6.2 Acquisition of control of Aéroports de la Côte d’Azur

Following receipt of the necessary consents, on 9 November 2016, the Group acquired a 64% interest in Aéroports de la Côte d’Azur (“ACA”), the company that (directly or indirectly) controls the airports of Nice, Cannes-Mandelieu and Saint-Tropez and the international network of ground handlers, Sky Valet. The acquisition, which followed the Group’s provisional selection as the winning bidder on 28 July 2016, after a tender process, was completed through the acquisition vehicle, Azzurra Aeroporti. Azzurra Aeroporti Srl (formerly Mizard), which is 65.01% owned by Atlantia, 10% owned by Aeroporti di Roma and 24.99% owned by the French EDF group, completed the acquisition at a total cost of €1,303 million, including €1,222 million to acquire a 60% stake from the French government and the remaining amount to acquire a 4% interest held by the Alpes-Maritime Department.

As part of the process of providing Azzurra Aeroporti with the necessary capital, Atlantia also paid in a contribution of €150 million, giving it the right to receive a priority and preferred return of 5.2% per annum on this investment, compared with the holders of ordinary capital, subject to certain conditions: Azzurra Aeroporti’s distribution of dividends and distributable reserves, or distribution of the company’s assets in the event of its winding up following the company’s liquidation or bankruptcy. In the latter cases, in addition to the above return, Atlantia has a right to the return of its above initial investment, and subordination in the event of capital losses.

Nice airport is the third largest airport in France after Paris Charles de Gaulle and Orly, in terms of passenger traffic, which totalled approximately 12 million in 2016. The related concession expires on 31 December 2044.

As a result of the transaction, the Group has also acquired control of the following subsidiaries of ACA:

a) Aéroport Golfe de Saint-Tropez, in which ACA has a 99.92% interest and which owns and operates the airport of the same name;
b) SCI La Ratonnière, a wholly owned subsidiary, which provides property management services;
c) ACA C1 and ACA Holding, wholly owned by ACA, which operate as sub-holding companies;
d) Sky Valet France and Sky Valet Spain, wholly owned subsidiaries, that provide ground handling services for general aviation in the respective countries.

For the purposes of preparation of these consolidated financial statements, the transaction has been accounted for, in accordance with IFRS 3, using the acquisition method, which involved recognition of the fair value of the assets and liabilities of ACA and its subsidiaries acquired and assumed. Specifically, the Group has continued to recognise the assets acquired and liabilities assumed at their carrying amounts in the financial statements of the acquired companies, with the exception of the concession arrangements to which the companies are party (resulting in a gain of €2,475 million) and the related deferred taxation. The table below shows the carrying amounts of the assets acquired and liabilities assumed, in addition to the provisional fair values identified.
3. Consolidated financial statements as at and for the year ended 31 December 2016

As permitted by IFRS 3, recognition of adjustments to the provisional fair values of the assets and liabilities of the acquired companies will be completed within 12 months of the acquisition date. The current measurement process may have an impact on the following main items: intangible assets, financial assets and liabilities, deferred tax assets and liabilities and the related impact on profit or loss.

Had the acquired companies been consolidated on a line-by-line basis from 1 January 2016, the Atlantia Group’s consolidated revenue and consolidated profit for 2016 would have amounted to €6,466 million (including €734 million in revenue from construction services) and €1,216 million, respectively, after taking into account the after-tax effect of amortisation of ACA’s concession rights, recognised as above.

Finally, on 22 November 2016, Atlantia, with the consent of Azzurra Aeroporti’s other shareholders, granted the Principality of Monaco, subject to authorisation from the French government, an option to purchase (within 15 days of the date of such authorisation) a 12.5% interest in Azzurra Aeroporti, and a share of Atlantia’s preferred contribution (described above), amounting to €70 million (bearing the same rights enjoyed by Atlantia), for a total consideration of €135 million.

### 6.3 Merger of Chilean subsidiaries

On 15 November 2016, the merger of Sociedad Concesionaria Vespucio Sur, a wholly owned subsidiary of the acquirer, was merged with and into the Chilean sub-holding company, Sociedad Concesionaria Autopista Nueva Vespucio Sur (a wholly owned subsidiary of the Chilean company, Grupo Costanera). The merger, completed following receipt of the necessary clearance, aims to simplify the corporate structure and shorten the chain of control. Following the transaction, Grupo Costanera thus exercises direct control over all the Group’s Chilean operators, with the exception of Sociedad Concesionaria de Los Lagos.

<table>
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<tr>
<th>(€m)</th>
<th>Carrying amount</th>
<th>Fair value adjustments (provisional)</th>
<th>Fair value (provisional)</th>
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<tr>
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<tr>
<td>Property, plant and equipment</td>
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<tr>
<td>Non-current financial assets</td>
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<tr>
<td>Cash and cash equivalents</td>
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<tr>
<td>Other current financial assets</td>
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<tr>
<td>Trading and other current assets</td>
<td>31.6</td>
<td>31.6</td>
<td></td>
</tr>
<tr>
<td>Non-current financial liabilities</td>
<td>-114.4</td>
<td>-114.4</td>
<td></td>
</tr>
<tr>
<td>Deferred tax assets/(liabilities)</td>
<td>-24.0</td>
<td>-706.5</td>
<td>-730.5</td>
</tr>
<tr>
<td>Provisions</td>
<td>-63.0</td>
<td>-63.0</td>
<td></td>
</tr>
<tr>
<td>Other non-current liabilities</td>
<td>-2.4</td>
<td>-2.4</td>
<td></td>
</tr>
<tr>
<td>Current financial liabilities</td>
<td>-20.0</td>
<td>-20.0</td>
<td></td>
</tr>
<tr>
<td>Trading and other current liabilities</td>
<td>-74.7</td>
<td>-74.7</td>
<td></td>
</tr>
<tr>
<td><strong>Total net assets acquired</strong></td>
<td><strong>267.8</strong></td>
<td><strong>1,768.1</strong></td>
<td><strong>2,035.9</strong></td>
</tr>
<tr>
<td>Equity attributable to non-controlling interests</td>
<td></td>
<td></td>
<td>-732.9</td>
</tr>
<tr>
<td><strong>Total net assets acquired by the Group</strong></td>
<td></td>
<td></td>
<td><strong>1,303.0</strong></td>
</tr>
<tr>
<td><strong>Total consideration</strong></td>
<td></td>
<td></td>
<td><strong>1,303.0</strong></td>
</tr>
<tr>
<td>Cash and cash equivalents acquired</td>
<td></td>
<td></td>
<td>-37.7</td>
</tr>
<tr>
<td><strong>Net effective cash outflow for the acquisition</strong></td>
<td></td>
<td></td>
<td><strong>1,265.3</strong></td>
</tr>
</tbody>
</table>
As this transaction has taken place within the Group, the gains arising from the merger in the separate financial statements of Sociedad Concesionaria Autopista Nueva Vespucio Sur (which will, in future, assume the acquiree’s name) are tax deductible, providing an estimated tax benefit of approximately €94 million as at 31 December 2016. The Group’s consolidated income statement for 2016 reflects an upward adjustment of €12 million of the estimated benefit, as the related amount was already accounted for in 2012, when the Group acquired control of Sociedad Concesionaria Vespucio Sur.
7. NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The following notes provide information on items in the consolidated statement of financial position as at 31 December 2016. Comparative amounts as at 31 December 2015 are shown in brackets. Details of items in the consolidated statement of financial position deriving from related party transactions are provided in note 10.5.

7.1 Property, plant and equipment €291,080 thousand (€231,742 thousand)

As at 31 December 2016, property, plant and equipment amounts to €291,080 thousand, compared with a carrying amount of €231,742 thousand as at 31 December 2015. The following table provides details of property, plant and equipment at the beginning and end of the period, showing the original cost and accumulated depreciation at the end of the period.

<table>
<thead>
<tr>
<th>€000</th>
<th>31 December 2016</th>
<th>31 December 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, plant and equipment</td>
<td>851,293</td>
<td>748,342</td>
</tr>
<tr>
<td>Property, plant and equipment held under finance leases</td>
<td>3,549</td>
<td>3,286</td>
</tr>
<tr>
<td>Investment property</td>
<td>8,481</td>
<td>7,053</td>
</tr>
<tr>
<td><strong>Total property, plant and equipment</strong></td>
<td><strong>863,323</strong></td>
<td><strong>758,681</strong></td>
</tr>
</tbody>
</table>

The increase in the carrying amount with respect to 31 December 2015, amounting to €59,338 thousand, primarily reflects a combination of capital expenditure during the year, amounting to €113,104 thousand, and depreciation of €55,259 thousand, as shown in the following table.

<table>
<thead>
<tr>
<th>€000</th>
<th>CARRYING AMOUNT AS AT 31 DECEMBER 2015</th>
<th>ADJUSTMENTS</th>
<th>DEPRECIATION</th>
<th>IMPAIRMENTS</th>
<th>RECLASSEIFICATIONS AND OTHER ADJUSTMENTS</th>
<th>NET CURRENCY TRANSLATION DIFFERENCES</th>
<th>NET CHANGE IN SCOPE OF CONSOLIDATION</th>
<th>CARRYING AMOUNT AS AT 31 DECEMBER 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, plant and equipment</td>
<td>7,982</td>
<td>127</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>46</td>
<td>8</td>
</tr>
<tr>
<td>Buildings</td>
<td>43,260</td>
<td>1,347</td>
<td>-3,576</td>
<td>-46</td>
<td>-104</td>
<td>-</td>
<td>14,287</td>
<td>122</td>
</tr>
<tr>
<td>Plant and machinery</td>
<td>34,655</td>
<td>19,974</td>
<td>-11,519</td>
<td>-78</td>
<td>-57</td>
<td>78</td>
<td>14,267</td>
<td>122</td>
</tr>
<tr>
<td>Industrial and business equipment</td>
<td>46,810</td>
<td>19,053</td>
<td>-19,260</td>
<td>-297</td>
<td>-8</td>
<td>184</td>
<td>5,927</td>
<td>165</td>
</tr>
<tr>
<td>Other assets</td>
<td>50,832</td>
<td>28,743</td>
<td>-20,434</td>
<td>-770</td>
<td>-33</td>
<td>-33</td>
<td>-32,708</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>227,642</strong></td>
<td><strong>113,104</strong></td>
<td><strong>64,809</strong></td>
<td><strong>-770</strong></td>
<td><strong>-408</strong></td>
<td><strong>491</strong></td>
<td><strong>-3,165</strong></td>
<td><strong>2,496</strong></td>
</tr>
</tbody>
</table>

“Investment property” of €2,202 thousand as at 31 December 2016 refers to land and buildings not used in operations and is stated at cost. The total fair value of these assets is estimated to be €3 million, based
on independent appraisals and information on property markets relevant to these types of investment property.

There were no significant changes in the expected useful lives of these assets during 2016. As at 31 December 2016, property, plant and equipment is free of mortgages, liens or other collateral guarantees restricting use.

7.2 Intangible assets
€28,382,686 thousand (€24,844,588 thousand)

The item consists of:

a) intangible assets deriving from concession rights, totalling €23,591,032 thousand (€20,043,215 thousand as at 31 December 2015), and regarding the following categories:

1) rights acquired from third parties (€8,616,255 thousand), essentially reflecting the fair value of the concession rights resulting from the acquisitions of Aeroporti di Roma, the Chilean and Brazilian operators and Aéroports de la Côte d’Azur, a company acquired in 2016, as previously described in note 6.2;
2) rights recognised as a result of the commitment to perform construction services for which no additional economic benefits are received (€8,503,690);
3) rights deriving from construction services for which additional economic benefits are received (€6,365,342);
4) rights deriving from construction services carried out by service area operators, represented by assets that were handed over free of charge to the Group’s operators on expiry of the related sub-concessions (€105,745);

b) goodwill and other intangible assets with indefinite lives, totalling €4,382,790 thousand;

c) other intangible assets of €408,864 thousand (€418,584 thousand as at 31 December 2015), essentially consisting of contractual rights attributable to Aeroporti di Roma, accounted for following identification of the fair value of the former Gemina group’s assets and liabilities.

<table>
<thead>
<tr>
<th>€000</th>
<th>COST</th>
<th>31 December 2016</th>
<th>ACCUMULATED AMORTISATION</th>
<th>ACCUMULATED IMPAIRMENTS</th>
<th>CARRYING AMOUNT</th>
<th>31 December 2015</th>
<th>ACCUMULATED AMORTISATION</th>
<th>ACCUMULATED IMPAIRMENTS</th>
<th>CARRYING AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goodwill and other intangible assets with indefinite lives</td>
<td>4,402,489</td>
<td>-</td>
<td>-10,699</td>
<td>4,382,790</td>
<td>4,402,304</td>
<td>-</td>
<td>-10,515</td>
<td>4,382,789</td>
<td></td>
</tr>
<tr>
<td>Other intangible assets</td>
<td>905,758</td>
<td>492,030</td>
<td>3,964</td>
<td>408,864</td>
<td>840,684</td>
<td>418,260</td>
<td>-3,840</td>
<td>418,584</td>
<td></td>
</tr>
<tr>
<td>Intangible assets</td>
<td>37,062,355</td>
<td>8,461,259</td>
<td>-218,410</td>
<td>28,382,686</td>
<td>92,459,881</td>
<td>-7,997,191</td>
<td>-218,102</td>
<td>24,844,588</td>
<td></td>
</tr>
</tbody>
</table>

There was a net increase of €3,538,098 thousand in intangible assets in 2016, primarily relating to recognition of the fair value of the intangible assets contributed by Aéroports de la Côte d’Azur, totalling €2,965,127 thousand. As indicated in note 6.2, the fair value of the airport concession held by the above company has provisionally been estimated. After stripping out this contribution, the item is up €572,971 thousand, primarily due to a combination of the following main events:

a) investment in construction services for which additional economic benefits are received, totalling €614,518 thousand;
b) the positive impact of currency translation differences at the end of the year, accounting for a rise of €415,893 thousand, essentially due to a strengthening of the Brazilian real and Chilean peso against the euro;
c) the increase in intangible assets deriving from concession rights, following a revision of the present value on completion of investment in construction services for which no additional benefits are
received, attributable primarily to Autostrade per l’Italia, resulting in an increase of €391,851 thousand;
d) investment in other intangible assets, totalling €45,923 thousand;
e) amortisation for the year of €899,988 thousand.

The following table shows intangible assets at the beginning and end of the period and changes during 2016 in the different categories of intangible asset.

<table>
<thead>
<tr>
<th>6000</th>
<th>CARRYING AMOUNT AS AT 31 DECEMBER 2016</th>
<th>ADDITIONS DUE TO COMPLETION OF CONSTRUCTION SERVICES, ACQUISITIONS AND CAPITALISATIONS AND HANDOVER FREE OF CHARGE</th>
<th>AMORTISATION</th>
<th>CHANGES DUE TO REVISED PRESENT VALUE OF CONTRACTUAL OBLIGATIONS</th>
<th>NET CURRENCY TRANSLATION DIFFERENCES</th>
<th>RECLASSIFICATIONS AND OTHER ADJUSTMENTS</th>
<th>CHANGE IN SCOPE OF CONSOLIDATION</th>
<th>CARRYING AMOUNT AS AT 31 DECEMBER 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intangible assets deriving from concession rights</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquired concession rights</td>
<td>6,087,160</td>
<td>-</td>
<td>237,567</td>
<td>-</td>
<td>277,436</td>
<td>1</td>
<td>2,489,336</td>
<td>8,570,450</td>
</tr>
<tr>
<td>Concession rights accruing from construction services for which no additional economic benefits are received</td>
<td>8,440,514</td>
<td>-</td>
<td>398,996</td>
<td>391,851</td>
<td>1,874</td>
<td>10,150</td>
<td>28,297</td>
<td>8,553,690</td>
</tr>
<tr>
<td>Concession rights accruing from construction services for which additional economic benefits are received</td>
<td>5,415,985</td>
<td>814,518</td>
<td>-223,525</td>
<td>-</td>
<td>127,620</td>
<td>-16,654</td>
<td>447,388</td>
<td>6,365,342</td>
</tr>
<tr>
<td>Concession rights accruing from construction services provided by sub-operators</td>
<td>99,547</td>
<td>1,003</td>
<td>-4,805</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>105,745</td>
</tr>
<tr>
<td>Total</td>
<td>20,043,216</td>
<td>926,521</td>
<td>-884,899</td>
<td>301,881</td>
<td>406,920</td>
<td>-9,603</td>
<td>2,984,921</td>
<td>28,691,082</td>
</tr>
<tr>
<td>Goodwill and other intangible assets with indefinite lives</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goodwill</td>
<td>4,382,757</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4,382,757</td>
</tr>
<tr>
<td>Trademarks</td>
<td>32</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>32</td>
</tr>
<tr>
<td>Total</td>
<td>4,382,789</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4,382,789</td>
</tr>
<tr>
<td>Other intangible assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercial contractual relations</td>
<td>351,759</td>
<td>-</td>
<td>-36,380</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>295,369</td>
</tr>
<tr>
<td>Development costs</td>
<td>10,669</td>
<td>12,592</td>
<td>-10,920</td>
<td>-</td>
<td>8</td>
<td>-</td>
<td>-</td>
<td>12,339</td>
</tr>
<tr>
<td>Industrial patents and intellectual property rights</td>
<td>10,134</td>
<td>8,985</td>
<td>8,774</td>
<td>-</td>
<td>485</td>
<td>111</td>
<td>-</td>
<td>10,391</td>
</tr>
<tr>
<td>Concessions and licenses</td>
<td>10,549</td>
<td>2,954</td>
<td>4,453</td>
<td>-</td>
<td>259</td>
<td>1,833</td>
<td>96</td>
<td>11,448</td>
</tr>
<tr>
<td>Other</td>
<td>27,483</td>
<td>4,768</td>
<td>-4,586</td>
<td>-</td>
<td>7,005</td>
<td>-36</td>
<td>-</td>
<td>34,642</td>
</tr>
<tr>
<td>Intangible assets under development and advance payments</td>
<td>27,840</td>
<td>16,644</td>
<td>-</td>
<td>-</td>
<td>1,235</td>
<td>-1,634</td>
<td>-</td>
<td>44,175</td>
</tr>
<tr>
<td>Total</td>
<td>418,584</td>
<td>45,923</td>
<td>-85,085</td>
<td>-</td>
<td>8,972</td>
<td>274</td>
<td>206</td>
<td>408,864</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>24,844,588</td>
<td>671,444</td>
<td>-899,888</td>
<td>301,881</td>
<td>415,893</td>
<td>-9,229</td>
<td>2,985,127</td>
<td>28,282,686</td>
</tr>
</tbody>
</table>

There were no significant changes in the expected useful lives of intangible assets during the period. The following analysis shows the various components of investment in motorway and airport infrastructure effected through construction services, as reported in the consolidated statement of cash flows.

<table>
<thead>
<tr>
<th>6000</th>
<th>NOTE</th>
<th>2016</th>
<th>2015</th>
<th>INCREASE/ (DECREASE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use of provisions for construction services required by contract for which no additional economic benefits are received</td>
<td>7.13 / 8.11</td>
<td>418,014</td>
<td>502,498</td>
<td>-84,484</td>
</tr>
<tr>
<td>Use of provisions for refurbishment of airport infrastructure</td>
<td>7.14</td>
<td>112,238</td>
<td>150,997</td>
<td>-38,759</td>
</tr>
<tr>
<td>Increase in intangible concession rights accruing from completed construction services for which additional economic benefits are received</td>
<td>8.3</td>
<td>614,518</td>
<td>570,751</td>
<td>43,767</td>
</tr>
<tr>
<td>Increase in financial assets deriving from motorway construction services</td>
<td>7.4 / 8.3</td>
<td>81,101</td>
<td>87,885</td>
<td>-6,784</td>
</tr>
<tr>
<td>Revenue from government grants for construction services for which no additional economic benefits are received</td>
<td>8.3</td>
<td>332</td>
<td>39,957</td>
<td>-36,625</td>
</tr>
<tr>
<td>Investment in assets held under concession</td>
<td>1,263,213</td>
<td>1,352,095</td>
<td>-88,882</td>
<td></td>
</tr>
</tbody>
</table>

Research and development expenditure of approximately €1.2 million has been recognised in the consolidated income statement for 2016. These activities are carried out in order to improve infrastructure, the services offered, safety levels and environmental protection and in relation to the internal development of software and IT systems.

"Goodwill and other intangible assets with indefinite lives", totalling €4,382,790 thousand, consists of the goodwill allocated to the CGU represented by Autostrade per l’Italia, amounting to €4,382,757 thousand, following the acquisition of a majority interest in the former Autostrade – Concessioni e Costruzioni Autostrade SpA in 2003. This goodwill coincides with the carrying amount as at January 2004 (the IFRS transition date) and was determined in accordance with prior accounting standards under the exemption permitted by IFRS 1.
With regard to the recoverability of the intangible assets belonging to other Group companies, CGUs showing evidence of a potential impairment have been tested for impairment, in addition to the CGU represented by Autostrade per l’Italia, to which the above goodwill is allocated in full.

In terms of the methodology used in impairment testing, the following should be noted:

a) as explained in note 3, in line with the approach adopted in previous years, each operator is a separate CGU since the cash flows generated by the motorways operated under concession arrangements are largely independent of cash flows generated by other assets. Subsidiaries that do not hold concessions are also treated as a separate CGU;

b) in the case of the motorway operators tested for impairment (which are dealt with below), with the exception of Autostrade Meridionali and Raccordo Autostradale Valle d’Aosta (which are dealt with below), value in use was estimated on the basis of the long-term plans drawn up by the respective companies, containing traffic, investment, revenue and cost projections for the full term of the related concessions, as previously described in note 4. The use of long-term plans covering the entirety of the respective concession terms is deemed more appropriate than the approach provisionally suggested by IAS 36 (namely, a limited explicit projection period and the estimated terminal value), given the intrinsic nature of the motorway concession arrangements, above all with regard to the regulations governing the sector and the predetermined duration of the arrangements;

c) in the case of the CGUs represented by Pavimental and AD Moving, which essentially provide support services to the Group’s operators (with regard to their construction and maintenance activities), it was also considered appropriate to estimate value in use on the basis of the same period covered by the long-term plans of the operators to which they provide their services, through 2044 for Pavimental and 2038 for AD Moving, without estimating the terminal value.

The following table shows the key assumptions forming the basis for the long-term plans of the CGUs represented by the Group’s motorway operators, prepared on the basis of the regulatory mechanisms included in the specific concession arrangements. The recoverable value of the CGUs is estimated on the basis of these assumptions (rate of traffic growth, rate of toll increases and discount rate used, representing the companies’ after-tax WACC, the latter determined on the basis of the requirements of IAS 36).

<table>
<thead>
<tr>
<th>CGU</th>
<th>Traffic growth rate (CAGR)</th>
<th>Average annual toll increase(1)</th>
<th>Discount rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Autostrade per l’Italia</td>
<td>1.24%</td>
<td>2.53%</td>
<td>5.14%</td>
</tr>
<tr>
<td>Rodovia das Colinas (Brasil)</td>
<td>3.70%</td>
<td>4.90%</td>
<td>11.04%</td>
</tr>
<tr>
<td>Triangulo do Sol Auto-Estradas (Brasil)</td>
<td>3.00%</td>
<td>6.00%</td>
<td>11.04%</td>
</tr>
<tr>
<td>Cencessionaria da Rodovia MG050 (Brasil)</td>
<td>5.20%</td>
<td>5.50%</td>
<td>11.04%</td>
</tr>
</tbody>
</table>

(1) in Autostrade per l’Italia’s case, this includes an average annual toll increase of 1.34% based on implementation of the investment programme, in addition to annual toll increases designed to take account of inflation in the country of operation (1.19%).

The quantification of the above assumptions was primarily based on publically available information from external sources, integrated, where appropriate, by estimates based also on historical data. A discount rate of 5.14% was used for the AD Moving and Pavimental CGUs. The impairment tests confirmed that the assets accounted for in the financial statements and allocated to the above CGUs, which in Autostrade per l’Italia’s case also includes the value of goodwill, are fully recoverable. In addition to the above impairment tests, sensitivity analyses were conducted on the recoverable values, increasing the indicated discount rates by 1%, and reducing the average annual rate of traffic growth by 1% (for the motorway operators).
In the case of Autostrade per l’Italia, taking into account the importance of this CGU and in view of the lengthy period of time over which the projected cash flows are generated and the fact that the discount rate, determined in accordance with the criteria established in IAS 36, is influenced by the particular state of the financial markets (with extremely low interest rates, partly as a result of the ECB’s expansive monetary policies and very low levels of inflation in Europe), a sensitivity analysis was also performed applying a rate that is more representative of the Company’s medium/long-term WACC, estimated in an interval of 6.3% - 6.4%. The results of these analyses have, in any event, confirmed that the assets allocated to the CGU are fully recoverable. The results of these analyses have not, in any event, resulted in any material differences with respect to the outcomes of the above tests.

In the case of the CGU represented by Raccordo Autostradale Valle d’Aosta, this company’s intangible assets deriving from concession rights were written down in previous years by €193,843 thousand, before the related deferred taxation. In 2015, the company submitted a proposal for a further addendum to its Single Concession Arrangement of 2009 to the Grantor. This envisages, among other things, a grant related to income throughout the concession term, and is based on the financial compensation mechanism provided for in the existing arrangement, maintaining the same returns as under this arrangement. The addendum will be examined by the Interministerial Economic Planning Committee (“CIPE”) and a decision is awaited. Should the addendum not be approved, the company could activate the clause contained in art. 9 bis of the existing Single Concession Arrangement, which provides for termination of the concession arrangement and payment to the company of the value of any unamortised assets, in addition to compensation for lost earnings. The recoverability of the CGU’s net assets was, therefore, also tested with reference to the above value determined in accordance with art. 9 bis of the Concession Arrangement. The resulting amount is higher than the carrying amount of the CGU’s net assets as at 31 December 2016.

In view of the uncertainty surrounding the regulatory framework that is still in the process of being finalised, with the various alternatives permitting the company to recoup its net capital invested, the related value in use was not redetermined.

In the case of Autostrade Meridionali, the operator’s motorway concession expired on 31 December 2012. The operator is continuing to operate the relevant motorway whilst awaiting the conclusion of the tender process that will select the new operator, which will be required (i) to pay Autostrade Meridionali compensation equal to the unamortised carrying amount of the capital expenditure carried out in the final years of the concession arrangement, and (ii) to assume the obligations relating to sale and purchase agreements entered into by Autostrade Meridionali, excluding those of a financial nature, and to outstanding legal actions and disputes. In this regard, the value of this CGU’s net assets is recoverable due to the above obligations to be honoured by the incoming operator.

7.3 Investments

€291,236 thousand (€96,865 thousand)

As at 31 December 2016, this item is up €194,371 thousand, primarily due to a combination of the following:

a) the acquisition of a 22.09% interest in SAVE, the company that holds the concession to operate the airports of Venice and Treviso at a cost of €180,541 thousand;

b) net revaluations through profit or loss, amounting to €11,207 thousand and primarily regarding a combination of the following:

1) the reversal of the entire impairment loss of €24,514 thousand on the carrying amount of the 17.21% interest in the Portuguese motorway operator, Lusoponte, following a new estimate of the recoverable amount by an independent expert, as part of the process of moving the registered domicile of the parent, Autostrade Portugal, to Italy;

2) impairment losses on the investments in Compagnia Aerea Italiana and Tangenziali Esterne Milano, totalling €12,144 thousand.
The following table shows an analysis of the Group’s principal investments as at 31 December 2016, including the Group’s percentage interest and the relevant carrying amount, net of unpaid, called-up issued capital, and showing the original cost and any accumulated revaluations and impairments at the end of the year.

As noted above, as at 31 December 2016, the Atlantia Group holds an investment in SAVE, following completion of its acquisition, in 2016, of a 22.09% interest in the company, with a carrying amount of €180,541 thousand. The agreement also includes an earn-out provision that will be triggered if, within 3 years, there is a public tender or exchange offer for SAVE’s shares at a price that is higher than the price paid by Atlantia to the previous shareholders. The investment does not form part of any shareholder agreement and does not grant Atlantia any additional rights with respect to those provided for in SAVE’s articles of association. As at 31 December 2016, the fair value of the investment, determined on the basis of the official unit price of one SAVE share, is €212,716 thousand. The following table shows key financial indicators taken from the press release of 10 March 2017, announcing the approval of the SAVE group’s consolidated financial statements for the year ended 31 December 2016, as published on its website at www.grupposave.it.
7.4 Financial assets

(Non-current) / €2,237,054 thousand (€1,781,276 thousand)
(current) / €776,552 thousand (€818,981 thousand)

The following analysis shows the composition of other financial assets at the beginning and end of the period, together with the current and non-current portions.

<table>
<thead>
<tr>
<th>€000</th>
<th>31 December 2016</th>
<th>31 December 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>CARRYING AMOUNT</td>
<td>CURRENT PORTION</td>
</tr>
<tr>
<td>Takeover rights</td>
<td>398,270</td>
<td>398,270</td>
</tr>
<tr>
<td>Guaranteed minimum tolls</td>
<td>656,995</td>
<td>42,269</td>
</tr>
<tr>
<td>Other financial assets deriving from concession rights</td>
<td>316,688</td>
<td>316,688</td>
</tr>
<tr>
<td>Financial assets deriving from concession rights (1)</td>
<td>1,371,953</td>
<td>440,539</td>
</tr>
<tr>
<td>Financial assets deriving from government grants related to construction services (1)</td>
<td>332,898</td>
<td>67,962</td>
</tr>
<tr>
<td>Term deposits (2)</td>
<td>516,009</td>
<td>194,283</td>
</tr>
<tr>
<td>Derivative assets (3)</td>
<td>139,128</td>
<td>55,531</td>
</tr>
<tr>
<td>Other medium/long-term financial assets (1)</td>
<td>649,733</td>
<td>10,152</td>
</tr>
<tr>
<td>Other medium/long-term financial assets</td>
<td>784,861</td>
<td>65,883</td>
</tr>
<tr>
<td>Current derivative assets (3)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other current financial assets (1)</td>
<td>7,885</td>
<td>7,885</td>
</tr>
<tr>
<td>Total</td>
<td>3,013,606</td>
<td>776,552</td>
</tr>
</tbody>
</table>

(1) These assets include financial instruments primarily classified as “loans and receivables” under IAS 39.
The carrying amount is equal to fair value.

(2) These assets have been classified as “available-for-sale” financial instruments and in level 2 of the fair value hierarchy.
The carrying amount is equal to fair value.

(3) These assets primarily include derivative financial instruments classified as hedges under level 2 of the fair value hierarchy.
Financial assets deriving from concession rights include:

a) takeover rights attributable to Autostrade Meridionali (€398,270 thousand as at 31 December 2016), being the amount payable by a replacement operator on termination of the concession for the company’s unamortised capital expenditure during the final years of the outgoing operator’s concession;

b) the present value of the financial asset deriving from concession rights represented by the minimum tolls guaranteed by the Grantor of the concessions held by certain of the Group’s Chilean operators (€656,995 thousand as at 31 December 2016);

c) other financial assets deriving from concession rights (€316,688 thousand as at 31 December 2016), attributable to the Chilean operator, Costanera Norte. In particular, this item regards the financial assets due to this company as a result of carrying out the motorway investment programme named Santiago Centro Oriente (“CC7”). Under the agreements, the increase in toll revenue resulting from the installation of new tollgates along the existing motorway, after deducting the company’s contractually agreed share, remains at the company’s disposal and are recognised in financial liabilities until such time as it has covered the cost of the related capital expenditure, revalued at a real annual rate of 7%. If, at the end of the concession term, the specific amount at Costanera Norte’s disposal, also revalued at a real annual rate of 7%, is lower than the financial assets recognised at that time, the Grantor has the option of either extending the concession term or paying Costanera Norte the remaining net amount due.

The increase of €169,943 thousand is due primarily to the increase in the value of the Chilean peso against the euro (€82,878 thousand), in addition to infrastructure built during the year (€81,101 thousand), relating to Costanera Norte and the CC7 project.

Financial assets deriving from government grants to finance infrastructure works include amounts receivable from grantors or other public entities as grants, accruing as a result of construction and maintenance of assets held under concession, are broadly in line with the figure for 31 December 2016.

Other medium/long-term financial assets are up €281,653 thousand, primarily reflecting a combination of the following:

a) an increase in the loan repayable to AB Concessões by Infra Bertin Empreendimentos (€177,122 thousand), reflecting translation differences recognised at the end of the year due to an increase in the value of the Brazilian real against the euro (€107,573 thousand) and the capitalisation of interest income during the year (€69,549 thousand);

b) an increase in derivative assets (€78,882 thousand), linked to the derivatives held by Azzurra Aeroporti (€33,256 thousand) and an increase in the fair value (following a fall in the value of sterling against the euro) of Cross Currency Swaps entered into by Atlantia (€41,766 thousand) when purchasing the notes issued by Romulus Finance in 2015.

No evidence of impairment was found in 2016 for any of the financial assets reported in the financial statements.

7.5 Deferred tax assets and liabilities

Deferred tax assets €1,402,785 thousand (€1,574,566 thousand)
Deferred tax liabilities €2,439,442 thousand (€1,701,181 thousand)

The amount of deferred tax assets and liabilities both eligible and ineligible for offset is shown below, with respect to temporary timing differences between consolidated carrying amounts and the corresponding tax bases at the end of the period.
3. Consolidated financial statements as at and for the year ended 31 December 2016

Changes in the Group’s deferred tax assets and liabilities during the period, based on the nature of the temporary differences giving rise to them, are summarised in the following table.

<table>
<thead>
<tr>
<th>€000</th>
<th>31 December 2016</th>
<th>31 December 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred tax assets</td>
<td>1,979,650</td>
<td>2,175,043</td>
</tr>
<tr>
<td>Deferred tax liabilities eligible for offset</td>
<td>-576,865</td>
<td>-600,477</td>
</tr>
<tr>
<td><strong>Deferred tax assets less deferred tax liabilities eligible for offset</strong></td>
<td>1,402,785</td>
<td>1,574,566</td>
</tr>
<tr>
<td>Deferred tax liabilities not eligible for offset</td>
<td>-2,439,442</td>
<td>-1,701,181</td>
</tr>
<tr>
<td><strong>Difference between deferred tax assets and liabilities (eligible and ineligible for offset)</strong></td>
<td>-1,036,657</td>
<td>-126,615</td>
</tr>
</tbody>
</table>

As shown in the table, the balance of deferred tax assets as at 31 December 2016 primarily includes:

a) deferred tax assets on the portion of provisions, primarily for the repair and replacement of motorway infrastructure, deductible in future years, totalling €551,855 thousand;

b) deferred tax assets recognised as a result of the impact on taxation of adoption of IFRIC 12 by Autostrade per l’Italia (€423,059 thousand);

c) deferred tax assets recognised in connection with the reversal of intercompany gains arising in 2003 on the contribution of the portfolio of motorways to Autostrade per l’Italia (€398,786 thousand);

d) the deferred tax assets recognised as a result of the impact on taxation of adoption of IFRIC 12 by Autostrade per l’Italia (€434,158 thousand), to be released on a straight-line basis over the life of Autostrade per l’Italia’s concession.
The reduction of €195,393 thousand in deferred tax assets substantially reflects release of the accrued portion for the year (€110,940 thousand) of the deferred tax assets described in point c) above and the release of deferred tax assets linked to the recognition of fair value losses on derivative financial instruments.

Deferred tax liabilities totalling €3,016,307 thousand essentially regard fair value gains recognised on assets acquired as a result of past business combinations carried out by the Group (€2,384,649 thousand). During the year, there was an increase of €714,649 thousand, due essentially to the recognition of deferred tax liabilities on the acquisition of Aéroports de la Côte d’Azur (€731,249 thousand) and including €706,460 thousand due to allocation of the gains arising from the business combination, as described in note 6.2 above.

7.6 Other non-current assets

€29,702 thousand (€13,623 thousand)

The increase of €16,079 thousand primarily related to a VAT refund due to Autostrade Tirrenica.

7.7 Trading assets

€1,671,739 thousand (€1,468,759 thousand)

As at 31 December 2016, trading assets consist of:

a) inventories of €68,266 thousand (€57,392 thousand as at 31 December 2016), consisting of stocks and spare parts used in the maintenance or assembly of plant;

b) trade receivables of €1,603,473 thousand (€1,394,896 thousand as at 31 December 2016), the detailed composition of which is shown in the following table.

<table>
<thead>
<tr>
<th></th>
<th>31 December 2016</th>
<th>31 December 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motorway users</td>
<td>1,042,424</td>
<td>860,091</td>
</tr>
<tr>
<td>Airport users</td>
<td>332,518</td>
<td>265,134</td>
</tr>
<tr>
<td>Sub-operators at motorway service areas</td>
<td>122,001</td>
<td>103,309</td>
</tr>
<tr>
<td>Sundry customers</td>
<td>276,313</td>
<td>318,360</td>
</tr>
<tr>
<td><strong>Gross trade receivables</strong></td>
<td><strong>1,773,256</strong></td>
<td><strong>1,546,894</strong></td>
</tr>
<tr>
<td>Allowance for bad debts</td>
<td>229,544</td>
<td>216,474</td>
</tr>
<tr>
<td>Other trading assets</td>
<td>59,761</td>
<td>64,476</td>
</tr>
<tr>
<td><strong>Net trade receivables</strong></td>
<td><strong>1,603,473</strong></td>
<td><strong>1,394,896</strong></td>
</tr>
</tbody>
</table>

The most significant changes regard the following:

a) an increase in receivables due from motorway customers, totalling €182,333 thousand, essentially reflecting an increase in trade receivables at the Chilean companies (including overdue interest on past due receivables) and an increase in amounts due to Telepass, following a delay in collection until January 2017, given that the date for payment coincided with a holiday in 2016, whilst payment in 2015 took place before the end of December;

b) an increase in receivables due from airport customers, totalling €67,384 thousand, essentially reflecting a combination of longer collection times for the aviation business, reflecting the difficulties
faced by Italy’s leading carrier towards the close of the year, and the receivables contributed by Aéroports de la Côte d’Azur following its consolidation:
c) an increase in amounts due from service area sub-operators, totalling €18,692 thousand, due to the issue of final invoices relating to concessions nearing expiry, and to the issue of invoices linked to the handover of free of charge works carried out by sub-operators;
d) a reduction of €42,047 thousand in amounts due from sundry customers, essentially reflecting collection, during the year, of amounts for construction services due from the Civil Aviation Authority (ENAC).

The following table shows an ageing schedule for trade receivables.

<table>
<thead>
<tr>
<th>€000</th>
<th>TOTAL RECEIVABLES AS AT 31 DECEMBER 2016</th>
<th>TOTAL NOT YET DUE</th>
<th>MORE THAN 90 DAYS OVERDUE</th>
<th>BETWEEN 90 AND 365 DAYS OVERDUE</th>
<th>MORE THAN ONE YEAR OVERDUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade receivables</td>
<td>1,773,256</td>
<td>1,219,125</td>
<td>140,627</td>
<td>99,659</td>
<td>313,845</td>
</tr>
</tbody>
</table>

Overdue receivables regard unpaid motorway tolls and uncollected payments for airport services, royalties due from service area operators and sales of other goods and services. The following table shows movements in the allowance for bad debts for trade receivables in 2015. The allowance has been determined with reference to past experience and historical data regarding losses on receivables, also taking into account guarantee deposits and other collateral given by customers.

<table>
<thead>
<tr>
<th>€000</th>
<th>31 DECEMBER 2015</th>
<th>ADDITIONS</th>
<th>USES</th>
<th>CHANGE IN SCOPE OF CONSOLIDATION</th>
<th>RECLASSIFICATIONS AND OTHER CHANGES</th>
<th>31 DECEMBER 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allowance for bad debts</td>
<td>216,474</td>
<td>55,823</td>
<td>55,432</td>
<td>1,734</td>
<td>10,945</td>
<td>229,544</td>
</tr>
</tbody>
</table>

The carrying amount of trade receivables approximates to fair value.

7.8 **Cash and cash equivalents**

**€3,383,029 thousand (€2,957,246 thousand)**

Cash and cash equivalents consists of cash on hand and short-term investments and is up €425,783 thousand compared with 31 December 2015. This essentially regards the combined effect of cash generated by operating and financing activities, partially offset by cash used for investing activities. Detailed explanations of the cash flows resulting in the increase in net cash are contained in note 9.1.

7.9 **Current tax assets and liabilities**

**Current tax assets €105,810 thousand (€43,626 thousand)**

**Current tax liabilities €62,617 thousand (€29,815 thousand)**

Current tax assets and liabilities at the beginning and end of the period are detailed below.
As at 31 December 2016, the Group reports net current tax assets of €43,193 thousand, marking a reduction of €29,382 thousand compared with 31 December 2015. The increase is primarily due to:

a) the fact that payments on account for IRES made during the year are higher than the estimated amount of tax due as at 31 December 2016;
b) an increase in net liabilities for IRAP for the year;
c) an increase in provisions for tax expense at the overseas companies compared with the previous year.

7.10 Other current assets

€196,863 thousand (€244,735 thousand)

This item consists of receivables and other current assets that are not eligible for classification as trading or financial. The composition of this item is shown below.

<table>
<thead>
<tr>
<th>€000</th>
<th>31 December 2016</th>
<th>31 December 2015</th>
<th>INCREASE/ (DECREASE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receivable from public entities</td>
<td>32,107</td>
<td>22,867</td>
<td>9,240</td>
</tr>
<tr>
<td>Tax credits other than for income tax</td>
<td>48,039</td>
<td>60,143</td>
<td>-12,104</td>
</tr>
<tr>
<td>Receivables due from end users and insurance companies for damages</td>
<td>20,036</td>
<td>24,436</td>
<td>-4,400</td>
</tr>
<tr>
<td>Accrued income of a non-trading nature</td>
<td>3,332</td>
<td>3,742</td>
<td>-410</td>
</tr>
<tr>
<td>Amounts due from staff</td>
<td>2,688</td>
<td>2,479</td>
<td>209</td>
</tr>
<tr>
<td>Receivable from social security institutions</td>
<td>1,622</td>
<td>1,671</td>
<td>-49</td>
</tr>
<tr>
<td>Payments on account to suppliers and other current assets</td>
<td>116,517</td>
<td>159,145</td>
<td>-42,628</td>
</tr>
</tbody>
</table>

The balance as at 31 December 2016 is down €47,872 thousand compared with 31 December 2015, primarily due to reductions in “Payments on account to suppliers and other current assets”, reflecting recognition of construction services for which no additional economic benefits are received as capital expenditure, reflecting amounts paid to certain suppliers in June 2014 for work on the upgrade of the Apennine section of motorway between Sasso Marconi and Barberino del Mugello (€60,000 thousand).

The allowance for bad debts, totalling €27,478 thousand as at 31 December 2016 (€29,748 thousand as at 31 December 2015), primarily relates to Stalexport Autostrady’s accounts receivable (presented in other current assets) from a number of investee companies, which are now insolvent. This follows Stalexport’s repayment, in previous years, of loans to the investee companies from local authorities, acting in its capacity of guarantor.

7.11 Non-current assets held for sale or related to discontinued operations

€12,325 thousand (€44,985 thousand)

Liabilities related to discontinued operations €6,386 thousand (€6,179 thousand)

Net non-current assets held for sale or related to discontinued operations, totalling €5,939 thousand as at 31 December 2016, primarily consist of:
3. Consolidated financial statements as at and for the year ended 31 December 2016

a) the remaining net assets of the French companies involved in the EcoTaxe project, totalling €8,053 thousand;
b) the remaining 2% interest in Strada dei Parchi, amounting to €4,271 thousand, that is the subject of put and call options agreed with Toto Costruzioni Generali in the contract governing the sale, in 2011, of a controlling interest in the company.

The following table shows the composition of these assets and liabilities according to their nature (trading, financial or other).

<table>
<thead>
<tr>
<th>€000</th>
<th>31 December 2016</th>
<th>31 December 2015</th>
<th>INCREASE/ (DECREASE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments</td>
<td>4,271</td>
<td>4,271</td>
<td>-</td>
</tr>
<tr>
<td>Financial assets</td>
<td>7,995</td>
<td>39,034</td>
<td>-31,039</td>
</tr>
<tr>
<td>- Cash and cash equivalents</td>
<td>7,986</td>
<td>39,021</td>
<td>-31,035</td>
</tr>
<tr>
<td>- Other current financial assets</td>
<td>9</td>
<td>13</td>
<td>-4</td>
</tr>
<tr>
<td>Trading and other assets</td>
<td>59</td>
<td>1,680</td>
<td>-1,621</td>
</tr>
<tr>
<td>Assets held for sale or related to discontinued operations</td>
<td>12,325</td>
<td>44,985</td>
<td>-32,660</td>
</tr>
<tr>
<td>Financial liabilities</td>
<td>345</td>
<td>411</td>
<td>-66</td>
</tr>
<tr>
<td>Current provisions</td>
<td>2,860</td>
<td>-</td>
<td>2,860</td>
</tr>
<tr>
<td>Trading and other liabilities</td>
<td>3,181</td>
<td>5,768</td>
<td>-2,587</td>
</tr>
<tr>
<td>Liabilities related to discontinued operations</td>
<td>6,386</td>
<td>6,179</td>
<td>207</td>
</tr>
</tbody>
</table>

The reduction in financial and trading assets, totalling €32,660 thousand, is essentially due to the return of capital made by Ecomouv during the year.

7.12 Equity

€10,008,605 thousand (€8,482,816 thousand)

Atlantia SPA’s issued capital as at 31 December 2016 is fully subscribed and paid-in and consists of 825,783,990 ordinary shares with a par value of €1 each, amounting to €825,784 thousand. The issued capital did not undergo any changes in 2016.

Equity attributable to owners of the parent, totalling €7,223,908 thousand, is up €424,274 thousand compared with 31 December 2015. The most important changes during the period are shown in detail in the statement of changes in consolidated equity. These regard:

a) profit for the year attributable to owners of the parent, totalling €1,121,838 thousand;
b) other comprehensive income for the year, totalling €138,820 thousand, primarily reflecting an increase in the foreign currency translation reserve for assets and liabilities of consolidated companies denominated in functional currencies other than the euro, reflecting increase in the value of the Brazilian real and the Chilean peso against the euro;
c) payment of the final dividend for 2015, amounting to €395,316 thousand (€0.480 per share) and the interim dividend for 2016, amounting to €362,451 thousand (€0.440 per share);
d) the purchase of 3,608,128 treasury shares for a price of €77,202 thousand. As at 31 December 2016, Atlantia holds 5,436,047 treasury shares (2,401,753 as at 31 December 2015).

Equity attributable to non-controlling interests of €2,784,697 thousand is up €1,101,515 thousand compared with 31 December 2015 (€1,683,182 thousand), essentially reflecting a combination of the following main changes:
a) recognition of non-controlling interests in Azzurra Aeroporti and Aéroports de la Côte d’Azur as a result of the above transactions, described in note 6.2 (€862,937 thousand);
b) other comprehensive income for the year, totalling €178,137 thousand, primarily reflecting an increase in the foreign currency translation reserve for assets and liabilities of consolidated companies denominated in functional currencies other than the euro, reflecting the above increase in the value of the Brazilian real and the Chilean peso against the euro;
c) profit for the year attributable to non-controlling interests, totalling €116,423 thousand;
d) dividends declared, totalling €26,654 thousand;
e) the reduction in non-controlling interests, totalling €22,913 thousand, following the Group’s acquisition of further interests held by non-controlling shareholders in Aeroporti di Roma.

In order to improve presentation in the statement of changes in consolidated equity, with effect from 1 January 2015, the balance of the cash flow hedge reserve, totalling €133,624 thousand (after the related taxation), accounted for in 2015 on first-time adoption of IAS 39 in the sub-item, “Other reserves and retained earnings”, has been reclassified to the sub-item, “Cash flow hedge reserve”.

Atlantia manages its capital with a view to creating value for shareholders, ensuring the Group can function as a going concern, safeguarding the interests of stakeholders, and providing efficient access to external sources of financing to adequately support the growth of the Group’s businesses and fulfil the commitments given in concession arrangements.

7.13 Provisions for construction services required by contract
(non-current) €3,269,830 thousand (€3,369,243 thousand)
(current) €531,455 thousand (€441,499 thousand)

Provisions for construction services required by contract represent the residual present value of motorway infrastructure construction and/or upgrade services that certain of the Group’s operators, particularly Autostrade per l’Italia, are required to provide and for which no additional economic benefits are received in terms of specific toll increases and/or significant increases in traffic.

The following table shows provisions for construction services required by contract at the beginning and end of the year and changes during 2016, showing the non-current and current portions.

<table>
<thead>
<tr>
<th>Period</th>
<th>Non-Current Portion</th>
<th>Current Portion</th>
<th>Changes due to revised present value of obligations</th>
<th>Finance-related provisions</th>
<th>Use to finance works</th>
<th>Government grants recognised in profit and loss</th>
<th>Currency translation differences and other reclassifications</th>
<th>Changes in scope of consolidation</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 December 2015</td>
<td>€3,269,830</td>
<td>€3,369,243</td>
<td>€81,499</td>
<td>€91,885</td>
<td>€37,911</td>
<td>€66,216</td>
<td>€1,700</td>
<td>€27,605</td>
</tr>
<tr>
<td>31 December 2016</td>
<td>€3,210,742</td>
<td>€3,009,213</td>
<td>€330,209</td>
<td>€91,885</td>
<td>€37,911</td>
<td>€66,216</td>
<td>€1,700</td>
<td>€27,605</td>
</tr>
</tbody>
</table>

7.14 Provisions
(non-current) €1,576,258 thousand (€1,500,793 thousand)
(current) €446,041 thousand (€428,550 thousand)

As at 31 December 2016, provisions amount to €2,022,299 thousand (€1,929,343 thousand as at 31 December 2015). The following table shows details of provisions by type, showing the non-current and current portions.
3. Consolidated financial statements as at and for the year ended 31 December 2016

<table>
<thead>
<tr>
<th>€000</th>
<th>31 December 2016</th>
<th>31 December 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>PROVISIONS FOR EMPLOYEE BENEFITS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Post-employment benefits</td>
<td>175,319</td>
<td>152,437</td>
</tr>
<tr>
<td>Non-current portion</td>
<td>148,579</td>
<td>122,619</td>
</tr>
<tr>
<td>Current portion</td>
<td>26,740</td>
<td>29,820</td>
</tr>
<tr>
<td>Total</td>
<td>175,319</td>
<td>152,437</td>
</tr>
</tbody>
</table>

The following table shows provisions at the beginning and end of the period and changes in 2016.

<table>
<thead>
<tr>
<th>€000</th>
<th>31 December 2015</th>
<th>31 December 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>PROVISIONS FOR EMPLOYEE BENEFITS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Post-employment benefits</td>
<td>173,637</td>
<td>166,909</td>
</tr>
<tr>
<td>Non-current portion</td>
<td>1,749</td>
<td>3,232</td>
</tr>
<tr>
<td>Current portion</td>
<td>2,144</td>
<td>182</td>
</tr>
<tr>
<td>Total</td>
<td>175,766</td>
<td>2,067</td>
</tr>
</tbody>
</table>

PROVISIONS FOR EMPLOYEE BENEFITS
(non-current) €148,579 thousand (€152,437 thousand)
(current) €26,740 thousand (€23,329 thousand)

As at 31 December 2016, this item consists almost entirely of provisions for post-employment benefits to be paid to staff employed under Italian law.

The balance is broadly in line with the previous year.

The most important actuarial assumptions used to measure the provision for post-employment benefits at 31 December 2016 are summarised below.
The following table shows a sensitivity analysis of provisions for post-employment benefits at the end of the year, based on assumed changes in the individual rates used in the actuarial assumptions.

<table>
<thead>
<tr>
<th>Financial Assumptions</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual discount rate(*)</td>
<td>0.86%</td>
</tr>
<tr>
<td>Annual inflation rate</td>
<td>1.50%</td>
</tr>
<tr>
<td>Annual rate of increase in post-employment benefits</td>
<td>2.63%</td>
</tr>
<tr>
<td>Annual rate of increase in real salaries</td>
<td>0.65%</td>
</tr>
<tr>
<td>Annual turnover rate</td>
<td>from 0.50% to 7%</td>
</tr>
<tr>
<td>Duration (years)</td>
<td>from 6.6 to 17.6</td>
</tr>
</tbody>
</table>

(*) The annual discount rate used to determine the present value of the obligation was determined, in accordance with paragraph 83 of IAS 19, with reference to the average yield curve taken from the Iboxx Eurozone Corporates AA 7-10 index, with a duration based on the average stay of the collective, subject to evaluation in the month of December 2016.

### DEMOGRAPHIC ASSUMPTIONS

<table>
<thead>
<tr>
<th>Mortality</th>
<th>Government General Accounting Office projections</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disability</td>
<td>INPS tables by age and sex</td>
</tr>
<tr>
<td>Retirement age</td>
<td>Mandatory state pension retirement age</td>
</tr>
</tbody>
</table>

PROVISIONS FOR REPAIR AND REPLACEMENT OF MOTORWAY INFRASTRUCTURE
(non-current) €1,226,619 thousand (€1,114,906 thousand)
(non-current) €219,610 thousand (€217,101 thousand)

This item regards the present value of provisions for the repair and replacement of motorway infrastructure, in accordance with the contractual commitments of the Group’s operators.

The balance of these provisions is up €114,222 thousand, essentially due to a combination of:

a) operating provisions of €432,761 thousand, which partly reflect the decrease in the rate used as at 31 December 2016 to discount future commitments, with respect to the rate used as at 31 December 2015;

b) uses (€365,963 thousand) in connection with repairs and replacements carried out during the period.

PROVISIONS FOR REFURBISHMENT OF AIRPORT INFRASTRUCTURE
(non-current) €134,442 thousand (€161,266 thousand)
(current) €98,612 thousand (€101,169 thousand)

Provisions for the refurbishment of airport infrastructure, including the current and non-current portions, amount to €233,054 thousand (€262,435 thousand as at 31 December 2015). They represent the present value of the estimated costs to be incurred for extraordinary maintenance, repairs and replacements under the contractual obligations provided for in the Group’s airport concession arrangements. The objective of such services is to ensure that the airport infrastructure is fit for purpose.

<table>
<thead>
<tr>
<th>Change in assumption</th>
<th>Turnover Rate</th>
<th>Inflation Rate</th>
<th>Discount Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>ATLANTIA GROUP’S POST-EMPLOYMENT BENEFITS</td>
<td>166,021</td>
<td>167,681</td>
<td>168,705</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Company</th>
<th>CHANGE IN ASSUMPTION</th>
<th>TURNOVER RATE</th>
<th>INFLATION RATE</th>
<th>DISCOUNT RATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>ATLANTIA GROUP’S POST-EMPLOYMENT BENEFITS</td>
<td>+1% -1% +0.25% -0.25% +0.25% -0.25%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ATLANTIA GROUP’S POST-EMPLOYMENT BENEFITS</td>
<td>166,021</td>
<td>167,681</td>
<td>168,705</td>
<td>165,033</td>
</tr>
</tbody>
</table>
3. Consolidated financial statements as at and for the year ended 31 December 2016

and safe. Compared with 31 December 2015, the provisions have decreased by €29,381 thousand, essentially due to uses to cover work carried out during the period (totalling €112,238 thousand), partially offset by operating and financial provisions of €58,162 thousand and the balance of €24,695 thousand contributed by Aéroports de la Côte d’Azur following its consolidation.

OTHER PROVISIONS
(non-current) €66,618 thousand (€72,184 thousand)
(current) €101,079 thousand (€86,951 thousand)

These provisions essentially regard estimates of liabilities, at the end of the period, expected to be incurred in connection with pending litigation and disputes, including the estimated expenses provisioned for contract reserves relating to contractors who carry out maintenance work. The overall balance at the end of 2015 is almost in line with the figure for 31 December 2015. These provisions also include a prudent assessment, conducted on the basis of the best information currently available, of the liabilities Aeroporti di Roma is likely to be required to pay (including the portion covered by insurance) to settle third-party claims resulting from the fire at Fiumicino airport’s Terminal 3 in 2015. In this regard, at the date of approval of these consolidated financial statements, a total of approximately 160 claims for compensation have been received from third parties (airlines, handlers, sub-operators and passengers), only partially backed up by an exact quantification of the alleged damages incurred and estimated to amount to a total of approximately €107 million. Full details of the fire at Fiumicino airport’s Terminal 3 are provided in note n. 10.7.

7.15 Financial liabilities
(non-current) €14,832,311 thousand (€14,044,199 thousand)
(current) €3,248,881 thousand (€1,938,634 thousand)

MEDIUM/LONG-TERM BORROWINGS
(non-current) €14,832,311 thousand (€14,044,199 thousand)
(current) €1,345,787 thousand (€1,649,176 thousand)

The following tables provide an analysis of medium/long-term financial liabilities, showing:

a) an analysis of the balance by face value and maturity (current and non-current portions);

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>31 December 2016</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bond issues (1) (2) (3)</td>
<td>11,140,387</td>
<td>10,959,638</td>
<td>783,252</td>
<td>1,537,557</td>
<td>216,928</td>
</tr>
<tr>
<td>Bank borrowings</td>
<td>4,047,040</td>
<td>4,012,931</td>
<td>298,513</td>
<td>1,537,557</td>
<td>2,478,011</td>
</tr>
<tr>
<td>Other borrowings</td>
<td>390,868</td>
<td>371,891</td>
<td>54,673</td>
<td>2,688,239</td>
<td>201,319</td>
</tr>
<tr>
<td>Medium/long-term borrowings (2) (3)</td>
<td>4,338,348</td>
<td>4,205,822</td>
<td>230,476</td>
<td>2,002,346</td>
<td>1,338,737</td>
</tr>
<tr>
<td>Derivative liabilities (4)</td>
<td>410,000</td>
<td>410,000</td>
<td>0</td>
<td>248,513</td>
<td>161,487</td>
</tr>
<tr>
<td>Accrued expenses on medium/long-term financial liabilities (1)</td>
<td>256,870</td>
<td>256,870</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td>27,072</td>
<td>27,072</td>
<td>0</td>
<td>27,072</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>18,178,098</td>
<td>17,435,879</td>
<td>1,132,551</td>
<td>1,738,379</td>
<td>3,310,536</td>
</tr>
</tbody>
</table>

(1) The par value of the bond issues hedged by Cross Currency Swaps and IPCA x CDI Swaps is shown at the hedged notional value.
(2) Financial instruments classified as financial liabilities measured at amortised cost in accordance with IAS 39.
(3) Further details of hedged financial liabilities are provided in note 9.2.
(4) Financial instruments classified as hedging derivatives in accordance with IAS 39 and in level 2 of the fair value hierarchy.
b) type of interest rate, maturity and fair value;

<table>
<thead>
<tr>
<th>€000</th>
<th>MATURITY</th>
<th>CARRYING AMOUNT (1)</th>
<th>FAIR VALUE (2)</th>
<th>CARRYING AMOUNT (3)</th>
<th>FAIR VALUE (4)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Bond issues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>from 2017 to 2038</td>
<td>10,346,850</td>
<td>11,757,986</td>
<td>10,568,634</td>
<td>11,821,376</td>
</tr>
<tr>
<td></td>
<td>from 2017 to 2023</td>
<td>458,292</td>
<td>481,750</td>
<td>339,574</td>
<td>359,540</td>
</tr>
<tr>
<td></td>
<td>from 2017 to 2034</td>
<td>2,189,606</td>
<td>2,238,649</td>
<td>1,358,871</td>
<td>1,414,843</td>
</tr>
<tr>
<td></td>
<td>from 2017 to 2020</td>
<td>264,205</td>
<td>264,205</td>
<td>31,699</td>
<td>31,699</td>
</tr>
<tr>
<td><strong>Bank borrowings</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>from 2017 to 2036</td>
<td>1,795,005</td>
<td>2,105,885</td>
<td>1,843,116</td>
<td>2,141,115</td>
</tr>
<tr>
<td></td>
<td>from 2017 to 2024</td>
<td>49,320</td>
<td>49,320</td>
<td>106,224</td>
<td>106,224</td>
</tr>
<tr>
<td><strong>Other borrowings</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>from 2017 to 2026</td>
<td>2,217</td>
<td>2,217</td>
<td>4,672</td>
<td>4,672</td>
</tr>
<tr>
<td></td>
<td>2017</td>
<td>5,469</td>
<td>5,469</td>
<td>5,615</td>
<td>5,615</td>
</tr>
<tr>
<td><strong>Medium/long-term borrowings</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2017</td>
<td>271,891</td>
<td>271,891</td>
<td>202,149</td>
<td>202,149</td>
</tr>
<tr>
<td><strong>Derivative liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2017</td>
<td>630,896</td>
<td>630,896</td>
<td>461,047</td>
<td>461,047</td>
</tr>
<tr>
<td><strong>Accrued expenses on medium/long-term financial liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>206</td>
<td>254,670</td>
<td>254,670</td>
<td>303,718</td>
<td>303,718</td>
</tr>
<tr>
<td><strong>Other financial liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2017</td>
<td>27,072</td>
<td>27,072</td>
<td>31,699</td>
<td>31,699</td>
</tr>
<tr>
<td><strong>Other medium/long-term financial liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2017</td>
<td>271,891</td>
<td>271,891</td>
<td>202,149</td>
<td>202,149</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2017</td>
<td>16,178,098</td>
<td>17,973,717</td>
<td>15,693,375</td>
<td>17,449,924</td>
</tr>
</tbody>
</table>

(1) The amounts shown in the table for medium/long-term financial liabilities include both the non-current and current portions.
(2) The fair value shown is classified in level 2 of the fair value hierarchy.
(3) Following the “Issuer Substitution” these bonds were listed on the Irish Stock Exchange.
(4) This item refers to borrowings linked to the grants provided for in laws 662/1996, 135/1997 and 345/1997 and designed to finance work on infrastructure for the “Florence North - Florence South” and “Ca Nova - Aglio” sections of motorway (Variante di Valico). The borrowings are to be repaid by ANAS.
(5) This item primarily includes the borrowings of Autostrade per l’Italia and of the operator, Stalexport Autostrada Malopolska, in accordance with their respective concession arrangements. It also includes the amount repayable to the Central Guarantee Fund contributed by SAT following the acquisition of control in 2015.

c) a comparison of the face value of each liability (bond issues and medium/long-term borrowings) and the related carrying amount, by issue currency, showing the corresponding average and effective interest rates;

<table>
<thead>
<tr>
<th>€000</th>
<th>31 December 2016</th>
<th>31 December 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FACE VALUE</td>
<td>CARRYING AMOUNT</td>
</tr>
<tr>
<td>Euro (EUR)</td>
<td>12,938,115</td>
<td>12,624,207</td>
</tr>
<tr>
<td>Chilean peso (CLP) / Unidad de fomento (UF)</td>
<td>1,005,191</td>
<td>1,035,986</td>
</tr>
<tr>
<td>Sterling (GBP)</td>
<td>750,000</td>
<td>749,655</td>
</tr>
<tr>
<td>Brazilian real (BRL)</td>
<td>580,764</td>
<td>612,788</td>
</tr>
<tr>
<td>Yen (JPY)</td>
<td>149,176</td>
<td>152,014</td>
</tr>
<tr>
<td>Polish zloty (PLN)</td>
<td>86,003</td>
<td>81,324</td>
</tr>
<tr>
<td>US dollar (USD)</td>
<td>9,486</td>
<td>9,486</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>15,518,735</td>
<td>15,265,460</td>
</tr>
</tbody>
</table>

(1) This figure includes the impact of interest and foreign currency hedges.
3. Consolidated financial statements as at and for the year ended 31 December 2016

d) movements during the period in the carrying amounts of outstanding bond issues and medium/long-term borrowings.

<table>
<thead>
<tr>
<th>€000</th>
<th>CARRYING AMOUNT AS AT 31 December 2016</th>
<th>NEW BORROWINGS</th>
<th>REPAYMENTS</th>
<th>CHANGE IN SCOPE OF CONSOLIDATION</th>
<th>CURRENCY TRANSLATION DIFFERENCES AND OTHER CHANGES</th>
<th>CARRYING AMOUNT AS AT 31 December 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bond issues</td>
<td>11,386,551</td>
<td>654,386</td>
<td>-1,191,302</td>
<td></td>
<td>110,003</td>
<td>10,959,638</td>
</tr>
<tr>
<td>Bank borrowings</td>
<td>3,308,211</td>
<td>738,043</td>
<td>-201,722</td>
<td>126,356</td>
<td>63,043</td>
<td>4,033,931</td>
</tr>
<tr>
<td>Other borrowings</td>
<td>202,149</td>
<td>530</td>
<td>-54,492</td>
<td></td>
<td>-123,704</td>
<td>271,891</td>
</tr>
<tr>
<td>Total</td>
<td>14,896,911</td>
<td>1,392,959</td>
<td>-1,447,516</td>
<td>296,750</td>
<td>15,265,460</td>
<td></td>
</tr>
</tbody>
</table>

The Group uses derivative financial instruments to hedge certain current and highly likely future financial liabilities, including interest rate swaps (IRSs), cross currency swaps (CCSs), and Índice Nacional de Preços ao Consumidor Amplo (IPCA) x Certificado de Depósito Interfinanceiro (CDI) Swaps, which are classified as cash flow hedges or fair value hedges pursuant to IAS 39. The fair value of the hedging instruments as at 31 December 2016 is recognised in “Derivative liabilities”. More detailed information on financial risks and the manner in which they are managed, in addition to details of outstanding financial instruments held by the Group, is contained in note 9.2.

**Bond issues**

(non-current) €10,176,386 thousand (€10,300,558 thousand)

(current) €783,252 thousand (€1,085,993 thousand)

The item principally refers to bonds issued by Atlantia as part of its Medium Term Note (MTN) Programme, totalling €5,100,076 thousand, and transferred to Autostrade per l’Italia as a result of the issuer substitution. A further €2,477,921 thousand relates to bonds issued by Autostrade per l’Italia as part of its own Medium Term Note (MTN) Programme, authorised for an amount of up to €7 billion. The reduction of €426,913 thousand primarily reflects:

a) redemptions totalling €1,191,302 thousand during the year, primarily including the bonds redeemed by Atlantia on 6 May 2016, totalling €880,472 thousand, and the partial buyback of certain bonds issued by Atlantic and maturing in 2017, 2019 and 2020 (totalling €220,100 thousand);

b) new bond issues during the year, totalling €654,386 thousand, essentially relating to Autostrade per l’Italia’s issue, in November 2016, of new bonds to institutional investors with a par value of €600,000 thousand, paying coupon interest of 1.75% and maturing in February 2027, having a carrying amount as at 31 December 2016 of €591,455 thousand;

c) the increase in the value of bonds denominated in foreign currencies as a result of exchange rate movements (€87,204 thousand), primarily reflecting an increase in the value of the Brazilian real and Chilean peso against the euro (€173,983 thousand), partially offset by a fall in the value of sterling against the euro (€97,256 thousand);

**Medium/long-term borrowings**

(non-current) €4,002,346 thousand (€3,256,238 thousand)

(current) €303,476 thousand (€254,122 thousand)

The balance of this item, amounting to €4,305,822 thousand, including the current and non-current portions, is up €795,462 thousand compared with 31 December 2015 (€3,510,360 thousand). This essentially reflects the recognition of a new bank loan obtained by Azzurra Aeroporti (€644,928 thousand) and the contribution resulting from the consolidation of Aéroports de la Côte d’Azur (€126,356 thousand).
A number of the Group’s long-term borrowings include negative pledge provisions, in line with international practice. Under these provisions, it is not possible to create or maintain (unless required to do so by law) collateral guarantees on all or a part of any proprietary assets, with the exception of project debt. The above agreements also require compliance with certain financial covenants.

The method of selecting the variables to compute the ratios is specified in detail in the relevant loan agreements. Breach of these covenants, at the relevant measurement dates, could constitute a default event and result in the lenders calling in the loans, requiring the early repayment of principal, interest and of further sums provided for in the agreements.

The most important covenants are described below:

a) as regards Autostrade per l’Italia, the loan agreements with Cassa Depositi e Prestiti (totalling €819,091 thousand as at 31 December 2016) require compliance with a minimum threshold for “Operating Cash Flow available for Debt Service/Debt Service” (DSCR);

b) as regards Aeroporti di Roma, the company’s revolving line of credit requires compliance with a maximum leverage ratio (based on the long-term rating assigned to Aeroporti di Roma by the relevant rating agencies) and a minimum Debt Service Coverage Ratio (DSCR). The medium/long-term loan agreements financing the company’s investment programme, entered into with the European Investment Bank and Cassa Depositi e Prestiti in December, also require the company to ensure that its interest coverage ratio remains within certain limits linked to the company’s rating.

With regard to the financial commitments of the foreign project companies, the related debt does not envisage recourse to direct or indirect parents and is subject to covenants typical of international practice. The main commitments provide for a pledge on all the project companies’ assets and receivables in favour of their creditors.

Non-current derivative liabilities
(non-current) €630,896 thousand (€461,047 thousand)
(current) - (-)

This item represents fair value losses on outstanding derivatives as at 31 December 2016 and includes:

a) fair value losses (€420,423 thousand) on Cross Currency Interest Rate Swap (CCIRS), linked to both derivative instruments classified as cash flow hedges in accordance with IAS 39, hedging the foreign currency and interest rate risk on medium/long-term bonds issued by the Group and denominated in pounds sterling (£500 million) and Japanese yen (¥20 billion) and having a total value in euros of €281,904 thousand, and to derivatives entered into by Aeroporti di Roma (with a total value of €138,519 thousand) to hedge the notes with a par value of £215 million issued by Romulus Finance (transferred to Aeroporti di Roma in the form of a novation in 2016), 99.87% of which were repurchased by Atlantia in 2015. These latter derivatives, following the above buyback by the Group, no longer qualify as cash flow hedges in the consolidated financial statements as at and for the year ended 31 December 2015.

The balance of fair value losses on these derivative instruments has increased by €111,798 thousand, essentially due to exchange rate movements linked to a fall in the value of sterling against the euro, with a matching adjustment of the hedged liabilities;

b) fair value losses (€202,152 thousand) on Interest Rate Swaps (IRSs), classified as cash flow hedges in accordance with IAS 39, entered into by certain Group companies to hedge interest rate risk on their existing non-current financial liabilities and those that are highly likely to be assumed in the future. The increase of €62,191 thousand primarily reflects the decline in the interest rates used as at 31 December 2016 compared with 31 December 2015. As at 31 December 2016, this item includes the new Forward-Starting Interest Rate Swaps (€7,764 thousand), entered into with a number of banks in February 2016 and having a total notional value of €900 million and varying 8-year durations,
and subject to a weighted average fixed rate of 0.966%. These derivatives are associated with highly likely future financial liabilities entered into through to 2019 in order to meet the funding requirements of Group companies.

Further details of derivative financial instruments entered into by the Group companies for hedging purposes are contained in note 9.2.

Other medium/long-term financial liabilities
(non-current) €22,683 thousand (€26,356 thousand)
(current) €259,059 thousand (€309,061 thousand)

The balance of this item, including the current and non-current portions, is down €53,675 thousand due to a reduction in accrued expenses payable (€49,048 thousand), essentially following the payment of accrued interest on medium/long-term borrowings and of differentials on derivative instruments, in addition to Atlantia’s partial buyback of its own bonds maturing in 2016, 2017, 2019 and 2020.

SHORT-TERM FINANCIAL LIABILITIES
€1,903,094 thousand (€289,458 thousand)

The composition of short-term financial liabilities is shown below.

<table>
<thead>
<tr>
<th></th>
<th>31 December 2016</th>
<th>31 December 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank overdrafts repayable on demand</td>
<td>4,757</td>
<td>36,654</td>
</tr>
<tr>
<td>Short-term borrowings</td>
<td>1,858,663</td>
<td>245,353</td>
</tr>
<tr>
<td>Derivative liabilities (1)</td>
<td>25,644</td>
<td>7,036</td>
</tr>
<tr>
<td>Other current financial liabilities</td>
<td>14,030</td>
<td>415</td>
</tr>
<tr>
<td><strong>Short-term financial liabilities</strong></td>
<td><strong>1,903,094</strong></td>
<td><strong>289,458</strong></td>
</tr>
</tbody>
</table>

(1) These liabilities primarily include derivative instruments that classify as non-hedge accounting and in level 2 of the fair value hierarchy.

The increase of €1,613,636 thousand compared with 31 December 2015 primarily reflects the use of short-term current account overdrafts by Atlantia, totalling €1,600,000 thousand and maturing between March and June 2017. The balance of current derivative liabilities also includes, in addition to Aeroporti di Roma’s Forward-Starting Interest Rate Swaps, which are up €14,115 thousand, fair value losses (€2,001 thousand) on certain interest rate floors, embedded within certain borrowings and classified as non-hedge accounting, in accordance with IAS 39.

Further details of derivative financial instruments entered into by the Group companies for hedging purposes are contained in note 9.2.
NET DEBT IN COMPLIANCE WITH ESMA RECOMMENDATION OF 20 MARCH 2013

An analysis of the various components of consolidated net debt is shown below with amounts payable to and receivable from related parties, as required by CONSOB Ruling DEM/6064293 of 28 July 2006, in accordance with European Securities and Markets Authority (“ESMA”) Recommendation of 20 March 2013 (which does not entail the deduction of non-current financial assets from debt).

<table>
<thead>
<tr>
<th>GM</th>
<th>Note</th>
<th>31 December 2016</th>
<th>OF WHICH RELATED PARTY TRANSACTIONS</th>
<th>31 December 2015</th>
<th>OF WHICH RELATED PARTY TRANSACTIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td></td>
<td>-2,788</td>
<td></td>
<td>-2,251</td>
<td></td>
</tr>
<tr>
<td>Cash equivalents</td>
<td></td>
<td>-595</td>
<td></td>
<td>-707</td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents related to discontinued operations</td>
<td></td>
<td>8</td>
<td></td>
<td>39</td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents (A)</td>
<td></td>
<td>-3,391</td>
<td></td>
<td>-2,997</td>
<td></td>
</tr>
<tr>
<td>Current financial assets (B)</td>
<td>7.4</td>
<td>-776</td>
<td>-</td>
<td>-818</td>
<td>-</td>
</tr>
<tr>
<td>Bank overdrafts repayable on demand</td>
<td></td>
<td>5</td>
<td></td>
<td>37</td>
<td></td>
</tr>
<tr>
<td>Current portion of medium/long-term financial liabilities</td>
<td></td>
<td>1,346</td>
<td></td>
<td>1,649</td>
<td></td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td></td>
<td>1,898</td>
<td></td>
<td>253</td>
<td></td>
</tr>
<tr>
<td>Current financial liabilities (C)</td>
<td>7.15</td>
<td>3,249</td>
<td></td>
<td>1,939</td>
<td></td>
</tr>
<tr>
<td>Current net debt (D=A+B+C)</td>
<td></td>
<td>-918</td>
<td></td>
<td>-1,876</td>
<td></td>
</tr>
<tr>
<td>Bond issues</td>
<td></td>
<td>10,176</td>
<td></td>
<td>10,301</td>
<td></td>
</tr>
<tr>
<td>Medium/long-term borrowings</td>
<td></td>
<td>4,002</td>
<td></td>
<td>3,256</td>
<td></td>
</tr>
<tr>
<td>Other non-current financial liabilities</td>
<td></td>
<td>654</td>
<td></td>
<td>487</td>
<td></td>
</tr>
<tr>
<td>Non-current financial liabilities (E)</td>
<td>7.15</td>
<td>14,832</td>
<td></td>
<td>14,044</td>
<td></td>
</tr>
<tr>
<td>(Net funds) / Net debt as defined by ESMA recommendation (F+D+E)</td>
<td></td>
<td>13,914</td>
<td></td>
<td>12,168</td>
<td></td>
</tr>
<tr>
<td>Non-current financial assets (G)</td>
<td>7.4</td>
<td>-2,237</td>
<td></td>
<td>-1,781</td>
<td>-16</td>
</tr>
<tr>
<td>Net debt (H=F+G)</td>
<td></td>
<td>11,677</td>
<td></td>
<td>10,387</td>
<td></td>
</tr>
</tbody>
</table>

(1) Includes financial assets held for sale or related to discontinued operations.
3. Consolidated financial statements as at and for the year ended 31 December 2016

7.16 Other non-current liabilities
€97,702 thousand (€98,778 thousand)

The balance at the end of 2016 is substantially in line with 31 December 2015. The following table shows a breakdown of this item.

<table>
<thead>
<tr>
<th>€000</th>
<th>31 December 2016</th>
<th>31 December 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accrued expenses of a non-trading nature</td>
<td>38,930</td>
<td>38,791</td>
</tr>
<tr>
<td>Liabilities deriving from contractual obligations</td>
<td>35,609</td>
<td>26,933</td>
</tr>
<tr>
<td>Amounts payable to grantors</td>
<td>9,974</td>
<td>13,681</td>
</tr>
<tr>
<td>Payable to staff</td>
<td>8,830</td>
<td>13,526</td>
</tr>
<tr>
<td>Taxation other than income taxes</td>
<td>2,103</td>
<td>2,954</td>
</tr>
<tr>
<td>Social security contributions payable</td>
<td>91</td>
<td>-</td>
</tr>
<tr>
<td>Other payables</td>
<td>2,165</td>
<td>2,893</td>
</tr>
<tr>
<td><strong>Other non-current liabilities</strong></td>
<td><strong>97,702</strong></td>
<td><strong>98,778</strong></td>
</tr>
</tbody>
</table>

7.17 Trading liabilities
€1,650,551 thousand (€1,581,503 thousand)

An analysis of trading liabilities is shown below.

<table>
<thead>
<tr>
<th>€000</th>
<th>31 December 2016</th>
<th>31 December 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities deriving from contract work in progress</td>
<td>13,906</td>
<td>3,595</td>
</tr>
<tr>
<td>Amounts payable to suppliers</td>
<td>906,061</td>
<td>845,900</td>
</tr>
<tr>
<td>Payable to operators of interconnecting motorways</td>
<td>623,179</td>
<td>619,621</td>
</tr>
<tr>
<td>Tolls in the process of settlement</td>
<td>90,649</td>
<td>94,110</td>
</tr>
<tr>
<td>Accrued expenses, deferred income and other trading liabilities</td>
<td>16,756</td>
<td>18,277</td>
</tr>
<tr>
<td><strong>Trade payables</strong></td>
<td><strong>1,636,645</strong></td>
<td><strong>1,577,908</strong></td>
</tr>
<tr>
<td><strong>Trading liabilities</strong></td>
<td><strong>1,650,551</strong></td>
<td><strong>1,581,503</strong></td>
</tr>
</tbody>
</table>

The increase during the year, amounting to €69,048 thousand, primarily reflects an increase of €60,161 thousand in amounts payable to suppliers, primarily attributable to Aeroporti di Roma, reflecting the increased volume of investment carried out in 2016, partially offset by a reduction in amounts payable to suppliers at Autostrade per l’Italia.
7.18 Other current liabilities
€610,782 thousand (€497,802 thousand)

The following table shows a breakdown of this item.

<table>
<thead>
<tr>
<th>€000</th>
<th>31 December 2016</th>
<th>31 December 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxation other than income taxes</td>
<td>129,898</td>
<td>94,860</td>
</tr>
<tr>
<td>Concession fees payable</td>
<td>117,752</td>
<td>101,849</td>
</tr>
<tr>
<td>Payable to staff</td>
<td>93,668</td>
<td>61,166</td>
</tr>
<tr>
<td>Social security contributions payable</td>
<td>56,110</td>
<td>38,208</td>
</tr>
<tr>
<td>Guarantee deposits from users who pay by direct debit</td>
<td>46,835</td>
<td>47,464</td>
</tr>
<tr>
<td>Amounts payable to public entities</td>
<td>11,031</td>
<td>14,629</td>
</tr>
<tr>
<td>Amounts payable for expropriations</td>
<td>11,747</td>
<td>16,514</td>
</tr>
<tr>
<td>Other payables</td>
<td>143,741</td>
<td>123,112</td>
</tr>
<tr>
<td><strong>Other current liabilities</strong></td>
<td><strong>610,782</strong></td>
<td><strong>497,802</strong></td>
</tr>
</tbody>
</table>

The overall increase of €112,980 thousand primarily reflects a combination of the following:

a) an increase in amounts payable in the form of taxation other than income taxes, totalling €35,038 thousand, essentially due to VAT paid by Autostrade per l’Italia in January 2017 (€18,723 thousand) and an increase in the passenger surcharge payable by Aeroporti di Roma (€12,467 thousand);

b) an increase of €32,502 thousand in amounts payable to staff, essentially due to the payables contributed by Aéroports de la Côte d’Azur following its consolidation, and to an increase in the amount due to the Group’s Directors and employees as a result of incentive plans to be paid out on in the following year;

c) an increase of €20,629 thousand in other payables, partly due to the accrued portion, for 2016, of the extraordinary toll increase applied by Traforo Monte Bianco (€10,669 thousand), which is still awaiting a decision on the use of the resulting funds, and due to the payables contributed by Aéroports de la Côte d’Azur, totalling €6,652 thousand;

d) an increase in social security contributions payable, totalling €17,902 thousand, primarily reflecting the contribution of Aéroports de la Côte d’Azur.
8. **NOTES TO THE CONSOLIDATION INCOME STATEMENT**

This section contains analyses of the most important consolidated income statement items. Negative components of the income statement are indicated with a minus sign in the headings and tables in the notes, whilst amounts for 2015 are shown in brackets.

Amounts for 2016 benefitted from the contribution of Autostrada Tirrenica (“SAT”), consolidated from September 2015.

Details of amounts in the consolidated income statement deriving from related party transactions are provided in note 10.5.

8.1 **Toll revenue**

€4,008,757 thousand (€3,835,954 thousand)

“Toll revenue” of €4,008,757 thousand is up €172,803 thousand (5%) on 2015 (€3,835,954 thousand). After stripping out the negative impact of exchange rate movements, which in 2016 had a negative impact of €19,804 thousand, toll revenue is up €192,607 thousand, primarily reflecting a combination of the following:

a) a 3.2% increase in traffic on the Italian network, accounting for an increase in toll revenue of approximately €97 million (including the impact of the different traffic mix and the extra day in February 2016);

b) application of annual toll increases by the Group’s Italian operators (a rise of 1.09% for Autostrade per l’Italia from 1 January 2016), boosting toll revenue by an estimated €30 million;

c) an improved contribution from overseas operators (up €33 million), primarily reflecting traffic growth in Chile (up 5.8%) and Poland (up 10.5%) and toll increases applied by the various operators, partially offset by falling traffic in Brazil (down 2.7%);

d) the contribution of SAT, amounting to €30 million, consolidated from September 2015.

8.2 **Aviation revenue**

€635,701 thousand (€565,312 thousand)

This item refers to aviation revenue generated by Aeroporti di Roma and a number of its subsidiaries, the figure is up €70,389 thousand compared with 2015, primarily reflecting increases in airport fees applied from 1 March 2015 and 1 March 2016 and growth in passenger numbers (up 1.8%). An analysis of this item is shown below.

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>INCREASE/(DECREASE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airport fees</td>
<td>494,640</td>
<td>440,174</td>
<td>54,466</td>
</tr>
<tr>
<td>Centralised infrastructure</td>
<td>17,672</td>
<td>13,198</td>
<td>4,474</td>
</tr>
<tr>
<td>Security services</td>
<td>92,035</td>
<td>84,313</td>
<td>7,722</td>
</tr>
<tr>
<td>Other</td>
<td>31,354</td>
<td>27,627</td>
<td>3,727</td>
</tr>
<tr>
<td><strong>Aviation revenue</strong></td>
<td><strong>635,701</strong></td>
<td><strong>565,312</strong></td>
<td><strong>70,389</strong></td>
</tr>
</tbody>
</table>
8.3 Revenue from construction services

€706,954 thousand (€722,989 thousand)

An analysis of revenue from construction services is shown below.

<table>
<thead>
<tr>
<th>€000</th>
<th>2016</th>
<th>2015</th>
<th>INCREASE/(DECREASE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue from construction services for which additional economic benefits are received</td>
<td>614,518</td>
<td>588,560</td>
<td>25,958</td>
</tr>
<tr>
<td>Revenue from investments in financial concession rights</td>
<td>81,101</td>
<td>87,895</td>
<td>-6,794</td>
</tr>
<tr>
<td>Revenue from construction services: government grants for services for which no additional economic benefits are received</td>
<td>332</td>
<td>39,957</td>
<td>-39,625</td>
</tr>
<tr>
<td>Revenue from construction services provided by sub-operators</td>
<td>11,003</td>
<td>6,577</td>
<td>4,426</td>
</tr>
<tr>
<td><strong>Revenue from construction services</strong></td>
<td><strong>706,954</strong></td>
<td><strong>722,989</strong></td>
<td><strong>-16,035</strong></td>
</tr>
</tbody>
</table>

Revenue from construction services essentially consists of construction services for which additional benefits are received and financial assets deriving from concession rights, represented by the fair value of the consideration due in return for the construction and upgrade services rendered in relation to assets held under concession during the year. The consideration is based on the operating costs and financial expenses incurred (the latter solely in relation to investment in assets held under concession) and any margins earned on the services provided by the Group's own technical units.

Revenue from construction services is down €16,035 thousand compared with 2015, reflecting a combination of the following:

a) a reduction in grants to fund construction services for which no additional benefits are received, amounting to €39,625 thousand, essentially due to having reached the cap on grants recognised by the Grantor when certifying the effective performance of the works and relating to a number of lots included in the Variante di Valico and the upgrade of Florence interchange;

b) an increase in construction services for which additional benefits are received, amounting to €25,958 thousand primarily due to the greater volume of work carried out by Aeroporti di Roma (€148,848 thousand), offset by a reduction in services performed by Autostrade per l’Italia (€136,620 thousand).

In 2016, the Group carried out additional construction services for which no additional benefits are received, amounting to €455,024 thousand, net of related government grants, for which the Group made use of a portion of the specifically allocated “Provisions for construction services required by contract”. Uses of these provisions are classified as a reduction in operating costs for the period, as explained in note 8.11.

Details of total investment in assets held under concession during the year are provided in note 7.2, above.

8.4 Contract revenue

€53,812 thousand (€106,467 thousand)

Contract revenue of €53,812 thousand is down €52,655 thousand compared with 2015 (€106,467 thousand), essentially due to a reduction in work carried by Pavimental for external customers.
3. Consolidated financial statements as at and for the year ended 31 December 2016

8.5 Other operating income

€774,487 thousand (€789,783 thousand)

An analysis of other operating income is provided below.

<table>
<thead>
<tr>
<th>€000</th>
<th>2016</th>
<th>2015</th>
<th>INCREASE/(DECREASE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue from sub-concessions</td>
<td>355,238</td>
<td>356,565</td>
<td>-1,327</td>
</tr>
<tr>
<td>Revenue from Telepass and Viacard fees</td>
<td>140,902</td>
<td>134,180</td>
<td>6,722</td>
</tr>
<tr>
<td>Damages and compensation</td>
<td>41,221</td>
<td>34,527</td>
<td>6,694</td>
</tr>
<tr>
<td>Maintenance revenue</td>
<td>38,293</td>
<td>40,411</td>
<td>-2,118</td>
</tr>
<tr>
<td>Other revenue from motorway operation</td>
<td>38,756</td>
<td>35,560</td>
<td>3,196</td>
</tr>
<tr>
<td>Revenue from products related to the airport business</td>
<td>27,638</td>
<td>27,733</td>
<td>-95</td>
</tr>
<tr>
<td>Refunds</td>
<td>24,405</td>
<td>26,530</td>
<td>-2,125</td>
</tr>
<tr>
<td>Revenue from the sale of technology devices and services</td>
<td>19,794</td>
<td>34,717</td>
<td>-14,923</td>
</tr>
<tr>
<td>Advertising revenue</td>
<td>3,915</td>
<td>5,091</td>
<td>-1,176</td>
</tr>
<tr>
<td>Other income</td>
<td>84,325</td>
<td>94,469</td>
<td>-10,144</td>
</tr>
</tbody>
</table>

Other operating income

€774,487  789,783  -15,296

Other operating income of €774,487 thousand is down €15,296 thousand on 2015 (€789,783 thousand), due essentially to a reduced work carried out by Autostrade Tech for external customers.

8.6 Raw and consumable materials

-€283,630 thousand (-€378,510 thousand)

This item, which consists of purchases of materials and the change in inventories of raw and consumable materials, is down €94,880 thousand on 2015, primarily reflecting a reduction in the volume of maintenance and construction work carried out by Pavimental for both the Group’s operators and external customers. A breakdown of the balance is shown below.

<table>
<thead>
<tr>
<th>€000</th>
<th>2016</th>
<th>2015</th>
<th>INCREASE/(DECREASE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction materials</td>
<td>-176,306</td>
<td>-221,199</td>
<td>44,893</td>
</tr>
<tr>
<td>Electrical and electronic materials</td>
<td>-19,291</td>
<td>-34,017</td>
<td>14,726</td>
</tr>
<tr>
<td>Lubricants and fuel</td>
<td>-15,577</td>
<td>-39,272</td>
<td>23,695</td>
</tr>
<tr>
<td>Other raw and consumable materials</td>
<td>-84,422</td>
<td>-74,633</td>
<td>9,789</td>
</tr>
<tr>
<td>Cost of materials</td>
<td>-295,596</td>
<td>-371,121</td>
<td>75,525</td>
</tr>
<tr>
<td>Change in inventories of raw, ancillary and consumable materials and goods for resale</td>
<td>9,310</td>
<td>-8,605</td>
<td>17,915</td>
</tr>
<tr>
<td>Capitalised cost of raw materials</td>
<td>2,656</td>
<td>1,216</td>
<td>1,440</td>
</tr>
<tr>
<td>Raw and consumable materials</td>
<td>-283,630</td>
<td>-378,510</td>
<td>94,880</td>
</tr>
</tbody>
</table>
8.7 Service costs
-€1,570,080 thousand (-€1,588,584 thousand)

An analysis of service costs is provided below.

<table>
<thead>
<tr>
<th>€000</th>
<th>2016</th>
<th>2015</th>
<th>INCREASE/DECREASE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction and similar</td>
<td>-1,060,320</td>
<td>-1,114,412</td>
<td>54,092</td>
</tr>
<tr>
<td>Professional services</td>
<td>-163,331</td>
<td>-133,732</td>
<td>-29,599</td>
</tr>
<tr>
<td>Transport and similar</td>
<td>-55,899</td>
<td>-60,595</td>
<td>4,696</td>
</tr>
<tr>
<td>Utilities</td>
<td>-52,799</td>
<td>-51,495</td>
<td>-1,304</td>
</tr>
<tr>
<td>Insurance</td>
<td>-31,460</td>
<td>-33,966</td>
<td>2,506</td>
</tr>
<tr>
<td>Statutory Auditors' fees</td>
<td>-1,609</td>
<td>-1,547</td>
<td>-62</td>
</tr>
<tr>
<td>Other services</td>
<td>-210,288</td>
<td>-197,371</td>
<td>-12,917</td>
</tr>
<tr>
<td><strong>Gross service costs</strong></td>
<td>-1,575,706</td>
<td>-1,593,118</td>
<td>17,412</td>
</tr>
<tr>
<td>Capitalised service costs for assets other than concession assets</td>
<td>5,626</td>
<td>4,534</td>
<td>1,092</td>
</tr>
<tr>
<td><strong>Service costs</strong></td>
<td>-1,570,080</td>
<td>-1,588,584</td>
<td>18,504</td>
</tr>
</tbody>
</table>

Service costs are down €18,504 thousand in 2016, compared with 2015. The change mainly reflects a combination of the following:

a) a reduction in construction and similar services of €54,092 thousand, reflecting the reduced volume of work carried out by Pavimental;

b) an increase in the cost of professional services, amounting to €29,599 thousand, due to the costs incurred in relation to the acquisition of Aéroports de la Côte d’Azur (€10,222 thousand) and an increase in design work and investment at Spea Engineering (€13,870 thousand).

8.8 Staff costs
-€904,050 thousand (-€862,070 thousand)

An analysis of staff costs is shown below.

<table>
<thead>
<tr>
<th>€000</th>
<th>2016</th>
<th>2015</th>
<th>INCREASE/DECREASE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages and salaries</td>
<td>-629,512</td>
<td>-605,472</td>
<td>-24,040</td>
</tr>
<tr>
<td>Social security contributions</td>
<td>-180,144</td>
<td>-172,392</td>
<td>-7,752</td>
</tr>
<tr>
<td>Payments to supplementary pension funds, INPS and post-employment benefits</td>
<td>-38,947</td>
<td>-33,760</td>
<td>-5,187</td>
</tr>
<tr>
<td>Directors’ remuneration</td>
<td>-5,958</td>
<td>-6,218</td>
<td>260</td>
</tr>
<tr>
<td>Other staff costs</td>
<td>-56,154</td>
<td>-47,922</td>
<td>-8,232</td>
</tr>
<tr>
<td><strong>Gross staff costs</strong></td>
<td>-910,715</td>
<td>-865,764</td>
<td>-44,951</td>
</tr>
<tr>
<td>Capitalised staff costs for assets other than concession assets</td>
<td>6,685</td>
<td>3,694</td>
<td>2,971</td>
</tr>
<tr>
<td><strong>Staff costs</strong></td>
<td>-904,050</td>
<td>-862,070</td>
<td>-41,980</td>
</tr>
</tbody>
</table>

Gross staff costs of €910,715 thousand are up €44,951 thousand on 2014 (€865,764 thousand), primarily due to the following:

a) an increase of 395 in the average workforce excluding agency staff, attributable to Aeroporti di Roma as a result of heightened anti-terrorism measures, the recruitment of staff in relation to implementation of the development plan and initiatives designed to improve the quality of passenger assistance. The increase also reflects the decision to insource airport cleaning services and the motorway maintenance carried out by the Brazilian operators, as well as the full-year contribution of SAT, which was consolidated from September 2015;
b) contract renewals at the Group’s Italian motorway operators and an increase in the cost of early retirement incentives.

The following table shows the average number of employees (by category and including agency staff), as commented on in the section on the “Workforce” in the report on operations:

<table>
<thead>
<tr>
<th>AVERAGE WORKFORCE</th>
<th>2016</th>
<th>2015</th>
<th>INCREASE/ (DECREASE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior managers</td>
<td>250</td>
<td>242</td>
<td>8</td>
</tr>
<tr>
<td>Middle managers and administrative staff</td>
<td>7,659</td>
<td>7,443</td>
<td>216</td>
</tr>
<tr>
<td>Toll collectors</td>
<td>3,208</td>
<td>3,226</td>
<td>-18</td>
</tr>
<tr>
<td>Manual workers</td>
<td>3,880</td>
<td>3,689</td>
<td>191</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>14,997</strong></td>
<td><strong>14,600</strong></td>
<td><strong>397</strong></td>
</tr>
</tbody>
</table>

8.9 **Other operating costs**
- €606,074 thousand (-€601,213 thousand)

An analysis of other operating costs is shown below.

<table>
<thead>
<tr>
<th>€000</th>
<th>2016</th>
<th>2015</th>
<th>INCREASE/ (DECREASE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Concession fees</td>
<td>-494,951</td>
<td>-477,022</td>
<td>-17,929</td>
</tr>
<tr>
<td>Lease expense</td>
<td>-17,316</td>
<td>-16,466</td>
<td>-850</td>
</tr>
<tr>
<td>Grants and donations</td>
<td>-22,782</td>
<td>-34,371</td>
<td>11,589</td>
</tr>
<tr>
<td>Direct and indirect taxes</td>
<td>-22,293</td>
<td>-23,161</td>
<td>868</td>
</tr>
<tr>
<td>Other</td>
<td>-48,732</td>
<td>-50,193</td>
<td>1,461</td>
</tr>
<tr>
<td><strong>Other costs</strong></td>
<td><strong>-93,807</strong></td>
<td><strong>-107,725</strong></td>
<td><strong>13,918</strong></td>
</tr>
<tr>
<td><strong>Other operating costs</strong></td>
<td><strong>-606,074</strong></td>
<td><strong>-601,213</strong></td>
<td><strong>-4,861</strong></td>
</tr>
</tbody>
</table>

Other operating costs, totalling €606,074 thousand, are up €4,861 thousand compared with the comparative period, primarily reflecting the combined effect of an increase in concession fees, totalling €17,929 thousand, linked to the increase in motorway traffic in 2016 and an €11,589 thousand reduction in grants and donations, reflecting the increased costs incurred in 2015 for work on the upgrade of infrastructure operated by public entities, as part of construction services relating to assets held under concession.

8.10 **Operating change in provisions**
- €20,234 thousand (€76,086 thousand)

This item consists of operating changes (new provisions and uses) in provisions, excluding those for employee benefits (classified in staff costs), made by Group companies during the period in order to meet their legal and contractual obligations requiring the use of financial resources in future years.

The negative impact of this item in 2016, totalling €20,234 thousand, reflects:
a) an increase, totalling €66,798 thousand, in provisions for the repair and replacement of motorway infrastructure, almost entirely due to a decline in the discount rate applied at 31 December 2016, compared with the rate applied at 31 December 2015;
b) provisions of €11,159 thousand;
c) the net positive change in provisions for the refurbishment of airport infrastructure, totalling €57,723 thousand, reflecting the fact that uses (€112,238 thousand) were higher than provisions for the year (€54,515 thousand).

8.11 Use of provisions for construction services required by contract
€455,024 thousand (€502,495 thousand)

This item regards the use of provisions for construction services required by contract, relating to services for which no additional economic benefits are received rendered during the year, less accrued government grants (recognised in revenue from construction services, as explained in note 8.3). The item represents the indirect adjustment to construction costs classified by nature and incurred by the Group’s operators, above all Autostrade per l’Italia, whose concession arrangements provide for such obligations. The reduction of €47,471 thousand is broadly linked to reduced investment in the upgrade of the A1 Milan-Naples between Bologna and Florence, following the completion of work in preparation for the opening of the Variante di Valico in 2015. Further information on construction services and capital expenditure in 2015 is provided in notes 7.2 and n. 8.3.

8.12 (Impairment losses) and reversals of impairment losses
€24,263 thousand (–€11,181 thousand)

The positive balance for 2016, totalling €24,263 thousand, essentially reflects the reversal of provisions for bad debts made in previous years at ETC, following a revised assessment of the recoverability of the related receivables.

8.13 Financial income/(expenses)
–€537,611 thousand (–€784,954 thousand)

Financial income €365,650 thousand (€339,870 thousand)
Financial expenses –€915,580 thousand (–€1,145,343 thousand)
Foreign exchange gains/(losses) €12,319 thousand (€20,519 thousand)

An analysis of financial income and expenses is shown below.
3. Consolidated financial statements as at and for the year ended 31 December 2016

Net other financial expenses, totalling €559,836 thousand, are down €257,285 thousand compared with 2015 (€817,121 thousand). This essentially reflects the following:

a) a reduction in non-recurring financial transactions, in relation to the partial buyback of certain bonds issued by Atlantia and Atlantia’s buyback, in 2015, of notes issued by Romulus Finance in 2015. Details of these transactions and of the composition of non-recurring financial expenses recognised in 2016 (totalling €18,599 thousand), compared with those recognised in 2015 (totalling €231,816 thousand), are provided in note 8.18.

b) reversal of the previous impairment loss on the carrying amount of the investment in Lusoponte (€24,514 thousand), as described in note 7.3.

“Financial income accounted for as an increase in financial assets deriving from concession rights and government grants”, totalling €67,425 thousand, essentially includes income from the discounting to present value of financial assets deriving from guaranteed minimum toll revenue (included in financial assets deriving from concession rights), totalling €45,280 thousand, relating to the Chilean companies, and income from the discounting to present value of financial assets deriving from government grants for motorway maintenance, totalling €6,986 thousand and relating to Los Lagos.

8.14 Share of profit/(loss) of investees accounted for using the equity method

-€7,174 thousand (-€17,658 thousand)

The “Share of (profit)/loss of investees accounted for using the equity method” for 2016 amounts to a loss of €7,174 thousand, essentially attributable to the share of the losses reported by the Brazilian operator Rodovias do Tiete.
8.15 Income tax expense

-€532,916 thousand (€470,962 thousand)

A comparison of the tax charges for the two comparative periods is shown below.

<table>
<thead>
<tr>
<th>€000</th>
<th>2016</th>
<th>2015</th>
<th>INCREASE/(DECREASE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>IRES</td>
<td>-281,582</td>
<td>-315,053</td>
<td>33,471</td>
</tr>
<tr>
<td>IRAP</td>
<td>-86,311</td>
<td>-78,187</td>
<td>-8,124</td>
</tr>
<tr>
<td>Income taxes attributable to foreign operations</td>
<td>-75,309</td>
<td>-71,488</td>
<td>-3,821</td>
</tr>
<tr>
<td>Current tax benefit of tax loss carry-forwards</td>
<td>8,343</td>
<td>4,467</td>
<td>3,876</td>
</tr>
<tr>
<td><strong>Current tax expense</strong></td>
<td><strong>-434,859</strong></td>
<td><strong>-460,261</strong></td>
<td><strong>25,402</strong></td>
</tr>
<tr>
<td>Recovery of previous years’ income taxes</td>
<td>10,436</td>
<td>7,362</td>
<td>3,074</td>
</tr>
<tr>
<td>Previous years’ income taxes</td>
<td>2,850</td>
<td>2,847</td>
<td>3</td>
</tr>
<tr>
<td><strong>Differences on current tax expense for previous years</strong></td>
<td><strong>13,286</strong></td>
<td><strong>10,209</strong></td>
<td><strong>3,077</strong></td>
</tr>
<tr>
<td>Provisions</td>
<td>181,151</td>
<td>265,683</td>
<td>-84,532</td>
</tr>
<tr>
<td>Releases</td>
<td>-319,979</td>
<td>-311,489</td>
<td>-8,490</td>
</tr>
<tr>
<td>Changes in prior year estimates</td>
<td>-30,447</td>
<td>-157,075</td>
<td>126,628</td>
</tr>
<tr>
<td><strong>Deferred tax income</strong></td>
<td><strong>-169,275</strong></td>
<td><strong>-202,881</strong></td>
<td><strong>33,606</strong></td>
</tr>
<tr>
<td>Provisions</td>
<td>-104,327</td>
<td>-27,407</td>
<td>-76,920</td>
</tr>
<tr>
<td>Releases</td>
<td>95,388</td>
<td>98,485</td>
<td>-3,097</td>
</tr>
<tr>
<td>Changes in prior year estimates</td>
<td>66,871</td>
<td>110,893</td>
<td>-44,022</td>
</tr>
<tr>
<td><strong>Deferred tax expense</strong></td>
<td><strong>57,932</strong></td>
<td><strong>181,971</strong></td>
<td><strong>-124,039</strong></td>
</tr>
<tr>
<td><strong>Deferred tax income/(expense)</strong></td>
<td><strong>-111,343</strong></td>
<td><strong>-20,910</strong></td>
<td><strong>-90,433</strong></td>
</tr>
<tr>
<td><strong>Income tax (expense)/benefit</strong></td>
<td><strong>-532,916</strong></td>
<td><strong>-470,962</strong></td>
<td><strong>-61,954</strong></td>
</tr>
</tbody>
</table>

Income tax expense amounts to €532,916 thousand, up €61,954 thousand compared with 2015 (€470,962 thousand). After stripping out the impact described below, income tax expense is broadly in line across the two comparative periods. This reflects:

a) recognition, in 2016, of revised estimates for previous years regarding the difference between the carrying amount and the fair value of assets acquired and liabilities assumed as a result of business combinations, resulting in a reduction of €69,876 thousand. This essentially refers to the impact of the tax reform in Chile and an agreement between Italy and Chile designed to avoid double taxation, in addition to the merger of certain Chilean companies, as described in note 6.3;

b) recognition, in 2016, of revised estimates for previous years regarding the deferred tax assets of the overseas companies, resulting in a reduction totalling €23,846 thousand;

c) recognition, in 2016, of income totalling €12,151 thousand not relevant for tax purposes;

d) recognition, in 2015, of net deferred tax expense of €42,439 thousand, following the reduction in the IRES (corporation tax) rate from 27.5% to 24% with effect from 1 January 2017, introduced by the 2016 Stability Law, which resulted in a reassessment of the Group’s net deferred tax assets and liabilities;

e) recognition, in 2015, of deferred tax assets of €49,288 thousand, resulting from the corporate restructuring carried out by the Brazilian sub-holding company, AB Concessoes, which has enabled the Brazilian motorway operators to recognise tax-deductible goodwill;

f) recognition, in 2015, of losses totalling €53,907 thousand not relevant for tax purposes.

The following table shows the reconciliation of the IRES charge calculated at the statutory tax rate and the effective charge in the comparative periods.
3. Consolidated financial statements as at and for the year ended 31 December 2016

8.16 Profit/(Loss) from discontinued operations

-€4,500 thousand (€6,983 thousand)

An analysis of the net profit/(loss) from discontinued operations for the two comparative periods is shown below.

<table>
<thead>
<tr>
<th>€000</th>
<th>2016</th>
<th>2015</th>
<th>Increase/ (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating costs</td>
<td>-2,860</td>
<td>-5,251</td>
<td>2,391</td>
</tr>
<tr>
<td>Financial income</td>
<td>-</td>
<td>-10,730</td>
<td>-10,730</td>
</tr>
<tr>
<td>Financial expenses</td>
<td>-11,541</td>
<td>11,541</td>
<td>0</td>
</tr>
<tr>
<td>Tax benefit/(expense)</td>
<td>-1,640</td>
<td>13,045</td>
<td>-14,685</td>
</tr>
<tr>
<td>Contribution to net profit from discontinued operations</td>
<td>-4,500</td>
<td>6,983</td>
<td>-11,483</td>
</tr>
</tbody>
</table>

Profit/(Loss) from discontinued operations | -4,500 | 6,983 | -11,483 |

The net loss for 2016 refers primarily to Tech Solutions Integrators.

8.17 Earnings per share

The following table shows the calculation of basic and diluted earnings per share for the two comparative periods.

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weighted average number of shares outstanding</td>
<td>825,783,990</td>
<td>825,783,990</td>
</tr>
<tr>
<td>Weighted average number of treasury shares in portfolio</td>
<td>-2,360,179</td>
<td>-4,456,170</td>
</tr>
<tr>
<td>Weighted average of shares outstanding for calculation of basic earnings per share</td>
<td>823,423,811</td>
<td>821,327,820</td>
</tr>
<tr>
<td>Weighted average number of diluted shares held held under share-based incentive plans</td>
<td>1,064,682</td>
<td>1,381,762</td>
</tr>
<tr>
<td>Weighted average of all shares outstanding for calculation of diluted earnings per share</td>
<td>824,488,493</td>
<td>822,709,582</td>
</tr>
<tr>
<td>Profit for the year attributable to owners of the parent (€000)</td>
<td>1,121,838</td>
<td>852,527</td>
</tr>
<tr>
<td>Basic earnings per share (€)</td>
<td>1.36</td>
<td>1.04</td>
</tr>
<tr>
<td>Diluted earnings per share (€)</td>
<td>1.36</td>
<td>1.04</td>
</tr>
<tr>
<td>Profit from continuing operations attributable to owners of the parent (€000)</td>
<td>1,126,338</td>
<td>847,482</td>
</tr>
<tr>
<td>Basic earnings per share from continuing operations (€)</td>
<td>1.37</td>
<td>1.03</td>
</tr>
<tr>
<td>Diluted earnings per share from continuing operations (€)</td>
<td>1.37</td>
<td>1.03</td>
</tr>
<tr>
<td>Profit from discontinued operations attributable to owners of the parent (€000)</td>
<td>-4,500</td>
<td>5,045</td>
</tr>
<tr>
<td>Basic earnings/(losses) per share from discontinued operations (€)</td>
<td>-0.01</td>
<td>0.01</td>
</tr>
<tr>
<td>Diluted earnings/(losses) per share from discontinued operations (€)</td>
<td>-0.01</td>
<td>0.01</td>
</tr>
</tbody>
</table>
The average number of treasury shares in portfolio in 2016 benefitted only marginally from purchases in the market in 2016, as these were carried out from December.

8.18 Material non-recurring transactions and events

No events or transactions that can be categorised as atypical or unusual, having a material impact on the Group’s consolidated income statement, took place during 2016, involving either third or related parties.

During 2015, the Group concluded the following non-recurring financial transactions with a material impact on the Group’s consolidated income statement:

a) Atlantia’s buyback of 99.87% of the asset-backed securities (ABS – CLASS A4) issued by Romulus Finance (the special purpose entity controlled by Aeroporti di Roma and consolidated in the Atlantia Group), resulting in non-recurring net financial expenses of €112,832 thousand, before the related taxation;

b) the partial buyback of bonds issued by Atlantia and maturing in 2016, 2017, 2019 and 2020, resulting in non-recurring net financial expenses of €120,677 thousand, before the related taxation.

As a result of the above financial transactions in 2015, the Group recognised financial expenses of €233,509 thousand, before the related taxation of €67,568 thousand. This resulted in a net impact on the result for the year of €165,941 thousand.

In 2015, a fire broke out in Terminal 3 at Fiumicino airport, operated by Aeroporti di Roma, resulting in a loss of aviation and non-aviation revenue, additional expenses for safety procedures and the need to make specific provisions, all of which having an impact on the operating results. At the end of 2016, talks began with company’s insurers with a view to reaching a settlement over claims deriving from the fire. The Group expects to conclude an agreements by the end of the first quarter of 2017. Information on legal proceedings relating to the fire is contained in note 10.7.

9. OTHER FINANCIAL INFORMATION

9.1 Notes to the consolidated statement of cash flows

Consolidated cash flow in 2016, compared with 2015, is analysed below. The consolidated statement of cash flows is included in the “Consolidated financial statements”.

Cash flows during 2016 resulted in an increase of €426,645 thousand in cash and cash equivalents, versus a net cash outflow of €1,006,865 thousand in 2015.

Operating activities generated cash flows of €2,361,810 thousand in 2016, up €150,990 thousand on the figure for 2015 (€2,210,820 thousand). The increase is primarily attributable to a combination of the following:

a) an increase of €294,832 thousand in operating cash flow compared with 2015, which was impacted by the financial expenses incurred as a result of non-recurring financial transactions;

b) the increased outflow of €38,124 thousand generated by the change in operating capital and other changes in 2016, compared with the €105,718 thousand generated in 2015, which benefitted from the collection of compensation paid by the French government following early termination of the “EcoTaxe” project.

Cash used in investing activities, totalling €2,897,959 thousand (€1,340,525 thousand in 2015), essentially regards the following:
3. Consolidated financial statements as at and for the year ended 31 December 2016

a) purchases of consolidated companies, almost exclusively relating to Aéroports de la Côte d’Azur, after cash acquired (€1,265,417 thousand). This item also includes the purchase of an additional interest in Aeroporti di Roma (€29,012 thousand);
b) investment in assets held under concession, after related government grants and the increase in financial assets deriving from concession rights, totalling €1,256,922 thousand;
c) purchases of investments, totalling €190,163 thousand, essentially the acquisition of a 22.09% interest in SAVE, the company that holds the concession to operate the airports of Venice and Treviso for a total consideration of €180,541 thousand.

Net cash generated by financing activities in 2016 amounts to €928,821 thousand (€172,578 thousand in 2015). This reflects a combination of the following:

- Atlantis’s use of a short-term line of credit, totalling €1,600,000 thousand;
- the issue of bonds totalling €654,386 thousand;
- new borrowings of €738,589 thousand, essentially attributable to Azzurra Aeroporti;
- bond redemptions carried out by Atlantis and the partial buyback of certain bonds issued by Atlantis, totalling €1,191,302 thousand;
- dividends paid to the Group’s shareholders and to non-controlling shareholders, totalling €775,461 thousand;
- the purchase of treasury shares during the year, totalling €77,202 thousand.

The following table shows net cash flows generated from discontinued operations, including the contributions of the French companies in the two comparative periods. These cash flows are included in the consolidated statement of cash flows under operating, investing and financing activities.

<table>
<thead>
<tr>
<th>€M</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash generated from/(used in) operating activities</td>
<td>-3</td>
<td>96</td>
</tr>
<tr>
<td>Net cash generated from/(used in) investing activities</td>
<td>-</td>
<td>247</td>
</tr>
<tr>
<td>Net cash generated from/(used in) financing activities</td>
<td>-28</td>
<td>-280</td>
</tr>
</tbody>
</table>

9.2 Financial risk management

The Atlantis Group’s financial risk management objectives and policies

In the normal course of business, the Atlantis Group is exposed to:

a) market risk, principally linked to the effect of movements in interest and foreign exchange rates on financial assets acquired and financial liabilities assumed;
b) liquidity risk, with regard to ensuring the availability of sufficient financial resources to fund the Group’s operating activities and repayment of the liabilities assumed;
c) credit risk, linked to both ordinary trading relations and the likelihood of defaults by financial counterparties.

The Atlantis Group’s financial risk management strategy is derived from and consistent with the business goals set by the Atlantis Board of Directors, as contained in the various long-term plans prepared each year.
Market risk

The adopted strategy for each type of risk aims, wherever possible, to eliminate interest rate and currency risks and minimise borrowing costs, whilst taking account of stakeholders’ interests, as defined in the Financial Policy approved by Atlantia’s Board of Directors.

Management of these risks is based on prudence and best market practice.

The main objectives set out in this policy are as follows:

a) to protect the scenario forming the basis of the long-term business plan from the effect of exposure to currency and interest rate risks, identifying the best combination of fixed and floating rates;

b) to pursue a potential reduction of the Group’s borrowing costs within the risk limits determined by the Board of Directors;

c) to manage derivative financial instruments taking account of their potential impact on the results of operations and financial position in relation to their classification and presentation.

The Group’s hedges outstanding as at 31 December 2016 are classified, in accordance with IAS 39, either as cash flow or fair value hedges, depending on the type of risk hedged. As at 31 December 2016, the Group’s portfolio also includes non-hedge accounting transactions, including the derivatives embedded in certain medium/long-term and short-term borrowings obtained by Autostrade per l’Italia, Atlantia, Autostrade Meridionali and Pavimental, with a notional value of €1,476,453 thousand and fair value losses of €4,310 thousand. Further details are provided in note 7.15. Fair value measurement of derivative financial instruments is dealt with in note 3. Foreign currency items are converted using closing exchange rates published by the Bank of Italy. The residual average term to maturity of the Group’s debt as at 31 December 2016 is approximately 6 years and 1 month. The average cost of medium to long-term debt for 2016 was 4.5% (3.8% for the companies operating in Italy, 6.9% for the Chilean companies and 15.9% for the Brazilian companies). Monitoring is, moreover, intended to assess, on a continuing basis, counterparty creditworthiness and the degree of risk concentration.

Interest rate risk

This risk is linked to uncertainty regarding the performance of interest rates, and takes two forms:

a) cash flow risk: linked to financial assets and liabilities with cash flows indexed to a market interest rate. In order to reduce the amount of floating rate debt, the Group has entered into interest rate swaps (IRSs), classified as cash flow hedges. The hedging instruments and the underlying financial liabilities have matching terms to maturity and notional amounts. Following tests of effectiveness, changes in fair value are essentially recognised in other comprehensive income. The test conducted revealed the presence of a minimal ineffective portion (€201 thousand) accounted for in profit or loss and linked primarily to the impact of IFRS 13 as at 31 December 2016. Interest income or expense deriving from the hedged instruments is recognised simultaneously in profit or loss. New Forward-Starting IRSs with a total notional value of €900 million were entered into by the Group in 2016. These have varying durations of 8 years and are subject to a weighted average fixed rate of approximately 0.966%, entered into to hedge highly likely future financial liabilities to be assumed through to 2019 in order to meet Autostrade per l’Italia’s expected financing requirements. Forward-Starting IRSs with a notional value of €50 million, a duration of 9 years at a fixed rate of around 0.69% have also been entered into to hedge highly likely future financial liabilities that Aeroporti di Roma is to assume in the next 12 months and through to 2020 in order to meet its financing requirements. In addition, following Autostrade per l’Italia’s issue of bonds with a par value of €600,000 thousand, the derivatives entered into in 2015 for pre-hedging purposes have been unwound. At the date on which these derivatives were unwound, fair value losses amounted to €31,980 thousand. €3,600 thousand of this amount was recognised in financial expenses, corresponding to the accrued losses realised at the date on which the hedges were unwound, whilst...
€28,380 thousand was recognised in other comprehensive income. The reserve will be released to profit or loss in future years in correspondence with the interest cash flows relating to the bond issue, in keeping with the nature of these instruments as cash flow hedges. The cost of this bond, including the impact of the hedges, is thus 2.38%.

b) fair value risk: the risk of losses deriving from an unexpected change in the value fixed rate financial assets and liabilities following an unfavourable shift in the market yield curve. As at 31 December 2016, the Group reports transactions classifiable as fair value hedges in accordance with IAS 39, regarding the previously mentioned new IPCA Linked Swaps entered into by the Brazilian companies, Triangulo do Sol and Colinas, with the aim of converting the real IPCA rate bonds issued in 2013 to a floating CDI rate. Changes in the fair value of these instruments are recognised in profit or loss and are offset by matching changes in the fair value of the underlying liabilities.

As a result of cash flow hedges, 82% of interest bearing debt is fixed rate.

Currency risk

Currency risk can result in the following types of exposure:

a) economic exposure incurred through purchases and sales denominated in currencies other than the company’s functional currency;

b) translation exposure through equity investments in subsidiaries and associates whose financial statements are denominated in a currency other than the Group’s functional currency;

a) transaction exposure incurred by making deposits or obtaining loans in currencies other than the individual companies’ functional currency.

The Group’s prime objective of currency risk is to minimise transaction exposure through the assumption of liabilities in currencies other than the presentation currency. Cross currency swaps (CCIRS) with notional amounts and maturities matching those of the underlying financial liabilities have been entered into specifically to eliminate the currency risk to which the sterling and yen-denominated bonds issued by Atlantia are exposed. These swaps also qualify as cash flow hedges and tests have shown that they are fully effective.

Following Atlantia’s buyback of 99.87% of the sterling-denominated notes, amounting to £215 million, issued by Romulus Finance (the special purpose entity controlled by Aeroporti di Roma), the Cross Currency Swaps entered into by Atlantia and Aeroporti di Roma to hedge interest and currency risk associated with the underlying in foreign currency, no longer qualify for hedge accounting in the consolidated financial statements.

16% of the Group’s debt is denominated in currencies other than the euro. Taking account of foreign exchange hedges and the proportion of debt denominated in the local currency of the country in which the relevant Group company operates (around 10%), the Group is effectively not exposed to currency risk on translation.

The following table summarises outstanding derivative financial instruments as at 31 December 2016 (compared with 31 December 2015) and shows the corresponding market and notional values of the hedged financial asset or liability.
Sensitivity analysis

Sensitivity analysis describes the impact that the interest rate and foreign exchange movements to which the Group is exposed would have had on the consolidated income statement for 2016 and on equity as at 31 December 2016.

The interest rate sensitivity analysis is based on the exposure of derivative and non-derivative financial instruments at the end of the year, assuming, in terms of the impact on the income statement, a 0.10% (10 bps) shift in the market yield curve at the beginning of the year, whilst, with regard to the impact of changes in fair value on other comprehensive income, the 10 bps shift in the curve was assumed to have occurred at the measurement date. The results of the analyses were:

a) in terms of interest rate risk, an unexpected and unfavourable 0.10% shift in market interest rates would have resulted in a negative impact on the consolidated income statement in 2016, totalling €3,402 thousand, and on other comprehensive income, totalling €44,198 thousand, before the related taxation;
b) in terms of currency risk, an unexpected and unfavourable 10% shift in the exchange rate would have resulted in a negative impact on the consolidated income statement, totalling €16,129 thousand, and on other comprehensive income, totalling €270,029 thousand, due to the adverse effect on the overseas companies’ after-tax results and changes in the foreign currency translation reserves.

Liquidity risk

Liquidity risk relates to the risk that cash resources may be insufficient to fund the payment of liabilities as they fall due. The Atlantia Group believes that its ability to generate cash, the ample diversification of its sources of funding and the availability of committed and uncommitted lines of credit provides access to sufficient sources of finance to meet its projected financial needs.
As at 31 December 2016, project debt allocated to specific overseas companies amounts to €1,864 million. At the same date the Group has estimated cash reserves of €4,831 million, consisting of:

a) €1,772 million in investments in financial assets and cash maturing in the short term (€3,391 million), after the use of short-term lines of credit (€1,614 million) and essentially relating to Atlantia’s borrowing (excluding the borrowing obtained by Autostrade Meridionali with a face value of €245 million, renewed for a further 12 months on 31 December 2016, given that the award of the new concession for the A3 motorway has yet to take place;

b) €516 million in term deposits allocated primarily to part finance the execution of specific construction services and to service the debt of certain Chillean companies;

c) €2,543 million in undrawn committed lines of credit. The Group has lines of credit with a weighted average residual term to maturity of approximately seven years and a weighted average residual drawdown period of approximately three years.

Details of drawn and undrawn committed lines of credit are shown below.

<table>
<thead>
<tr>
<th>KM</th>
<th>BORROWER</th>
<th>LINE OF CREDIT</th>
<th>DRAWDOWN</th>
<th>FINAL MATURITY</th>
<th>AVAILABLE</th>
<th>DRAWN</th>
<th>UNDRAWN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Autostrade per l'Italia</td>
<td>Medium/long-term committed EIB line 2015 &quot;Environment and Mobility Safety&quot;</td>
<td>31 Dec 2017</td>
<td>15 Sept 2037</td>
<td>200</td>
<td>-</td>
<td>200</td>
<td></td>
</tr>
<tr>
<td>Autostrade per l'Italia</td>
<td>Medium/long-term committed EIB line 2016 &quot;Upgrade A14 B&quot;</td>
<td>31 Dec 2017</td>
<td>31 Dec 2036</td>
<td>300</td>
<td>100</td>
<td>200</td>
<td></td>
</tr>
<tr>
<td>Autostrade per l'Italia</td>
<td>Medium/long-term committed EIB line 2017 &quot;Florence Bologna IV B&quot;</td>
<td>31 Dec 2017</td>
<td>15 Sept 2038</td>
<td>250</td>
<td>150</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Autostrade per l'Italia</td>
<td>Medium/long-term committed CDP/SACE line</td>
<td>32 Sept 2020</td>
<td>23 Dec 2024</td>
<td>1,000</td>
<td>200</td>
<td>800</td>
<td></td>
</tr>
<tr>
<td>Autostrade per l'Italia</td>
<td>Medium/long-term committed CDP/A1 2012 line</td>
<td>21 Nov 2020</td>
<td>20 Dec 2021</td>
<td>700</td>
<td>200</td>
<td>500</td>
<td></td>
</tr>
<tr>
<td>Autostrade Meridionali</td>
<td>Short-term loan from Banco di Napoli</td>
<td>31 Dec 2017</td>
<td>31 Dec 2017</td>
<td>300</td>
<td>245</td>
<td>55</td>
<td></td>
</tr>
<tr>
<td>Pavimental</td>
<td>Buyer’s Credit Euler Hermes loan</td>
<td>31 Aug 2017</td>
<td>30 Sept 2025</td>
<td>50</td>
<td>42</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>Autostrade per l’Italia</td>
<td>Short-term BNL loan</td>
<td>4 Mar 2017</td>
<td>4 Nov 2020</td>
<td>100</td>
<td>70</td>
<td>30</td>
<td></td>
</tr>
<tr>
<td>Aeroporti di Roma</td>
<td>EIB &quot;Aeroporti di Roma – Fiumicino South&quot;</td>
<td>13 Dec 2019</td>
<td>13 Dec 2024</td>
<td>150</td>
<td>-</td>
<td>150</td>
<td></td>
</tr>
<tr>
<td>Aeroporti di Roma</td>
<td>CDP &quot;Aeroporti di Roma – Fiumicino South&quot;</td>
<td>30 June 2018</td>
<td>30 June 2033</td>
<td>150</td>
<td>-</td>
<td>150</td>
<td></td>
</tr>
<tr>
<td>Aeroporti di Roma</td>
<td>Committed Revolving Facility</td>
<td>11 Apr 2021</td>
<td>11 July 2021</td>
<td>250</td>
<td>-</td>
<td>250</td>
<td></td>
</tr>
<tr>
<td>Aeroporti di Roma</td>
<td>Buyer’s Credit Euler Hermes loan</td>
<td>30 Mar 2019</td>
<td>30 Mar 2038</td>
<td>100</td>
<td>-</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

The following schedules show the distribution of loan maturities outstanding as at 31 December 2016 and 31 December 2015. The amounts in the above tables include interest payments and exclude the impact of any offset agreements. The time distribution of terms to maturity is based on the residual contract term or on the earliest date on which repayment of the liability may be required, unless a better estimate is available.

(1) Future cash flows relating to interest on bond issues and floating rate loans have been projected on the basis of the latest established rate and applied and held constant to final maturity.

(2) As at 31 December 2016, expected contractual flows are linked to the hedging of outstanding and highly likely future financial liabilities to meet funding requirements through to 2019.

(3) Expected future cash flows from differentials on derivatives have been projected on the basis of the exchange rate fixed at the measurement date.

(4) Future cash flows relating to differentials on interest rate swaps (IRS) and IPCA x CDI Swaps have been projected on the basis of the latest interest rate fixed and held constant to the maturity of the contract.
The distribution for transactions with amortisation schedules is based on the date on which each instalment falls due. The following table shows the time distribution of expected cash flows from cash flow hedges, and the financial years in which they will be recognised in profit or loss.

Credit risk

The Group manages credit risk essentially through recourse to counterparties with high credit ratings, with no significant credit risk concentrations as required by Financial Policy. Credit risk deriving from outstanding derivative financial instruments can also be considered marginal in that the counterparties involved are major financial institutions. There are no margin agreements providing for the exchange of cash collateral if a certain fair value threshold is exceeded. Provisions for impairment losses on individually material items, on the other hand, are established when there is objective evidence that the Group will not be able to collect all or any of the amount due. The amount of the provisions takes account of estimated future cash flows and the date of collection, any future recovery costs and expenses, and the value of any security and guarantee deposits received from customers. General provisions, based on the available historical and statistical data, are established for...
items for which specific provisions have not been made. Details of the allowance for bad debts for trade receivables are provided in note 7.7.
10. **OTHER INFORMATION**

10.1 **Operating and geographical segments**

**Operating segments**

The Atlantia Group’s operating segments are identified based on the information provided to and analysed by Atlantia’s Board of Directors, which represents the Group’s chief operating decision maker, taking decisions regarding the allocation of resources and assessing performance. In particular, the Board of Directors assesses the performance of the business in terms of geographical area and business segment. As reported in note 6.1, in 2016, Atlantia’s Board of Directors approved a restructuring of the Group that has resulted in changes to the Atlantia Group’s operating segments. Compared with the segment information provided in the Annual Report for 2015, the allocation of companies to the various operating segments has been modified. As a result, the Group’s new structure presents information for four main operating segments (Italian motorways, overseas motorways, Italian airports and a fourth operating segment including the Parent Company, Atlantia, and the other remaining activities). Following these changes to the composition of the operating segments, amounts for 2015 have been restated with respect to those published in the Annual Report for 2015.

The new composition of the Atlantia Group’s operating segments is as follows:

a) **Italian motorways**: this includes the Italian motorway operators (Autostrade per l’Italia, Autostrade Meridionali, Tangenziale di Napoli, Società italiana per azioni per il Traforo del Monte Bianco and Raccordo Autostradale Valle d’Aosta), whose core business consists of the management, maintenance, construction and widening of the related motorways operated under concession. This operating segment also includes companies (AD Moving, Giove Clear, Infoblue, Essediesse and Autostrade Tech) that provide support for the Italian motorway operators and that are subsidiaries of Autostrade per l’Italia;

b) **Overseas motorways**: this includes the activities of the holders of motorway concessions in Brazil, Chile, India and Poland, and the companies that provide operational support for these operators and the related foreign-registered holding companies. In addition, this segment includes the Italian holding company, Autostrade dell’Atlantico, which holds investments in South America;

c) **Italian airports**: this includes the airports business of Aeroporti di Roma, which holds the concession to operate and expand the airports of Rome Fiumicino and Rome Ciampino;

d) **Atlantia and other activities**: this segment includes:

1) the Parent Company, Atlantia, which operates as a holding company for its subsidiaries and associates whose business is the construction and operation of motorways, airports and transport infrastructure, parking areas and intermodal systems, or who engage in activities related to the management of motorway or airport traffic;

2) the companies that produce and operate free-flow tolling systems, traffic and transport management systems and electronic payment systems. The key companies in this segment are Telepass and Electronic Transaction Consultants;

3) infrastructure design, construction and maintenance, essentially carried out by Spea Engineering and Pavimental.

A summary of the key performance indicators for each segment, identified in accordance with the requirements of IFRS 8, is shown below.
### 3. Consolidated financial statements as at and for the year ended 31 December 2016

#### 2016

<table>
<thead>
<tr>
<th>€M</th>
<th>ITALIAN MOTORWAYS</th>
<th>OVERSEAS MOTORWAYS</th>
<th>ITALIAN AIRPORTS</th>
<th>ATLANTIA AND OTHER ACTIVITIES</th>
<th>CONSOLIDATION ADJUSTMENTS</th>
<th>UNALLOCATED ITEMS</th>
<th>TOTAL CONSOLIDATED AMOUNTS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>External revenue</strong></td>
<td>3,794</td>
<td>558</td>
<td>883</td>
<td>249</td>
<td>-</td>
<td>-</td>
<td>5,484</td>
</tr>
<tr>
<td>Intersegment revenue (a)</td>
<td>47</td>
<td>-</td>
<td>249</td>
<td>-</td>
<td>452</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total operating revenue</strong> (b)</td>
<td>3,841</td>
<td>569</td>
<td>885</td>
<td>652</td>
<td>-452</td>
<td>-</td>
<td>5,484</td>
</tr>
<tr>
<td><strong>EBITDA</strong> (c)</td>
<td>2,384</td>
<td>422</td>
<td>532</td>
<td>40</td>
<td>-</td>
<td>-</td>
<td>3,378</td>
</tr>
<tr>
<td>Amortisation, depreciation, impairment losses and reversals of impairment losses</td>
<td>-956</td>
<td>-956</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Provisions and other adjustments</td>
<td>-507</td>
<td>-507</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>EBIT</strong> (d)</td>
<td>2,315</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Financial income/(expenses)</td>
<td>-539</td>
<td>-539</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Profit/(Loss) before tax from continuing operations</td>
<td>1,776</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Income tax (expense)/benefit</td>
<td>-533</td>
<td>-533</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Profit/(Loss) from continuing operations</strong></td>
<td>1,243</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Profit/(Loss) from discontinued operations</td>
<td>-5</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Profit for the year</strong></td>
<td>1,238</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Operating cash flow (e)</td>
<td>1,632</td>
<td>340</td>
<td>387</td>
<td>41</td>
<td>-</td>
<td>-</td>
<td>2,400</td>
</tr>
<tr>
<td>Capital expenditure (f)</td>
<td>718</td>
<td>177</td>
<td>445</td>
<td>78</td>
<td>4</td>
<td>-</td>
<td>1,422</td>
</tr>
</tbody>
</table>

#### 2015

<table>
<thead>
<tr>
<th>€M</th>
<th>ITALIAN MOTORWAYS</th>
<th>OVERSEAS MOTORWAYS</th>
<th>ITALIAN AIRPORTS</th>
<th>ATLANTIA AND OTHER ACTIVITIES</th>
<th>CONSOLIDATION ADJUSTMENTS</th>
<th>UNALLOCATED ITEMS</th>
<th>TOTAL CONSOLIDATED AMOUNTS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>External revenue</strong></td>
<td>3,661</td>
<td>546</td>
<td>803</td>
<td>294</td>
<td>-</td>
<td>-</td>
<td>5,304</td>
</tr>
<tr>
<td>Intersegment revenue (a)</td>
<td>35</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>547</td>
<td>583</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total operating revenue</strong> (b)</td>
<td>3,696</td>
<td>646</td>
<td>804</td>
<td>841</td>
<td>-583</td>
<td>-</td>
<td>5,304</td>
</tr>
<tr>
<td><strong>EBITDA</strong> (c)</td>
<td>2,238</td>
<td>407</td>
<td>450</td>
<td>120</td>
<td>-</td>
<td>-</td>
<td>3,215</td>
</tr>
<tr>
<td>Amortisation, depreciation, impairment losses and reversals of impairment losses</td>
<td>-918</td>
<td>-918</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Provisions and other adjustments</td>
<td>-85</td>
<td>-85</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>EBIT</strong> (d)</td>
<td>2,153</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Financial income/(expenses)</td>
<td>-774</td>
<td>-774</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Profit/(Loss) before tax from continuing operations</td>
<td>1,488</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Income tax (expense)/benefit</td>
<td>-470</td>
<td>-470</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Profit/(Loss) from continuing operations</strong></td>
<td>988</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Profit/(Loss) from discontinued operations</td>
<td>7</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Profit for the year</strong></td>
<td>995</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Operating cash flow (e)</td>
<td>1,405</td>
<td>356</td>
<td>320</td>
<td>47</td>
<td>-</td>
<td>-</td>
<td>2,109</td>
</tr>
<tr>
<td>Capital expenditure (f)</td>
<td>952</td>
<td>172</td>
<td>318</td>
<td>66</td>
<td>-10</td>
<td>-</td>
<td>1,488</td>
</tr>
</tbody>
</table>
The following should be noted with regard to the operating segment information presented in the above tables:

a) intersegment revenue regards intragroup transactions between companies in different operating segments. They relate primarily to the design and construction of infrastructure carried out by Pavimental and Spea Engineering for the Group’s Italian operators;

b) total operating revenue does not include the balance of revenue from construction services, totalling €707 million in 2016 and €723 million in 2015;

c) EBITDA is calculated by deducting all operating costs, with the exception of amortisation, depreciation, impairment losses on assets and reversals of impairment losses, provisions and other adjustments, from operating revenue;

d) EBIT is calculated by deducting amortisation, depreciation, impairment losses on assets and reversals of impairment losses, provisions and other adjustments from EBITDA. EBIT differs from the item “Operating profit” in the consolidated income statement due to the fact that the capitalised component of financial expenses relating to construction services is not shown in this table, as indicated in note b) above. The relevant amounts total €5 million in 2016 and €29 million in 2015;

e) operating cash flow is calculated as profit + amortisation/depreciation +/- impairments/reversals of impairments of assets +/- provisions/releases of provisions + other adjustments + financial expenses from discounting of provisions +/- share of profit/(loss) of investees accounted for using equity method +/- (losses)/gains on sale of assets +/- other non-cash items +/- deferred tax assets/liabilities recognised in the income statement;

f) the figure for capital expenditure includes investment in assets held under concession, in property, plant and equipment and in other intangible assets, as shown in the consolidated statement of cash flows.

EBITDA, EBIT and operating cash flow are not measures of performance defined by the IFRS adopted by the European Union and have not, therefore, been audited.

Finally, it should be noted that in 2016, the Group did not earn revenue from any specific customer in excess of 10% of the Group’s total revenue for the year.

Analysis by geographical segment

The following table shows the contribution of each geographical segment to the Atlantia Group’s revenue and non-current assets.

<table>
<thead>
<tr>
<th>€M</th>
<th>REVENUE</th>
<th>NON-CURRENT ASSETS (*)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
<td>2015</td>
</tr>
<tr>
<td>Italy</td>
<td>4,530</td>
<td>5,232</td>
</tr>
<tr>
<td>Poland</td>
<td>153</td>
<td>75</td>
</tr>
<tr>
<td>France</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Portugal</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other European countries</td>
<td>11</td>
<td>5</td>
</tr>
<tr>
<td>Sub-total Europe</td>
<td>4,696</td>
<td>5,314</td>
</tr>
<tr>
<td>Brazil</td>
<td>640</td>
<td>328</td>
</tr>
<tr>
<td>Chile</td>
<td>716</td>
<td>308</td>
</tr>
<tr>
<td>USA</td>
<td>127</td>
<td>71</td>
</tr>
<tr>
<td>India</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>6,180</td>
<td>6,021</td>
</tr>
</tbody>
</table>

(*) In accordance with IFRS 8, non-current assets do not include non-current financial assets or deferred tax assets.
10.2 Disclosures regarding non-controlling interests in consolidated companies and structured entities

Disclosure regarding non-controlling interests
The following list shows the principal consolidated companies with non-controlling interests as at 31 December 2016 (with the relevant comparatives as at 31 December 2015). A complete list of the Group’s investments as at 31 December 2016 is provided in Annex 1, “The Atlantia Group’s scope of consolidation and investments”. 
The consolidated companies deemed relevant for the Atlantia Group, in terms of the percentage interests held by non-controlling shareholders for the purposes of the disclosures required by IFRS 12, are the following:

a) the Brazilian sub-holding company, AB Concessões, and its subsidiaries;
b) the Chilean sub-holding company, Grupo Costanera, and its direct and indirect subsidiaries;
c) Aeroporti di Roma and its subsidiaries;
d) Azzurra Aeroporti and its subsidiaries.

<table>
<thead>
<tr>
<th>NON-CONTROLLING INTERESTS IN CONSOLIDATED COMPANIES</th>
<th>COUNTRY</th>
<th>31 December 2016</th>
<th>31 December 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>GROUP</td>
<td>NON-</td>
<td>GROUP</td>
</tr>
<tr>
<td></td>
<td>INTEREST</td>
<td>CONTROLLING</td>
<td>INTEREST</td>
</tr>
<tr>
<td><strong>Italian motorways</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Autostrade Meridionali SpA</td>
<td>Italy</td>
<td>58.98%</td>
<td>41.02%</td>
</tr>
<tr>
<td>Società Italiana per Azioni per il Traforo del Monte Bianco SpA</td>
<td>Italy</td>
<td>51.00%</td>
<td>49.00%</td>
</tr>
<tr>
<td>Raccordo Autostradale Valle d’Aosta SpA</td>
<td>Italy</td>
<td>24.46%</td>
<td>75.54%</td>
</tr>
<tr>
<td><strong>Overseas motorways</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AB Concessões SA</td>
<td>Brazil</td>
<td>50.00%</td>
<td>50.00%</td>
</tr>
<tr>
<td>Concessionária da Rodovia MG 050 SA</td>
<td>Brazil</td>
<td>50.00%</td>
<td>50.00%</td>
</tr>
<tr>
<td>Rodovia das Colinas SA</td>
<td>Brazil</td>
<td>50.00%</td>
<td>50.00%</td>
</tr>
<tr>
<td>Triângulo do Sol Auto-Estradas SA</td>
<td>Brazil</td>
<td>50.00%</td>
<td>50.00%</td>
</tr>
<tr>
<td>Grupo Costanera SA</td>
<td>Chile</td>
<td>50.01%</td>
<td>49.99%</td>
</tr>
<tr>
<td>Sociedad concesionaria AMB SA</td>
<td>Chile</td>
<td>50.01%</td>
<td>49.99%</td>
</tr>
<tr>
<td>Sociedad concesionaria Costanera Norte SA</td>
<td>Chile</td>
<td>50.01%</td>
<td>49.99%</td>
</tr>
<tr>
<td>Sociedad concesionaria Litoral Central SA</td>
<td>Chile</td>
<td>50.01%</td>
<td>49.99%</td>
</tr>
<tr>
<td>Sociedad Gestion Vial SA</td>
<td>Chile</td>
<td>50.01%</td>
<td>49.99%</td>
</tr>
<tr>
<td>Sociedad Operation y Logistica de Infraestructuras SA</td>
<td>Chile</td>
<td>50.01%</td>
<td>49.99%</td>
</tr>
<tr>
<td>Sociedad concesionaria Autopista Nororiental SA</td>
<td>Chile</td>
<td>50.01%</td>
<td>49.99%</td>
</tr>
<tr>
<td>Sociedad concesionaria Autopista Nueva Vespudo Sur SA</td>
<td>Chile</td>
<td>50.01%</td>
<td>49.99%</td>
</tr>
<tr>
<td>Stalexport Autostrady SA</td>
<td>Poland</td>
<td>61.20%</td>
<td>38.80%</td>
</tr>
<tr>
<td>Stalexport Autostrada Małopolska SA</td>
<td>Poland</td>
<td>61.20%</td>
<td>38.80%</td>
</tr>
<tr>
<td>Stalexport Autoroute SAR.L.</td>
<td>Poland</td>
<td>61.20%</td>
<td>38.80%</td>
</tr>
<tr>
<td>Via4 SA</td>
<td>Poland</td>
<td>33.66%</td>
<td>66.34%</td>
</tr>
<tr>
<td><strong>Italian airports</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aeroporti di Roma SpA</td>
<td>Italy</td>
<td>96.73%</td>
<td>3.27%</td>
</tr>
<tr>
<td>Airport Cleaning Srl</td>
<td>Italy</td>
<td>96.73%</td>
<td>3.27%</td>
</tr>
<tr>
<td>Aerd Assistance Srl</td>
<td>Italy</td>
<td>96.73%</td>
<td>3.27%</td>
</tr>
<tr>
<td>Aerd Mobility Srl</td>
<td>Italy</td>
<td>96.73%</td>
<td>3.27%</td>
</tr>
<tr>
<td>Aerd Security Srl</td>
<td>Italy</td>
<td>96.73%</td>
<td>3.27%</td>
</tr>
<tr>
<td>Aerd Sviluppo Srl</td>
<td>Italy</td>
<td>96.73%</td>
<td>3.27%</td>
</tr>
<tr>
<td>Aerd Tel Spa</td>
<td>Italy</td>
<td>96.73%</td>
<td>3.27%</td>
</tr>
<tr>
<td>Fiumicino Energia Srl</td>
<td>Italy</td>
<td>87.14%</td>
<td>12.86%</td>
</tr>
<tr>
<td>Leonardo Energia - Società consortile a.r.l.</td>
<td>Italy</td>
<td>88.10%</td>
<td>11.90%</td>
</tr>
<tr>
<td><strong>Overseas airports</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aca C1</td>
<td>France</td>
<td>51.42%</td>
<td>48.58%</td>
</tr>
<tr>
<td>ACA Holding SAs.</td>
<td>France</td>
<td>51.42%</td>
<td>48.58%</td>
</tr>
<tr>
<td>Aéroports de la Côte d’Azur</td>
<td>France</td>
<td>51.42%</td>
<td>48.58%</td>
</tr>
<tr>
<td>Aéroports du Golfe de Saint Tropez</td>
<td>France</td>
<td>51.38%</td>
<td>48.62%</td>
</tr>
<tr>
<td>Azzurra Aeroporti Srl</td>
<td>Italy</td>
<td>80.34%</td>
<td>19.66%</td>
</tr>
<tr>
<td>Sci la ratonière</td>
<td>France</td>
<td>51.42%</td>
<td>48.58%</td>
</tr>
<tr>
<td>Sky Valet France Sas</td>
<td>France</td>
<td>51.42%</td>
<td>48.58%</td>
</tr>
<tr>
<td>Jetbase</td>
<td>Portugal</td>
<td>51.42%</td>
<td>48.58%</td>
</tr>
<tr>
<td>Sky Valet Spain Sl</td>
<td>Spain</td>
<td>51.42%</td>
<td>48.58%</td>
</tr>
<tr>
<td><strong>Other activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ecomouv SAS.</td>
<td>France</td>
<td>70.00%</td>
<td>30.00%</td>
</tr>
<tr>
<td>Electronic Transactions Consultants Co.</td>
<td>USA</td>
<td>64.46%</td>
<td>35.54%</td>
</tr>
<tr>
<td>Infoblu SpA</td>
<td>Italy</td>
<td>75.00%</td>
<td>25.00%</td>
</tr>
</tbody>
</table>
The non-controlling interests in these sub-groups of companies are deemed relevant in relation to their contribution to the Atlantia Group’s consolidated accounts. It should be noted that:

a) the non-controlling interest in AB Concessões is held by a sole shareholder (a Bertin group company from Brazil);
b) the non-controlling interest in Grupo Costanera (49.99%) is held by the Canadian fund, Canada Pension Plan Investment Board;
c) Azzurra Aeroporti, which directly controls Aéroports de la Côte d’Azur with a 64% interest, is owned by Atlantia and Aeroporti di Roma through their respective interests of 65% and 10% and by EDF Invest, which has a 25% interest. Including preference rights (described in note 6.2), the interests are as follows: Atlantia 72.84%, Aeroporti di Roma 7.76% and EDF Invest 19.40%. The Atlantia Group’s total interest amounts to 80.343%, representing the sum of Atlantia’s interest (72.836%) and the Aeroporti di Roma group’s interest of 7.507%.

The key financial indicators presented in the following table thus include amounts for the above companies and their respective subsidiaries, extracted, unless otherwise indicated, from the reporting packages prepared by these companies for the purposes of Atlantia’s consolidated financial statements, in addition to the accounting effects of acquisitions (fair value adjustments of the net assets acquired).

<table>
<thead>
<tr>
<th>€M</th>
<th>AB CONCESSÓES AND DIRECT SUBSIDIARIES</th>
<th>GRUPO COSTANERA AND DIRECT AND INDIRECT SUBSIDIARIES</th>
<th>AEROPORTI DI ROMA AND DIRECT SUBSIDIARIES</th>
<th>AZZURRA AEROPORTI AND DIRECT SUBSIDIARIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue (1)</td>
<td>314</td>
<td>327</td>
<td>287</td>
<td>280</td>
</tr>
<tr>
<td>Profit for the year</td>
<td>40</td>
<td>76</td>
<td>125</td>
<td>124</td>
</tr>
<tr>
<td>Profit/(Loss) for the year attributable to non-controlling interests (2)</td>
<td>20</td>
<td>38</td>
<td>63</td>
<td>62</td>
</tr>
<tr>
<td>Net cash generated from operating activities (3)</td>
<td>52</td>
<td>89</td>
<td>185</td>
<td>181</td>
</tr>
<tr>
<td>Net cash used in investing activities (3)</td>
<td>-86</td>
<td>-121</td>
<td>-103</td>
<td>-33</td>
</tr>
<tr>
<td>Effect of exchange rate movements on cash and cash equivalents (3)</td>
<td>10</td>
<td>7</td>
<td>-40</td>
<td>-23</td>
</tr>
<tr>
<td>Increase/(Decrease) in cash and cash equivalents (3)</td>
<td>-13</td>
<td>-47</td>
<td>85</td>
<td>113</td>
</tr>
<tr>
<td>Dividends paid to non-controlling shareholders</td>
<td>-</td>
<td>16</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>€M</th>
<th>AB CONCESSÓES AND DIRECT SUBSIDIARIES</th>
<th>GRUPO COSTANERA AND DIRECT AND INDIRECT SUBSIDIARIES</th>
<th>AEROPORTI DI ROMA AND DIRECT SUBSIDIARIES</th>
<th>AZZURRA AEROPORTI AND DIRECT SUBSIDIARIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-current assets</td>
<td>2,412</td>
<td>1,911</td>
<td>3,224</td>
<td>2,922</td>
</tr>
<tr>
<td>Current assets</td>
<td>162</td>
<td>126</td>
<td>663</td>
<td>697</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>1,199</td>
<td>1,013</td>
<td>1,805</td>
<td>1,686</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>470</td>
<td>324</td>
<td>173</td>
<td>313</td>
</tr>
<tr>
<td>Net assets</td>
<td>906</td>
<td>700</td>
<td>1,909</td>
<td>1,620</td>
</tr>
<tr>
<td>Net assets attributable to non-controlling interests (3)</td>
<td>454</td>
<td>351</td>
<td>969</td>
<td>823</td>
</tr>
</tbody>
</table>

Notes:
1. This item includes toll revenue, aviation revenue, revenue from construction services, contract revenue and other operating income.
2. The amounts shown contribute to the Atlantia Group’s consolidated amounts and, therefore, include the impact of any consolidation adjustments.

Disclosures regarding structured entities included in the scope of consolidation

Romulus Finance (“Romulus”), a securitisation vehicle that qualifies as a structured entity under IFRS 12, concluded an issuer substitution transaction with its parent (as defined by IFRS 10), Aeroporti di Roma (“ADR”) in 2016. As a result, ADR has replaced Romulus, assuming all the obligations relating to the vehicle’s previous debt: namely the A4 tranche of notes dating from 2003 and the related cross currency swaps (“CCSs”).
As a result, the intercompany loan agreement between Romulus and Aeroporti di Roma, which had the purpose of providing the vehicle with the funds needed to service its debt to its noteholders and swap counterparties, was terminated, and all the related guarantees cancelled, along with the series of restrictions and obligations that the securitisation had imposed on Aeroporti di Roma since 2003. A sole collateral guarantee governed by English law, granted to tranche A4 noteholders (the Issuer Deed of Charge), remains. This guarantees any future claims on the CCS counterparties. This collateral which, as things stand, is unlikely to be activated given the current negative market value of the CCSs, does not entail any violation of the negative pledge clauses in the Group’s loan agreements, bearing in mind the introduction of a cap on its value, amounting to €96.5 million, which is below the minimum threshold for activation of the pledges.

Disclosures regarding structured entities not included in the scope of consolidation

Unconsolidated subsidiaries include Gemina Fiduciary Services (“GFS”), in which Atlantia holds a 99.99% interest. This company is registered in Luxembourg and its sole purpose is to represent the interests of the holders of notes with a value of 40 million US dollars issued, in June 1997, by Banco Credito Provincial (Argentina), which subsequently became insolvent.

10.3 Guarantees

The Group has certain personal guarantees in issue to third parties as at 31 December 2016. These include, listed by importance:

a) the guarantee issued by Atlantia in favour of credit institutions on behalf of Strada dei Parchi as a safeguard against the impact on cash flow hedges of movements in interest rates. The amount of the guarantee, based on the fair value of the hedges, has been capped at €40,000 thousand, which corresponds to the value as at 31 December 2016. This guarantee was renewed for a further 12 months in February 2017. The guarantee can only be enforced if the concession held by Strada dei Parchi is terminated, whilst Atlantia has received a counter-indemnity from Toto Holding (Strada dei Parchi’s majority shareholder), which has undertaken to assume Atlantia’s guarantee obligations by 31 October 2017;

b) bank guarantees provided by Tangenziale di Napoli (€27,322 thousand) to the Ministry of Infrastructure and Transport, as required by the covenants in the relevant concession arrangement;

c) Atlantia’s corporate counter-indemnity issued on behalf of the subsidiary, Electronic Transaction Consultants, to the insurance companies (a “surety”) which have issued performance and maintenance bonds totalling €106,323 thousand for free-flow tolling projects;

d) guarantees issued by the Brazilian, Chilean and Polish operators and by Azzurra Aeroporti securing project financing in the form of either bank loans or bonds;

e) bank guarantees provided by Telepass (€25,789 thousand) to certain French operators in connection with the company’s operations in France.

As at 31 December 2016, the shares of certain of the Group’s overseas operators (Rodovia das Colinas, Concessionaria da Rodovia MG050, Triangulo do Sol, Sociedad Concesionaria Costanera Norte, Sociedad Concesionaria de Los Lagos, Sociedad Concesionaria Autopista Nororiente, Sociedad Concesionaria Litoral Central, Sociedad Concesionaria Vespucio Sur and Stalexport Autostrada Malopolska) have also been pledged to the respective providers of project financing to the same companies, as have shares in Pune Solapur Expressways, Lusoponte Tangenziale Esterna and Bologna & Fiera Parking.

Finally, Azzurra Aeroporti’s shareholding in Aéroports de la Côte d’Azur (ACA) has also been pledged as collateral to the providers of the company’s new project financing.
10.4  Reserves

As at 31 December 2016, Group companies have recognised contract reserves quantified by contractors amounting to approximately €817 million (€1,630 million as at 31 December 2015). Based on past experience, only a small percentage of the reserves will actually have to be paid to contractors and, in this case, will be accounted for as an increase in the cost of intangible assets deriving from concession rights. Reserves have also been recognised in relation to works not connected to investment (work for external parties and maintenance), amounting to approximately €43 million. The estimated future cost is covered by provisions for disputes accounted for in the consolidated financial statements as at and for the year ended 31 December 2016.
10.5 Related party transactions

In implementation of the provisions of art. 2391-bis of the Italian Civil Code, the Regulations adopted by the Commissione Nazionale per le Società e la Borsa (the CONSOB) in Resolution 17221 of 12 March 2010, as amended, and Resolution 17389 of 23 June 2010, on 11 November 2010 Atlanta’s Board of Directors - with the prior approval of the Independent Directors on the Related Party Transactions Committee – approved the new Procedure for Related Party Transactions entered into directly by the Company and/or through subsidiaries.

The Procedure, which is available for inspection at the Company’s website www.atlantia.it, establishes the criteria to be used in identifying related parties, in distinguishing between transactions of greater and lesser significance and in applying the rules governing the above transactions of greater and lesser significance, and in fulfilling the related reporting requirements.

The following table shows material amounts of a trading or financial nature in the income statement and statement of financial position generated by the Atlanta Group’s related party transactions, including those with Directors, Statutory Auditors and key management personnel at Atlanta SpA.
### 3. Consolidated financial statements as at and for the year ended 31 December 2016

#### PRINCIPAL FINANCIAL TRANSACTIONS WITH RELATED PARTIES

<table>
<thead>
<tr>
<th></th>
<th>Assets</th>
<th>Income</th>
<th>Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other non-current financial assets</td>
<td>-</td>
<td>-</td>
<td>0.1</td>
</tr>
<tr>
<td>Current financial assets deriving from government grants</td>
<td>-</td>
<td>-</td>
<td>0.1</td>
</tr>
<tr>
<td>Total</td>
<td>0.1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Other current financial assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current financial assets deriving from government grants</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>Other financial income</td>
<td>Other financial expenses</td>
<td>Total</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>31 December 2016</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rodovias do Tietê</td>
<td>23.6</td>
<td>3.5</td>
</tr>
<tr>
<td>Total joint ventures</td>
<td>23.6</td>
<td>3.5</td>
</tr>
<tr>
<td>Autogrill</td>
<td>0.5</td>
<td>0.5</td>
</tr>
<tr>
<td>Total affiliates</td>
<td>0.6</td>
<td>0.6</td>
</tr>
<tr>
<td>Gemina Fiduciary Services</td>
<td>0.1</td>
<td>-</td>
</tr>
<tr>
<td>Pavimental Est</td>
<td>0.5</td>
<td>0.5</td>
</tr>
<tr>
<td>Total other companies</td>
<td>0.6</td>
<td>0.6</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>23.6</td>
<td>4.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>31 December 2015</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Autostrada Tirrenica (1)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Pedemontana Veneta (in liquidation)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total associates</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td>Rodovias do Tietê</td>
<td>15.6</td>
<td>2.4</td>
</tr>
<tr>
<td>Total joint ventures</td>
<td>15.6</td>
<td>2.4</td>
</tr>
<tr>
<td>Autogrill</td>
<td>0.5</td>
<td>0.9</td>
</tr>
<tr>
<td>Total affiliates</td>
<td>0.6</td>
<td>0.9</td>
</tr>
<tr>
<td>Gemina Fiduciary Services</td>
<td>0.3</td>
<td>-</td>
</tr>
<tr>
<td>Pavimental Est</td>
<td>0.3</td>
<td>-</td>
</tr>
<tr>
<td>Total other companies</td>
<td>0.4</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>15.6</td>
<td>9.9</td>
</tr>
</tbody>
</table>

(1) The amounts included in the table refer to financial income recognised until the date of consolidation of SAT, following the Group’s acquisition of control of this company in September 2015.
Related party transactions do not include transactions of an atypical or unusual nature, and are conducted on an arm’s length basis.

The principal transactions entered into by the Group with related parties are described below.

**The Atlantia Group’s transactions with its parents**

As at 31 December 2016, the Group is owed €7.6 million by the parent, Sintonia. This amount regards tax rebates claimed by Schemaventotto in prior years in respect of income taxes paid during the period in which this company headed the Group’s tax consolidation arrangement. During 2016, the Atlantia Group did not engage in material trading or financial transactions with its direct or indirect parents.

**The Atlantia Group’s transactions with other related parties**

For the purposes of the above CONSOB Resolution, which applies the requirements of IAS 24, the Autogrill group (“Autogrill”), which is under the common control of Edizione Srl, is treated as a related party. With regard to relations between the Atlantis Group’s motorway operators and the Autogrill group, it should be noted that, as at 31 December 2016, Autogrill operates 106 food service concessions at service areas along the Group’s motorway network and 13 food service concessions at the airports managed by the Group. During 2016, the Atlantis Group earned revenue of approximately €83 million on transactions with Autogrill, including €73 million in royalties deriving from the management of service areas and airport sub-concessions. Recurring income is generated by contracts entered into over various years, of which a large part was awarded as a result of transparent and non-discriminatory competitive tenders. As at 31 December 2016, trading assets due from Autogrill amount to €38 million.

**10.6 Disclosures regarding share-based payments**

In order to incentivise and foster the loyalty of directors and/or employees holding key positions and responsibilities within Atlantis or in Group companies, and to promote and disseminate a value creation culture in all strategic and operational decision-making processes, driving the Group’s growth and boosting management efficiency, a number of share incentive plans based on Atlantis’s shares have been introduced in previous years. The plans entail payment in the form of shares or cash and are linked to the achievement of predetermined corporate objectives.

There were no changes, during 2016, in the share-based incentive plans already adopted by the Group as at 31 December 2014 and originally approved by the Annual General Meetings of shareholders held on 20 April 2011 (later amended by subsequent Annual General Meetings) and 16 April 2014.

The following table shows the main aspects of existing incentive plans as at 31 December 2016, including the options and units awarded to directors and employees of the Group and changes during 2016 (in terms of new awards and the exercise, conversion or lapse of rights). The table also shows the fair value (at the grant date) of each option or unit awarded, as determined by a specially appointed expert, using the Monte Carlo model and other assumptions. The amounts have been adjusted for the amendments to the plans originally approved, which were required to ensure plan benefits remained substantially unchanged despite the dilution caused by the conference issues approved by the shareholders on 20 April 2011 and 24 April 2012.
### 2011 SHARE OPTION PLAN

**Options outstanding as at 1 January 2016**

<table>
<thead>
<tr>
<th>Exercise/grant date</th>
<th>Number of options/units awarded</th>
<th>Exercise price (€)</th>
<th>Fair value of each option or unit at grant date (€)</th>
<th>Expected volatility (based on historic mean)</th>
<th>Expected dividends at grant date</th>
</tr>
</thead>
<tbody>
<tr>
<td>13 May 2011 grant</td>
<td>279,860</td>
<td>14.78</td>
<td>6.0</td>
<td>2.60%</td>
<td>25.2%</td>
</tr>
<tr>
<td>14 October 2011 grant</td>
<td>13,041</td>
<td>14.78</td>
<td>(*)</td>
<td>(*)</td>
<td>(*)</td>
</tr>
<tr>
<td>14 June 2012 grant</td>
<td>14,682</td>
<td>14.78</td>
<td>(*)</td>
<td>(*)</td>
<td>(*)</td>
</tr>
<tr>
<td>8 November 2013 grant</td>
<td>1,502,387</td>
<td>9.66</td>
<td>2.21</td>
<td>2.39%</td>
<td>30.8%</td>
</tr>
<tr>
<td>13 May 2014 grant</td>
<td>173,762</td>
<td>N/A (***)</td>
<td>14 May 2017</td>
<td>N/A (***)</td>
<td>N/A (***)</td>
</tr>
<tr>
<td>14 June 2015 grant</td>
<td>52,269</td>
<td>N/A (***)</td>
<td>14 June 2018</td>
<td>N/A (***)</td>
<td>N/A (***)</td>
</tr>
</tbody>
</table>

**Changes in options in 2016**

- options exercised: 609,287
- options lapsed: -180,729

**Total**: 1,817,902

**Options outstanding as at 31 December 2016**: 1,739,314

### 2011 SHARE GRANT PLAN

**Units outstanding as at 1 January 2016**

<table>
<thead>
<tr>
<th>Grant date</th>
<th>Number of units granted</th>
<th>Vesting period</th>
<th>Exercise/grant date</th>
<th>Fair value of each unit at grant date (€)</th>
<th>Expected volatility (based on historic mean)</th>
<th>Expected dividends at grant date</th>
</tr>
</thead>
<tbody>
<tr>
<td>13 May 2011</td>
<td>152,376</td>
<td>2014</td>
<td>14 May 2016</td>
<td>N/A</td>
<td>12.9</td>
<td>4.0 - 5.0</td>
</tr>
<tr>
<td>14 October 2011</td>
<td>9,018</td>
<td>2014</td>
<td>14 May 2016</td>
<td>N/A (***)</td>
<td>N/A (***)</td>
<td>N/A (***)</td>
</tr>
<tr>
<td>14 June 2012</td>
<td>10,168</td>
<td>2014</td>
<td>14 May 2016</td>
<td>N/A (***)</td>
<td>N/A (***)</td>
<td>N/A (***)</td>
</tr>
<tr>
<td>8 November 2013</td>
<td>348,384</td>
<td>2015</td>
<td>15 June 2017</td>
<td>N/A (***)</td>
<td>N/A (***)</td>
<td>N/A (***)</td>
</tr>
<tr>
<td>13 May 2014</td>
<td>209,420</td>
<td>2015</td>
<td>9 November 2018</td>
<td>N/A (***)</td>
<td>N/A (***)</td>
<td>N/A (***)</td>
</tr>
</tbody>
</table>

**Changes in units in 2016**

- units converted into shares on 15 May 2015: -97,439
- units lapsed: -48,382

**Total**: 624,098

**Units outstanding as at 31 December 2016**: 404,976

### MBO SHARE GRANT PLAN

**Units outstanding as at 1 January 2016**

<table>
<thead>
<tr>
<th>Grant date</th>
<th>Number of units granted</th>
<th>Vesting period</th>
<th>Exercise/grant date</th>
<th>Fair value of each unit at grant date (€)</th>
<th>Expected volatility (based on historic mean)</th>
<th>Expected dividends at grant date</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 May 2013</td>
<td>41,077</td>
<td>2014</td>
<td>14 June 2015</td>
<td>N/A (***)</td>
<td>N/A (***)</td>
<td>N/A (***)</td>
</tr>
<tr>
<td>8 November 2013</td>
<td>49,446</td>
<td>2014</td>
<td>8 November 2016</td>
<td>N/A (***)</td>
<td>N/A (***)</td>
<td>N/A (***)</td>
</tr>
<tr>
<td>12 May 2014</td>
<td>61,627</td>
<td>2014</td>
<td>12 May 2017</td>
<td>N/A (***)</td>
<td>N/A (***)</td>
<td>N/A (***)</td>
</tr>
</tbody>
</table>

**Changes in units in 2016**

- units converted into shares on 16 June 2016: -103,197
- units converted into shares on 15 May 2015: -97,439
- units lapsed: -48,382

**Units outstanding as at 31 December 2016**: 348,394

### 2011 SHARE OPTION PLAN

**Options outstanding as at 1 January 2016**

<table>
<thead>
<tr>
<th>Exercise/grant date</th>
<th>Number of options/units awarded</th>
<th>Exercise price (€)</th>
<th>Fair value of each option or unit at grant date (€)</th>
<th>Expected volatility (based on historic mean)</th>
<th>Expected dividends at grant date</th>
</tr>
</thead>
<tbody>
<tr>
<td>9 May 2014 grant</td>
<td>2,971,817</td>
<td>13.81</td>
<td>3.0</td>
<td>0.53%</td>
<td>27.2%</td>
</tr>
<tr>
<td>14 October 2011 grant</td>
<td>2,718,203</td>
<td>14.51</td>
<td>3.0</td>
<td>0.53%</td>
<td>27.2%</td>
</tr>
<tr>
<td>14 June 2012 grant</td>
<td>49,446</td>
<td>16.82</td>
<td>3.0</td>
<td>0.53%</td>
<td>27.2%</td>
</tr>
<tr>
<td>8 November 2013 grant</td>
<td>348,384</td>
<td>11.87</td>
<td>3.0</td>
<td>0.53%</td>
<td>27.2%</td>
</tr>
<tr>
<td>13 May 2014 grant</td>
<td>96,282</td>
<td>11.87</td>
<td>3.0</td>
<td>0.53%</td>
<td>27.2%</td>
</tr>
<tr>
<td>12 May 2014 grant</td>
<td>209,420</td>
<td>11.87</td>
<td>3.0</td>
<td>0.53%</td>
<td>27.2%</td>
</tr>
</tbody>
</table>

**Options outstanding as at 31 December 2016**: 8,080,274

(*) Options and units awarded as a result of Atlantia’s bonus issues which, therefore, do not represent the award of new benefits.

(**) These are phantom share options granted in place of certain conditional rights included in the grants of 2011 and 2012, and which, therefore, do not represent the award of new benefits.

(***) Given that this is a cash bonus plan, involving payment of a gross amount in cash, the 2014 Phantom Share Option Plan does not require an exercise price. However, the Terms and Conditions of this specific plan indicate an “Exercise price” (equal to the arithmetic mean of Atlantia’s share price in a determinate period) as the basis on which to calculate the gross amount to be paid to beneficiaries.
Details of each plan are contained in specific information circulars prepared pursuant to art. 84-bis of CONSOB Regulation 11971/1999, as amended, and in the Remuneration Report prepared pursuant to art. 123 ter of the Consolidated Finance Act. These documents, to which reference should be made, are published in the “Remuneration” section of the Company’s website at www.atlantia.it.

2011 Share Option Plan

Description
As approved by the Annual General Meeting of shareholders on 20 April 2011, and amended by the Annual General Meeting of shareholders on 30 April 2013 and 16 April 2014, the 2011 Share Option Plan entails the award of up to 2,500,000 options free of charge in three annual award cycles (2011, 2012 and 2013). Each option will grant beneficiaries the right to purchase one ordinary Atlantia share held in treasury, with settlement involving either physical delivery or, at the beneficiary’s option, a cash payment equivalent to the proceeds from the sale of the shares on the stock exchange organised and managed by Borsa Italiana SpA, after deduction of the full exercise price. The exercise price is equivalent to the average of the official prices of Atlantia’s ordinary shares in the month prior to the date on which Atlantia’s Board of Directors announces the beneficiary and the number of options to be awarded. The options granted will vest in accordance with the Plan terms and conditions and, in particular, only if, on expiration of the vesting period (three years from the date of award of the options to beneficiaries by the Board of Directors), cumulative FFO for the three annual reporting periods preceding expiration of the vesting period, adjusted for a number of specific items (total operating cash flow of the Group, Atlantia or of certain of its subsidiaries – depending on the role held by the various beneficiaries of the Plan), is higher than a pre-established target, unless otherwise decided by the Board of Directors, which has the authority to assign beneficiaries further targets. Vested options may be exercised, in part, from the first day following expiration of the vesting period and, in part, from the end of the first year following expiration of the vesting period and, in any event, in the three years following expiration of the vesting period (subject to the clause in the Plan terms and conditions requiring executive Directors and key management personnel to retain a minimum holding). The maximum number of exercisable options will be calculated on the basis of a mathematical algorithm that takes account, among other things, of the current value and the exercise price, plus any dividends paid, so as to cap the realisable gain.

Changes in options in 2016
The vesting period for the third award cycle expired on 8 November 2016. In accordance with the Terms and Conditions of this plan, following confirmation of effective achievement of the related performance hurdles, the final value of the shares (the arithmetic mean of the share price in the fifteen days prior to the vesting date) was determined as well as the additional options resulting from dividends paid during the vesting period. On 4 March 2016, Atlantia’s Board of Directors, exercising the authority provided for in the Plan Terms and Conditions, awarded the plan beneficiaries, in place of these additional options, a matching amount of phantom options in such a way that, on exercising the awarded options, the beneficiaries receive a gross amount in cash, determined with a calculation method which allow the beneficiaries to receive a net amount equal to what would have been received if they had exercised the additional options (resulting in the award of shares in Atlantia and payment of the exercise price) and sold the underlying shares in the market.
On expiry of the vesting period, this resulted in the award of a total of 526,965 phantom options for the second cycle of the plan. For the reasons given above, the options awarded do not constitute an additional benefit with respect to the benefits established in the Plan Terms and Conditions.

During 2016, a number of beneficiaries exercised vested options and paid the established exercise price; this entailed the allocation to them of Atlantia’s ordinary shares held by the Company as treasury shares. This resulted in the transfer of:

- 83,507 of Atlantia’s ordinary shares to beneficiaries in connection with the second cycle, the vesting period for which expired on 14 June 2015; moreover, 30,639 phantom options awarded in 2015 were exercised;
- 198,026 of Atlantia’s ordinary shares to beneficiaries in connection with the third cycle, the vesting period for which expired on 8 November 2016, whilst no phantom options awarded in 2016 were exercised.

Thus, as at 31 December 2016, taking into account lapsed options at that date, the remaining options outstanding total 1,739,314, including 548,685 phantom options awarded under the second and third cycles (the unit fair values of which, as at 31 December 2016, was measured as €16.93 and €7.87, in place of the unit fair values at the grant date).

2011 Share Grant Plan

Description
As approved by the Annual General Meeting of shareholders on 20 April 2011, and amended by the Annual General Meeting of shareholders on 30 April 2013, the 2011 Share Grant Plan entails the grant of up to 920,000 units free of charge in three annual award cycles (2011, 2012 and 2013). Each unit will grant beneficiaries the right to receive one Atlantia ordinary share held in treasury, with settlement involving either physical delivery or, at the beneficiary’s option, a cash payment equivalent to the proceeds from the sale of the shares on the stock exchange organised and managed by Borsa Italiana SpA.

The units granted will vest in accordance with the Plan terms and conditions and, in particular, only if, on expiration of the vesting period (three years from the date the units are granted to beneficiaries by the Board of Directors), cumulative FFO for the three annual reporting periods preceding expiration of the vesting period, adjusted for a number of specific items (total operating cash flow of the Group, Atlantia or of certain of its subsidiaries – depending on the role held by the various beneficiaries of the Plan) is higher than a pre-established target, unless otherwise decided by the Board of Directors. Vested units may be converted into shares, in part, after one year from the date of expiration of the vesting period and, in part, after two years from the date of expiration of the vesting period (subject to the clause in the Plan terms and conditions requiring executive Directors and key management personnel to maintain a minimum holding). The number of convertible units will be calculated on the basis of a mathematical algorithm that takes account, among other things, of the current value and initial value of the shares so as to cap the realisable gain.

Changes in units in 2016
The vesting period for the third award cycle expired on 8 November 2016. In accordance with the Terms and Conditions of this plan, following confirmation of effective achievement of the related performance hurdles, the units previously awarded vested: these units may be converted into Atlantia’s ordinary shares from 8 November 2017.

In addition, with regard to the first award cycle, the vesting period for which expired on 13 May 2014, on 16 May 2016 vested units were converted, in accordance with the Plan Terms and Conditions, into Atlantia’s ordinary shares. As a result, Plan beneficiaries received 103,197 shares held by the Company as treasury shares. The first award cycle for this Plan has thus expired.

In addition, in accordance with the Plan Terms and Conditions, on 16 June 2016 a portion of the vested units granted to the beneficiaries of the second award cycle (the vesting period for which expired on 14 June 2015) was converted into Atlantia’s ordinary shares, with beneficiaries receiving 98,582 shares held
by the Company as treasury shares. The remaining units will be converted into Atlantia’s ordinary shares from 15 June 2017. As at 31 December 2016, taking into account lapsed units at that date, the remaining units outstanding total 406,576.

**MBO Share Grant Plan**

**Description**

As approved by the Annual General Meetings of shareholders on 20 April 2011 and amended by the Annual General Meetings of 30 April 2013 and 16 April 2014, the MBO Share Grant Plan, serving as part payment of the annual bonus for the achievement of objectives assigned to each beneficiary under the Management by Objectives (MBO) plan adopted by the Atlantia Group in 2011, 2012 and 2013, entails the grant of up to 340,000 units free of charge annually for three years (2012, 2013 and 2014). Each unit will grant beneficiaries the right to receive one ordinary share in Atlantia SpA held in treasury. The units granted (the number of which is based on the unit price of the company’s shares at the time of payment of the bonus, and on the size of the bonus effectively awarded on the basis of achievement of the assigned objectives) will vest in accordance with the Plan terms and conditions, on expiration of the vesting period (three years from the date of payment of the annual bonus to beneficiaries, following confirmation that the objectives assigned have been achieved). Vested units will be converted into a maximum number of shares on expiration of the vesting period (subject to the clause in the Plan terms and conditions requiring executive Directors and key management personnel to maintain a minimum holding), on the basis of a mathematical algorithm that takes account, among other things, of the current value and initial value of the shares, plus any dividends paid during the vesting period, so as to cap the realisable gain.

**Changes in units in 2016**

The vesting period for the MBO Plan units awarded in relation to the objectives for 2012 expired on 2 and 8 May 2016. In accordance with the Terms and Conditions of this plan, all the units awarded thus vested, resulting in their conversion into Atlantia’s ordinary shares and the allocation to beneficiaries of 90,523 shares held by the Company as treasury shares. In addition, on 4 March 2016, Atlantia’s Board of Directors, exercising the authority provided for in the Plan Terms and Conditions, awarded the plan beneficiaries a gross amount in cash in place of the additional units to be awarded as a result of the payment of dividends during the vesting period. This amount is computed in such a way as to enable beneficiaries to receive a net amount equal to what they would have received in case they had been awarded a number of Atlantia shares equal to the additional units and sold these shares in the market. As at 31 December 2016, the remaining units outstanding total 61,627.

**2014 Phantom Share Option Plan**

**Description**

On 16 April 2014, the Annual General Meeting of Atlantia’s shareholders approved the new incentive plan named the “2014 Phantom Share Option Plan”, subsequently also approved, within the scope of their responsibilities, by the boards of directors of the subsidiaries employing the beneficiaries. The plan entails the award of phantom share options free of charge in three annual award cycles (2014, 2015 and 2016), being options that give beneficiaries the right to payment of a gross amount in cash, computed on the basis of the increase in the value of Atlantia’s ordinary shares in the relevant three-year period. In accordance with the Terms and Conditions of the plan, the options granted will only vest if, at the end of the vesting period (equal to three years from the date on which the options were awarded to the beneficiaries by the Board of Directors), a minimum operating/financial performance target for (alternatively) the Group, the Company or for one or more of Autostrade per l’Italia’s subsidiaries, as
indicated for each Plan beneficiary (the “hurdle”), has been met or exceeded. The vested options may be exercised from, in part, the first day immediately following the vesting period, with the remaining part exercisable from the end of the first year after the end of the vesting period and, in any event, in the three years after the end of the vesting period (without prejudice to the Terms and Conditions of the plan as regards minimum holding requirements for executive directors and key management personnel). The number of exercisable options is to be computed in application of a mathematical algorithm, taking into account, among other things, the current value, the target value and the exercise price, in order to cap the realisable gain.

Changes in options in 2016
On 10 June 2016, the Board of Directors selected the beneficiaries for the second cycle of the plan in question, awarding a total of 3,067,666 phantom options with a vesting period that expires on 10 June 2019 and an exercise period, on achievement of the relevant hurdles, from 11 June 2019 to June 10 2022. Thus, as at 31 December 2016, taking into account lapsed options at that date, the remaining options outstanding total 8,080,274, including 2,308,338 phantom options awarded under the first cycle, 2,074,270 phantom options awarded under the second cycle and 3,067,666 phantom options awarded under the third cycle (the unit fair values of which as at 31 December 2016 were measured as €4.39, €1.99 and €1.99, respectively, in place of the unit fair values at the grant date).

The prices of Atlantia’s ordinary shares in the various periods covered by the above plans are shown below:
a) price as at 31 December 2016: €22.31;
b) price as at 10 June 2016 (the grant date for new options or units, as described): €23.00;
c) the weighted average price for 2016: €22.70;
d) the weighted average price for the period 10 June 2016 – 31 December 2016: €21.96;

In accordance with the requirements of IFRS 2, as a result of existing plans, in 2016 the Group has recognised staff costs of €12,607 thousand, based on the accrued fair value of the options and units awarded at that date, including €4,186 thousand accounted for as an increase in equity reserves. In contrast, the liabilities represented by phantom share options outstanding as at 31 December 2016 have been recognised in other current and non-current liabilities, based on the assumed exercise date. Finally, following the exercise, by Atlantia’s Board of Directors, of its authority to award phantom options in place of any additional options due, on closure of the second cycle of the “2011 Share Option Plan”, the amount of €1,506 thousand was reclassified from equity reserves to other current liabilities, corresponding to the initial estimate of the fair value of the additional options.
10.7 Significant legal and regulatory aspects

This section describes the main disputes outstanding and key regulatory aspects of importance to the Group’s operators. Current disputes are unlikely to give rise to significant charges for Group companies in addition to the provisions already accounted for in the consolidated financial statements as at and for the year ended 31 December 2016.

Toll increases with effect from 1 January 2017

The Minister of Infrastructure and Transport and Minister of the Economy and Finance issued the related decrees on 30 December 2016, determining that:

- Autostrade per l’Italia was to apply a toll increase of 0.64%, compared with the 0.77% requested. The reason given for the reduction with respect to the requested percentage (equal to 0.13%) was that additional documentation was required in respect of the “X” and “K” tariff components. Once these documents have been submitted, the Grantor will decide whether or not to allow the company to recover the shortfall through subsequent toll increases. In this regard, having had access to the paperwork relating to the Grantor’s determination, Autostrade per l’Italia is in the process of preparing further additional documentation for submission to the Grantor;

- Raccordo Autostradale Valle d’Aosta and Autostrada Tirrenica were to apply an increase based on the target inflation rate (0.90%), whilst determining that any over or under recoveries, including those for previous years, will be assessed following revision of the operators’ financial plans. The companies thus challenged the related decree before the Regional Administrative Court.

- Tangenziale di Napoli was to apply a toll increase of 1.76%, thus lower than the requested increase, and that any over or under recoveries, including those for previous years, will be assessed following revision of the operator’s financial plans. The company thus challenged the related decree before the Regional Administrative Court.

- Autostrade Meridionali, as in previous years, did not have the right to apply any toll increase, in view of the fact that its concession expired on 31 December 2012. Autostrade Meridionali has brought a legal challenge contesting the above decision, in line with the approach adopted in previous years (for 2014 and 2015, the courts found in the company’s favour, whilst the challenge relating to 2016 is still pending).

- As regards Traforo del Monte Bianco, which operates under a different regulatory regime, on 2 December 2016, the Intergovernmental Committee for the Mont Blanc Tunnel gave to go-ahead for a toll increase of 0.06%, representing the average of the inflation rates registered in Italy (-0.07%) and France (+0.2%).

Extension of discount plan for frequent motorway users

As happened in 2016, the Minister of Infrastructure and Transport, in a letter dated 22 December 2016, asked AISCAT and the motorway operators participating in the discount plan, to extend the plan through to the end of 2017. On 28 December 2016, AISCAT announced the agreement of all the participating operators “provided that the terms of the Memorandum of Understanding continue to apply, and specifically the provisions regarding the recovery of lost revenue which, in accordance with the above agreement, the operators must be able to recover by 2018 in accordance with the previously agreed procedures”.

Agreement on the upgrade of the existing motorway system/ring road interchange serving Bologna

On 15 April 2016, Autostrade per l’Italia, the Ministry of Infrastructure and Transport, Emilia-Romagna Regional Authority, the Bologna Metropolitan Authority and the Municipality of Bologna signed an agreement for the upgrade of the existing motorway system/ring road interchange serving the city of
Bologna. On 16 December 2016, the signatories to the agreement signed a final memorandum following a public meeting. The memorandum confirms that Autostrade per l’Italia has modified the design for the project in full compliance with the principles set out in the agreement, and that it will carry out the work needed to complete the road network connecting the urban and metropolitan area to the new motorway infrastructure. The environmental assessment is expected to be completed in 2017 and, following receipt of all the necessary consents, work should start during the year.

Addendum to Autostrada Tirrenica’s Single Concession Arrangement

In response to observations from the European Commission regarding, among other things, extension of the concession to 2046, on 14 October 2014 the Grantor sent Autostrada Tirrenica a draft addendum envisaging extension of the concession to 2043, completion of work on the Civitavecchia–Tarquinia section, and eventual completion of the motorway (in sections, if necessary) to be put out to tender. Completion of the motorway is subject to fulfilment of the technical and financial conditions to be verified jointly by the grantor and the operator and execution of an addendum to the Concession Arrangement, with a viable financial plan attached.

Subsequently, on 13 May 2015, a memorandum of understanding was signed by the Grantor, Tuscany Regional Authority, Lazio Regional Authority, Autostrade per l’Italia and Autostrada Tirrenica with an attached draft addendum which, whilst maintaining the duration of the concession until 2043, a viable financial plan for the Civitavecchia–Tarquinia section and the obligation to put all the works out to tender. The memorandum also provides for further commitments regarding the design of the Tarquinia–Ansedonia and Ansedonia–Grosseto South sections and of the improvements to the existing dual carriageway (the SS. 1 Variante Aurelia) between Grosseto South and San Pietro in Palazzi, retaining the current layout of the road.

Performance of the above construction work is subject to positive outcomes of studies of the technical/design, financial and administrative feasibility to be conducted jointly by the Grantor and Autostrada Tirrenica and execution of an addendum with a viable financial plan.

Subsequently, after further discussions between the Grantor and the European Commission, at the Grantor’s request, Autostrada Tirrenica submitted further versions of a financial plan, initially assuming an expiry date of 31 December 2040 and then one of 31 December 2038. In this latter regard, on 21 October 2016, the company submitted a letter of commitment, by which the company, subject to execution of an addendum governing completion of the road, has undertaken to award all the contracts for work on completion of the Civitavecchia – San Pietro in Palazzi section of motorway by public tender. The company has also agreed to accept the inclusion, in a new addendum, of a provision reducing the concession term to 2038.

Challenge brought by Autostrade Meridionali contesting the Grantor’s failure to respond to the company’s request for a financial plan for the concession period 2013 - 2015

In relation to Autostrade Meridionali’s request for adoption of a viable financial plan for the period following expiry of the Concession for the period 2013-2015, and the company’s legal challenge contesting the Grantor’s failure to respond, the Council of State published its judgement on 30 November 2016, turning down the Grantor’s appeal and confirming the judgement at first instance, which upheld Autostrade Meridionali’s challenge and ordered the Grantor to respond to Autostrade Meridionali’s request by adopting a viable financial plan.

Award of the concession for the A3 Naples – Pompei – Salerno motorway

In 2012, the Ministry of Infrastructure and Transport issued a call for tenders for the new concession for the A3 Naples – Pompei – Salerno motorway. Following the challenges brought by Autostrade Meridionali and Consorzio Stable SIS before Campania Regional Administrative Court, contesting the Ministry’s decision, dated 22 March 2016, to disqualify both bidders from the tender process, on 19 December
2016, Campania Regional Administrative Court announced that it did not have jurisdiction for either action, referring the challenges to Lazio Regional Administrative Court. On 29 and 30 December 2016, respectively, Consorzio Stable SIS and Autostrade Meridionali returned to court and, on 31 January 2017, Lazio Regional Administrative Court published its view that the Campania Regional Administrative Court had jurisdiction, referring the matter to the Council of State in order to decide on the question.

Brebemi intersection
With regard to Brebemi’s plan to build an intersection linking the A35 (operated under concession by Brebemi) and the A4 (operated under concession by Autostrade per l’Italia), Autostrade per l’Italia has filed a number of legal challenges. In addition to the challenges contesting Lombardy Regional Authority determination X/4026 of 11 September 2015, which expressed a favourable opinion on the final design for the intersection, and Interministerial Economic Planning Committee (“CIPE”) resolution 60 of 2015, relating to the review of Brebemi’s financial plan and the 3rd Addendum to the CAL-Brebemi Agreement, on 7 December 2016, Autostrade per l’Italia submitted additional arguments against CIPE resolution 18 of 2016, regarding the public interest in the A35 intersection, and CIPE resolution 19 of 2016, concerning approval of the final design for the intersection. All the above cases are pending.

New legislation concerning tenders and concessions
Enabling Act 11 of 28 January 2016 regarding tenders and concessions, designed to apply the relevant EU directives and reform the regulations governing public contracts, was published in the Official Gazette of 29 January 2016. Legislative Decree 50 of 18 April 2016, named “Implementation of directives 2014/23/EU, 2014/24/EU and 2014/25/EU on the award of concessions, public tenders and tender procedures for the providers of water, energy, transport and postal services, and reform of the existing legislation regarding the public procurement of works, services and goods”, was published in the Official Gazette of 19 April 2016.

Art. 177 of the new legislation, for which ANAC (the Autorità Nazionale Anti Corruzione, Italy’s National Anti-Corruption Authority) is in the process of issuing interpretation guidelines, with regard to the “award of concessions”, has confirmed that public or private entities, not operating in the so-called excluded sectors, and who hold an existing concession at the date of entry into force of the legislation not awarded in the form of project financing or by public tender in accordance with EU law, have an obligation to award 80% of the related contracts for works, services or goods, with a value of over €150 thousand, by public tender. The legislation also establishes that the remaining part (equal to 20%) may, in the case of private entities, be contracted out to direct or indirect subsidiaries or associates. The new legislation came into force on 20 April 2016. There will be a transitional period to enable operators to comply with the new legislation and this will last for 24 months from the date of entry into force.

Annual checks on compliance with the above limit of 80% are to be conducted by the competent authorities and ANAC. Any instances of non-compliance must be rectified within the following year. In the event of repeated failures to comply over a period of two consecutive years, the penalties of 10% of the total value of the works, services or goods that should have been purchased by public tender may be applied.

Recognition of final price reductions for work on the third lane of the Barberino-Incisa section of motorway
With regard to the widening to three lanes of the section of the A1 between Barberino del Mugello and Florence North, operated by Autostrade per l’Italia and included among construction services with no additional economic benefits, in previous years the company had requested the Ministry of Infrastructure and Transport to make a final decision on the price reductions to be applied in the related construction
contracts awarded to Pavimental for lots 0, 1 and 2. At 31 December 2016, work on lot 0 has been completed, whilst work on lots 1 and 2 is in progress.

On completing its assessment, in November 2016, the Ministry notified the final price reductions to Autostrade per l’Italia. These are far higher than those previously applied on a provisional basis. Autostrade per l’Italia has, therefore, informed Pavimental of the application of the price reductions decided on by the Ministry. This has resulted in an adjustment of the amount spent on works already carried out and a revised estimate of the cost of the works in progress. Correspondingly, Pavimental recognised a reduction in its value of production for 2016 and has made provision for losses at completion with regard to the lots still to be completed.

Litigation regarding the Ministry of Infrastructure and Transport and the Ministry for Economic Development decree of 7 August 2015 and competitive tenders for oil and food services at service areas

The legal challenges brought before Lazio Regional Administrative Court by a number of oil and food service providers, and by individual operators, with the aim of contesting the decree issued by the Ministry of Infrastructure and Transport and the Ministry for Economic Development on 7 August 2015, approving the Restructuring Plan for motorway services areas, and the competitive tender procedure for the award of concessions at service areas, proceeded in 2016. Most of the related hearings on the merits were held and to date a total of 17 judgements have been published, none of which have upheld the challenges brought. The current situation is summarised below.

With regard to the challenges brought before Lazio Regional Administrative Court by Unione Petrolifera (UP), a number of oil service providers (Total Erg and Kuwait Petroleum Italia and Api.IP) and certain service area operators, with the aim of obtaining the cancellation of the above decree of 7 August 2015 and all other related or connected acts, judgements are awaited with respect to only 2 challenges brought by individual operators, whilst the hearing on the merits relating to a further challenge brought by an individual operator is scheduled for 5 July 2017.

As regards the 21 challenges contesting the competitive tender procedures for the award of oil service concessions, brought before Lazio Regional Administrative Court, publication of the sentence is awaited in the case of Totalerg, whilst in all the other instances the court found in Autostrade per l’Italia’s favour. Seven judgements that did not uphold the challenges brought by TotalErg and an operator have been published. All the other challenges, brought by TotalErg and Eni, have been withdrawn by the plaintiffs and publication of the Regional Administrative Court’s judgements is awaited.

To complete the picture, hearings on the merits for a further five challenges brought by operators at individual service areas, with the aim of cancelling the above decree issued by Ministry of Infrastructure and Transport and the Ministry for Economic Development, and for another challenge brought by a trade association representing operators have yet to be scheduled. Such hearings have not been requested by the plaintiffs.

Accident on the Acqualonga viaduct on the A16 Naples-Canosa motorway on 28 July 2013

On 28 July 2013, there was an accident, involving a coach travelling along the Naples-bound carriageway (at km 32+700) of the Acqualonga viaduct on the A16 Naples-Canosa motorway, operated by Autostrade per l’Italia. At the beginning of 2015, all those under investigation, including the Chief Executive Officer, received notice of completion of the preliminary investigation. Including executives, former managers and former employees, twelve of Autostrade per l’Italia’s employees are under investigation.

On completion of the investigations, the Public Prosecutors requested the indictment of all the defendants.

During the initial preliminary hearings, the court admitted the entry of appearance of approximately a hundred civil parties and ordered the citation of Autostrade per l’Italia and Reale Mutua (the company that insured the coach) as liable in civil law.
At subsequent hearings, the Public Prosecutors and the remaining civil parties concluded their briefs requesting the indictment of all the defendants, whilst the defence attorneys for the defendants and the civil parties requested their acquittal.

At the hearing held on 9 May 2016, the judge committed all the accused for trial before a single judge at the Court of Avellino, with the hearing scheduled for 28 September 2016.

At the first full hearing, held on 28 September 2016, the court reserved judgement on the preliminary concerns raised by the defence counsels, regarding the right of the civil parties to be present during the hearing and the Public Prosecutor’s request to include the independent experts’ report, prepared at the time of the preliminary investigation, in the court records, even before the experts had been heard by the court.

At the hearing of 28 October 2016, the court ruled on the above concerns, allowing inclusion of the independent experts’ report previously prepared by the Public Prosecutor’s Office, but restricting its use, in this first part of the trial, to the defendants who, at the time of the unrepeatable expert assessments, had received the related notice. The court then refused the right of a further 12 claimants to file claims because too late, and excluded the only association to have brought a civil action in that it had only been established after the event.

At the end of the hearing, the court adjourned the case until 9 November 2016, when the first witnesses to be called by the Public Prosecutor will give their testimony.

At the hearing of 9 November 2016, the court ruled on the admissibility of inclusion of the independent experts’ report previously prepared by the Public Prosecutor’s Office and the Public Prosecutor’s examination of the witnesses began.

At subsequent hearings on 25 November 2016, 7 and 16 December 2016, 13 January 2017 and 3, 17 and 22 February 2017, the examination and cross examination of the witnesses for the prosecution continued.

At the hearing held on 10 March 2017, the experts appointed by the Public Prosecutor’s Office testified.

At the next hearing, scheduled for 31 March 2017, the final prosecution’s final witness will be heard and examination of the witnesses for the will begin, a process that will continue during further hearings scheduled for 12 and 21 April 2017.

To date, almost all of the civil parties whose entry of appearance in the criminal trial has been admitted have received compensation and have, therefore, withdrawn their actions following payment of their claims by Autostrade per l’Italia’s insurance provider under the existing general liability policy. In addition to the criminal proceedings, a number of civil actions have been brought and were recently combined by the Civil Court of Avellino. Following the combination of the various proceedings, judgement is thus pending before the Civil Court of Avellino in relation to: (i) the original action brought by Reale Mutua Assicurazioni, the company that insured the coach, in order to make the maximum claim payable available to the damaged parties, including Autostrade per l’Italia (€6 million), (ii) subsequent claims, submitted as counterclaims or on an individual basis, by a number of damaged parties, including claims against Autostrade per l’Italia. Subject to the permission of the court, Autostrade per l’Italia intends to refer claimants to its insurance provider (Swiss Re International), with a view to being indemnified against any claims should it lose the case.

At the latest hearing on 9 June 2016, the court reserved judgement on the defence briefs submitted by the parties.

At the hearing of 20 October 2016, after ruling on the above defence briefs, admitting some of the requests for a preliminary motion set out in the briefs, the court, in accepting the specific requests made by certain parties appearing before the court, appointed an independent expert to assess the psychological trauma caused to the above parties by the loss of close members of their families.

During the same hearing, the court appointed further independent experts to reconstruct, among other things, the dynamics of the accident and to assess both its causes and the number of vehicles involved, identifying the victims and preparing a document showing the family relations between these people and the defendants and plaintiffs.

Autostrade per l’Italia has appointed its own experts.

The experts began their investigation on 15 November 2016 and this is still ongoing.
The hearing of 20 December 2016 set the dates for future hearings and decided on the request for written testimony from a number of parties. The court-appointed experts are, in this initial stage, examining the state of the coach and witness statements. This process is still in progress.

Investigation by the Public Prosecutor’s Office in Prato of a fatal accident to a worker employed by Pavimental

On 27 August 2014, a worker employed by Pavimental SpA – the company contracted by Autostrade per l’Italia to carry out work on the A1 – was involved in a fatal accident whilst at work. In response, the Public Prosecutor’s Office in Prato has placed a number of Pavimental personnel under criminal investigation for reckless homicide, alleging violation of occupational health and safety regulations. A similar charge has also been brought against, among others, Autostrade per l’Italia’s Project Manager. Both Pavimental and Autostrade per l’Italia have received notification that they are under investigation as juridical persons, pursuant to Legislative Decree 231/2001. During the preliminary investigations, the defence counsel requested the appointment of experts to reconstruct the dynamics of the fatal accident. At the end of the related hearing, during which the companies’ Organisational, Management and Control Models were examined, the case against the companies was dismissed. The case then proceeded with the focus solely on the charges against the natural persons involved, to be heard before a local court, with the preliminary hearing held on 23 November 2016. This was then adjourned until 7 February 2017, when the civil parties appeared before the court and it was requested that the accused be summoned to appear. Hearings have already been scheduled for 26 April 2017, to assess requests for shortened proceedings and the settlement of civil claims for damages, this avoiding the need to summons the parties liable in civil law, and for 5 July 2017 to begin discussion of the case.

Investigation by the Public Prosecutor’s Office in Florence of the state of New Jersey barriers installed on the section of motorway between Barberino and Roncobilaccio

On 23 May 2014, the Public Prosecutor’s Office in Florence issued an order requiring Autostrade per l’Italia to hand over certain documentation, following receipt, on 14 May 2014, of a report from Traffic Police investigators in Florence noting the state of disrepair of the New Jersey barriers on the section of motorway between Barberino and Roncobilaccio. The report alleges negligence on the part of unknown persons, as defined by art. 355, paragraph 2.3 of the penal code (breach of public supply contracts concerning “goods or works designed to protect against danger or accidents to the public”). At the same time, the Prosecutor’s Office ordered the seizure of the New Jersey barriers located along the right side of the carriageways between Barberino and Roncobilaccio, on ten viaducts, ordering Autostrade per l’Italia to take steps to ensure safety on the relevant sections of motorway. This seizure was executed on 28 May 2014. In June 2014, Autostrade per l’Italia’s IV Section Department handed over the requested documents to the Police. The documentation concerns the maintenance work carried out over the years on the safety barriers installed on the above section of motorway. In October 2014, addresses for service were formally nominated for a former General Manager and an executive of Autostrade per l’Italia, both under investigation in relation to the crime defined in art. 355 of the penal code. In addition, at the end of November 2014, experts appointed by the Public Prosecutor’s Office, together with experts appointed by Autostrade per l’Italia, carried out a series of sample tests on the barriers installed on the above motorway section to establish their state of repair. Following the experts’ tests, the barriers were released from seizure.

At the date of preparation of this document, preliminary investigations are still in progress, given that the Public Prosecutor’s Office has yet to take a final decision.
Autostrade per l’Italia - Autostrade Tech against Alessandro Patanè and companies linked to him and appeals brought before the Civil Court of Rome and the Court of Latina in accordance with art. 700 of the Code of Civil Procedure

With regard to the writ served on Mr. Alessandro Patanè and the companies linked to him by Autostrade per l’Italia and Autostrade Tech, the hearing originally scheduled at the Civil Court of Rome for 9 November 2016 was postponed until 16 November 2016. At the hearing, having noted the withdrawal of Mr. Patanè’s defence counsel, the court adjourned the proceedings until 30 March 2017, in order to enable the defendant to appoint a new counsel.

As regards the appeal filed before the Civil Court of Latina, notified to the companies on 28 April 2016, contesting the same court’s judgement throwing out the appeal brought by Mr. Alessandro Patanè and the companies linked to him in accordance with art. 700 of the Code of Civil Procedure, on 22 July 2016, the court rejected the appeal and ordered the appellants to pay the related legal expenses, amounting to €5,000.00 for each appellee.

Proceedings before the Supreme Court - Autostrade per l’Italia versus Craft Srl (Judgement no. 22563/2015)

On 4 November 2015, the First Civil Section of the Supreme Court handed down judgement no. 22563, rejecting Autostrade per l’Italia’s appeal regarding the fact that Craft’s patent should be declared null and void and partially annulling the earlier sentence of the Court of Appeal in Rome, referring the case back to this court, to be heard by different judges, following the reinstatement of proceedings by one of the parties. The Court of Appeal was asked to provide logical grounds for finding that Autostrade per l’Italia has not infringed Craft’s patent.

On 6 May 2016, Craft notified Autostrade per l’Italia of an application for the reinstatement of proceedings before the Court of Appeal, requesting the court, among other things, to rule that Autostrade per l’Italia has infringed Craft's patent and to order the former to pay Craft compensation for the resulting damage to its moral and economic rights, calculated by the plaintiff to be approximately €3.5 million, with this sum to be reduced or increased by the court depending on the “economic benefits obtained by the defendant”. At the first hearing, held on 11 October 2016, the court scheduled a hearing for admission of the facts for 14 March 2017.

Claim for damages from the Ministry of the Environment

A criminal case (initiated in 2007) pending before the Court of Florence involves two of Autostrade per l’Italia’s managers and another 18 people from contractors, who are accused of violating environmental laws relating to the reuse of soil and rocks resulting from excavation work during construction of the Variante di Valico. Between February 2016 and May 2016, all the witnesses and experts called to give evidence by the defence were heard. On conclusion, the court declared the hearing of 19 July 2016 to be the last occasion for the submission of documents.

At the next hearing on 12 September 2016, the court reserved its decision on a number of questions regarding the summons issued to one of the contractors for civil liability and adjourned the case until 17 October for voluntary statements to be made by the defendants and the presentation of arguments for the defence. At the hearings held on 5 and 12 December 2016, the defendants wishing to file a deposition were heard.

The Public Prosecutor made his closing statement at the hearings held on 6, 13 and 20 February 2017. Further hearings have been scheduled for 20 and 27 March 2017 for the final depositions of the person civilly liable and the counsel defending Autostrade per l’Italia’s personnel.

Hearings have also been scheduled for 14 April and 15 and 22 May 2017 to hear the final depositions from counsel defending the other parties.

Investigation by the Public Prosecutor’s Office in Vasto of the fatal motorway accident of 21 September 2013
Following the motorway accident of 21 September 2013 at km 450 of the A14, operated by Autostrade per l’Italia, in which several people were killed, the Public Prosecutor’s Office in Vasto has launched a criminal investigation, initially against persons unknown. On 23 March 2015, the Chief Executive Officer and, later, further two executives of the Company received notice of completion of the investigation, containing a formal notification of charges. The charges relate to negligent cooperation resulting in reckless manslaughter. The Public Prosecutor, following initiatives taken by the defence counsel, has requested that the case be brought to court. Due to irregularities in the writs of summons sent to the defendants, the preliminary hearing was adjourned until 1 March 2016. At this hearing, in view of the request for an alternative procedure (an “accelerated trial”) from the defence counsel representing the owner of the vehicle, the court adjourned the hearing until 17 May 2016. At the end of the last hearing, the court committed all the defendants for trial on 12 October 2016 before a single judge at the Court of Vasto. This hearing was adjourned until 24 November 2016 in order to for a new judge to be appointed. At the hearing held on 24 November 2016, the parties requested leave to present their evidence to the court. At the hearing held on 23 February 2017, the court began to hear the witnesses for the prosecution, who will continue to give evidence at the next hearing scheduled for 18 May 2017.

Investigation by the Public Prosecutor’s Office in Savona of the fatal accident suffered by an employee of a sub-contractor on 5 February 2016

Following the above fatal accident, Autostrade per l’Italia received notice of completion of the investigation from the Public Prosecutor’s Office in Savona, containing charges relating to articles 25-septies, paragraphs 2, 6 and 7 of Legislative Decree 231/2001, in respect of the violation of art. 589, paragraph 2 of the criminal code (“reckless homicide, involving violation of occupational health and safety regulations”). The charges relate to the death, on 5 February 2016, of an employee of S. Guglielmo, a sub-contractor working for Pavimental at kilometre 24+400 of the A10 motorway. The person concerned was working as a security guard at the site at which Autostrade per l’Italia had previously contracted noise abatement work along the A10 Genoa-Savona, from kilometre 24+000 to kilometre 38+300. Autostrade per l’Italia’s Project Manager is one of the persons charged with the above violation.

Overseas motorways

Chile

From January 2017, Grupo Costanera’s motorway operators have applied the following annual toll increases, determined on the basis of their concession arrangements:

- 6.5% for Costanera Norte, Vespucio Sur and Nororiente, reflecting a combination of the increase linked to inflation in 2016 (2.9%) and a further increase of 3.5%;
- 4.5% for AMB, reflecting a combination of the increase linked to inflation in 2016 (2.9%) and a further increase of 1.5%;
- 2.9% for Litoral Central, reflecting a combination of the increase linked to inflation in 2016 (2.9%).

From January 2017, the tolls applied by Los Lagos have risen 4.0%, reflecting a combination of the increase linked to inflation in 2016 (up 2.9%) and a further increase in the form of a bonus relating to safety improvements in 2017 (up 3.5%), less the bonus for safety improvements awarded in 2016, equal to 2.4%.
Brazil

Triangulo do Sol and Colinas increased their tolls by 4.11% from 1 July 2015, based on the rate of general price inflation in the period between June 2014 and May 2015, as provided for in the respective concession arrangements.

Triangulo do Sol and Colinas increased their tolls by 9.32% from 1 July 2016, based on the rate of consumer price inflation in the period between June 2015 and May 2016, as provided for in the respective concession arrangements. This reflects the fact that this figure was lower than the rate of general price inflation in the period between June 2015 and May 2016 (11.09%). The difference will be compensated for in accordance with the related concession arrangements.

From 24 June 2015, the tolls applied by the operator, Rodovia MG050, rose by 8.17%, based on the rate of consumer price inflation in the period between May 2014 and April 2015, as provided for in the related concession arrangement.

In June 2016, Rodovia MG050 had not proceeded to apply the annual inflation-linked toll increase permitted by its concession arrangement. This was because, pending negotiations aimed at ensuring that the concession arrangement is financially viable, the grantor, SETOP, had requested the prior conclusion of the negotiations. Given the extended nature of the talks, Rodovia MG050 notified the grantor of its decision to apply the annual toll increase from 17 January 2017. In response to a formal notice from the grantor, reiterating its request not to proceed with the toll increase, Rodovia MG050 obtained a precautionary injunction on 30 January 2017, authorising it to raise tolls with immediate effect. Rodovia MG050 thus applied the increase from 1 February 2017, raising its tolls by 9.28%, based on the rate of consumer price inflation in the period between May 2015 and April 2016, as provided for in the related concession arrangement. The delay in authorising the toll increase, with respect to the contractually established date of 13 June 2016, will be subject to compensation in accordance with the concession arrangement. The grantor has appealed the precautionary injunction.

Rodovia MG050’s toll revenue was negatively affected by the suspension of charges for the suspended axles of heavy vehicles introduced by federal law 13103/2015, which came into effect on 17 April 2015. The loss of revenue resulting from the entry into effect of the above legislation will be subject to compensation in accordance with the concession arrangement.

Italian airports

Tariff proposal for the five-year period 2017-2021

On 9 September 2016, ADR began a consultation process, involving the users of Fiumicino and Ciampino airports, on future airport charges during the second sub-period from 1 March 2017 to 28 February 2021. The procedure meets existing Italian and EU requirements and is in line with the guidelines in the “Procedure for consultation between airport operators and users for ordinary planning agreements and those in derogation”, published by the Civil Aviation Authority (ENAC) on 31 October 2014. The consultation process came to a conclusion on 22 November 2016. On 29 December 2016, ENAC published a table on its website showing a summary of the fees for Fiumicino and Ciampino, to be applied from March 2017. The review of fees for the period 1 March 2017-30 April 2018 envisages that the fees for Fiumicino and Ciampino will fall by an average of 6.1% and 11.6%, respectively.

Noise Reduction and Abatement Plan for Ciampino

On 17 March 2016, the Ministry of the Environment responded to Lazio Regional Authority’s query, asserting its authority to approve the Noise Reduction and Abatement Plan for Ciampino airport submitted by ADR, subject to receipt of the Agreement resulting from the Unified Conference. This was

2 In terms of the ratio between the maximum permitted revenue and fee-paying passengers for the twelve months from 1 March.
followed, on 13 July, by the first meeting of representatives from the Ministry, ISPRA (the scientific body charged by the Ministry with conducting a technical assessment of the Plan) and ADR.

On 18 July 2016, the Ministry sent ADR a letter containing all the requests and observations set out by ISPRA in relation to the Plan, and giving ADR sixty days to provide the relevant responses and supplementary information. ADR requested the Ministry to call a meeting with ISPRA to clarify certain points and, on 16 September 2016, submitted its response to ISPRA’s requests and observations. At the end of the meeting held on 21 September 2016, the Ministry and ISPRA asked ADR to measure the overall noise in the various areas outside the airport noise zone, and to assess, for each area, what the airport’s acoustic “contribution” is to the total figure.

Solely with the intention of facilitating the process of approving the plan, ADR expressed a willingness to carry out the measurements, subject to ISPRA’s prior agreement and approval of the method to be used. On 27 October 2016, a meeting between ADR, ISPRA and civil servants from the Ministry was held, with the aim of presenting the plan for measuring noise levels to be included in the noise reduction and abatement plan, with an estimate of the role played by the other sources of noise (road and rail) close to the airport. ADR presented the plan in several stages and ISPRA and the Ministry agreed on the approach proposed by ADR. A meeting was then held on 4 November 2016 to look at the details of the proposed method of measurement and the timing of preparation and return of the related forms. Following this meeting, ADR sent a formal letter containing the measurement plan and setting out the time needed to complete additions to the abatement plan previously submitted.

On 30 December 2016, ADR sent the Ministry of the Environment, ENAC, ISPRA and the local authorities concerned, the additions to the Noise Reduction and Abatement Plan for Ciampino, together with a proposed work plan for assessing the contributions of the various noise sources in the locality.

**Fire at Fiumicino airport’s Terminal 3**

With regard to the fire that broke out at Fiumicino airport during the night of 6 May 2015, affecting a large area within Terminal 3, the Public Prosecutor’s Office in Civitavecchia has launched two criminal proceedings. The first regards violation of articles 113 and 449 of the criminal code (negligent arson), in relation to which, on 25 November 2015, the investigators issued the order required by art. 415-bis of the criminal code giving notice of completion of the preliminary investigation of: (i) five employees of the contractor that was carrying out routine maintenance work on the air conditioning system and two employees of ADR, all also being investigated for the offence referred to in art. 590 of the criminal code (personal injury through negligence), (ii) ADR’s Chief Executive Officer in his role as “employer”, (iii) the airport fire chief and (iv) the Director of the Lazio Airport System (ENAC). On 4 October 2016, the Court of Civitavecchia notified the persons charged with negligent arson and personal injury through negligence that the date of the preliminary hearing had been fixed for 19 January 2017. The persons charged with the above offences were identified following the preliminary investigation, except for the then Chief Executive Officer of ADR, who has since passed away, and the fire chief for Fiumicino airport. In addition to officers from the Carabinieri and Police, who are suing for exposure to toxic materials, ADR has also filed suit with regard to the offence of negligent arson. At the preliminary hearing held on 19 January 2017, the process of ascertaining the identities of the various parties to the civil proceedings took place. The hearing was adjourned until 18 May 2017.

**Investigation of airport sub-concessions, with particular reference to the contracting out of non-aviation activities on airport premises**

On 23 June 2015, the Autorità Nazionale Anticorruzione (Italy’s National Anti-Corruption Authority or “ANAC”), informed ADR of “the start of an investigation of the sub-concession of non-aviation activities on airport premises”. ANAC requested ADR to submit a specific report on the sub-concessions linked to non-aviation activities during the last three years (2012-2013-2014). On 10 March 2016, ANAC thus informed ADR of the outcome of its investigation and the related conclusions.

In brief, in addition to making a number of observations regarding (i) the duration of concessions, (ii) the delay in carrying out investment and (iii) the tariff regime applied (the dual-till method), the Authority, on the one hand, stated that ADR should always award retail sub-concessions within its airports
by public tender and, on the other, contested certain specific aspects of the actual procedures used by ADR to grant the above concessions. The Authority also highlighted the fact that the participation of associated companies in the tender procedures managed by ADR gives rise to “a clear issue of information asymmetry to the disadvantage of the other economic entities taking part in the tender procedures”.

On 8 April 2016, ADR submitted its response to the Authority’s conclusions, observing that: (i) the concessions in question are not only of a retail nature; (ii) ADR is not legally obliged to award the concessions by public tender; and (iii) in any event, the procedures adopted to date by ADR, and agreed with the AGCM (Italy’s National Competition Authority), are such as to guarantee compliance with the principles of transparency, proportionality and non-discrimination.

Following the above investigation, ANAC stated that: (i) “the airport concession does not merely concern the infrastructure used for aviation activities, but also regards the areas and premises used in non-aviation activities and that, as a result, all the activities covered by the concession, for the above reasons, fall within the scope of the concession arrangement”; (ii) “the non-aviation activities referred to, merely by way of example, in recital 25 in directive 2014/23/EU (the concession directive) and, among these, food services, are defined and classifiable as forming part of the service provided to passengers”; (iii) “the award of sub-concessions for premises and areas for retail purposes should be carried out by public tender, in accordance with EU rules and regulations and the relevant national legislation”.

On 19 September 2016, ADR, backed by authoritative legal opinion, responded to the determination, confirming the legality of its conduct.

Other activities

Telepass SpA - AGCM (National Competition Authority) investigation of unfair commercial practices

On 20 October 2016, the AGCM (Italy’s National Competition Authority) alleged that Telepass’s decision to offer customers combined “Opzione Premium” and “Opzione Premium Extra” services, provided alongside its electronic toll payment service, at the same time as applying an increase in the related fee from 1 January 2017, without requesting the prior express consent of customers, constituted an unfair commercial practice, as defined in the Consumer Code. As a result, the Authority prohibited the company from publicising and continuing to propose such an offer. The Authority also imposed an administrative fine of €200,000.

Electronic Transaction Consultants (ETC)

Following the withholding of payment by the Miami-Dade Expressway Authority (“MDX”) for the on site and office system management and maintenance services provided by ETC, and after a failed attempt at mediation as required by the service contract, on 28 November 2012 ETC petitioned the Miami Dade County Court in Florida to order MDX to settle unpaid claims amounting to over US$30 million and damages for breach of contact. In December 2012, MDX, in turn, notified ETC of its decision to terminate the service contract and sue for compensation for alleged damages of US$26 million for breach of contract by ETC.

In August 2013, ETC and MDX agreed a settlement covering the services rendered by ETC during the “disentanglement” phase, which ended on 22 November 2013. MDX has duly paid the sum due. In December 2015, the court case, during which the parties presented their respective arguments and the various experts and witnesses were heard, came to an end. During 2016, the court asked the parties to make numerous attempts at finding a settlement, none of which has resulted in a positive outcome. In accepting a requested filed by the opposing party in October 2016, the court reopened the pre-trial phase solely with regard to certain aspects of the pending action. At the end of this stage, and prior to the judgement at first instance, expected for the end of 2016, the judge openly expressed a willingness to uphold most of ETC’s claims. In 2016, MDX requested removal of the judge which, having been turned down at first instance, was upheld by the Florida Court of Appeal in 2017.
At this time, ETC is waiting for a new judge to be appointed, which may mean a reopening of the case, including the pre-trial phase. As a result, it is not at this time clear how long it will take to conclude the trial and what the outcome may be.
10.8 Events after 31 December 2016

€750 million bond issue by Atlantia, maturing in 2025

On 26 January 2017, Atlantia carried out the first bond issue forming part of its €3bn Euro Medium Term Note Programme launched in October 2016. The transaction involved the issue of a series with a value of €750 million, maturing in 2025. The bonds were placed with institutional investors. Moody’s, Standard & Poor’s and Fitch Ratings have assigned the Programme ratings of “Baa2”/negative, “BBB”/stable and “A-” in negative watch.

Roma Capitale’s sale of its investment in Aeroporti di Roma

In Official Gazette no. 150 of 28 December 2016, Special Series V – Public Contracts, Roma Capitale called for bids for its 1.329% interest in Aeroporti di Roma, represented by 826,800 ordinary shares in the company with a par value of €1 each.

At the end of the public session held to open the bids on 21 February 2017, Roma Capitale announced that the provisional winning bidder for the interest was Atlantia SpA, which was the sole bidder. The value of the winning bid was €48,125 thousand.

Distribution of a special dividend in kind

On 1 March 2017, Atlantia carried out the distribution of a special dividend in kind, using Autostrade per l’Italia’s available reserves. This took the form of the transfer of the entire interest in Autostrade dell’Atlantico (the holding company that controls the Group’s Chilean and Brazilian motorway businesses and ETC in the USA). Distribution of the dividend, via the transfer of investments, is part of the Group restructuring that, via the demerger of Autostrade per l’Italia’s overseas assets, together with the intragroup transfers completed at the end of 2016, aims to confer on Autostrade per l’Italia the role of operating parent that controls a group focusing on motorway concessions in Italy.

Accident on the A14 Bologna–Taranto

During work on the widening of the A14 between Ancora South and Porto Sant’Elpidio to three lanes, a motorway bridge (no. 167) close to Camerano collapsed. Work was in progress in order to raise the level of the bridge, in order to maintain its height with respect to the raised level of the motorway following its widening to three lanes.

Autostrade per l’Italia’s technicians are in the process of obtaining the necessary information in order to reconstruct the events and, to this end, have requested the contractors who designed and carried the works to provide a detailed report on what happened.

As noted above, the above work is included in the planned widening of the A14 motorway between Rimini North and Porto Sant’Elpidio and regards the Ancona South–Porto Sant’Elpidio sub-section between kilometre 230+973 and kilometre 271+273.

The work forms part of the completion of Lot 6B for which Autostrade per l’Italia has awarded the contract to Pavimental. The contract for raising the height of the motorway bridge was awarded by Pavimental to the sub-contractor, De.L.A.Be.Ch.
3. Consolidated financial statements as at and for the year ended 31 December 2016

ANNEXES TO THE CONSOLIDATED FINANCIAL STATEMENTS

ANNEX 1
THE ATLANTIA GROUP’S SCOPE OF CONSOLIDATION AND INVESTMENTS AS AT 31 DECEMBER 2016

ANNEX 2
DISCLOSURE PURSUANT TO ART.149—DUODECIES OF THE CONSOB REGULATIONS FOR ISSUERS 11971/1999

THE ABOVE ANNEXES HAVE NOT BEEN AUDITED
### Annex 1:
The Atlantia Group's Scope of Consolidation and Investments as at 31 December 2016

<table>
<thead>
<tr>
<th>Name</th>
<th>Registered Office</th>
<th>Business</th>
<th>Currency</th>
<th>Share Capital / Consortium Fund as at 31 December 2016 (IN SHARES/UNITS)</th>
<th>% Interest in Share Capital / Consortium Fund as at 31 December 2016</th>
<th>Overall Group Interest (%</th>
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<td>Holding Company</td>
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<td>TELECOMMUNICATIONS</td>
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<td>MANAGEMENT OF AIRPORT CAR PARKING AND CAR PARKS</td>
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<tr>
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<td>SAINT TROPEZ</td>
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<td>EUR</td>
<td>EUR 3,500,000</td>
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</tr>
<tr>
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<tr>
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<tr>
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<td>FIUMICINO</td>
<td>PROPERTY MANAGEMENT</td>
<td>EUR</td>
<td>EUR 100,000</td>
<td>100%</td>
<td>96.73%</td>
</tr>
</tbody>
</table>

1. The Atlantia Group holds 50% plus one share in the companies and exercises control on the basis of partnership and governance agreements.
### 3. Consolidated financial statements as at and for the year ended 31 December 2016

<table>
<thead>
<tr>
<th>NAME</th>
<th>BUSINESS</th>
<th>CURRENCY</th>
<th>REGISTERED OFFICE</th>
<th>% INTEREST IN SHARE CAPITAL/CONSORTIUM FUND AS AT 31 DECEMBER 2016 (IN SHARES/UNITS)</th>
<th>HELD BY</th>
<th>NOTE</th>
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<tr>
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<td>Rome</td>
<td>€uro</td>
<td></td>
<td>100% 100%</td>
<td>Autostrade dell'Atlantico Srl 99.99%</td>
<td>(2) The company is listed on Borsa Italiana SpA's Expandi market.</td>
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<td>€uro</td>
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<td>Autostrade per l'Italia SpA 99.99%</td>
<td>(3) Atlantia's total interest includes preference rights attributed to Atlantia in accordance with art. 2308, paragraph three of the Italian Civil Code, totalling €150 million.</td>
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<td>Autostrade per l'Italia SpA 100%</td>
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<td>Autostrade per l'Italia SpA 100%</td>
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<td>Autostrade per l'Italia SpA 100%</td>
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<td>MOTORWAY AND AIRPORT CONSTRUCTION AND MAINTENANCE</td>
<td>EUR</td>
<td>99.75%</td>
<td>Autostrade per l’Italia SpA</td>
<td>0.25%</td>
<td>Autostrade per l’Italia SpA</td>
</tr>
<tr>
<td>Pavimental SpA</td>
<td>MOTORWAY AND AIRPORT CONSTRUCTION AND MAINTENANCE</td>
<td>PLN</td>
<td>99.75%</td>
<td>Autostrade per l’Italia SpA</td>
<td>0.25%</td>
<td>Autostrade per l’Italia SpA</td>
</tr>
<tr>
<td>PAVIMENTAL POLSKA Sp.z.o.o.</td>
<td>MOTORWAY AND AIRPORT CONSTRUCTION AND MAINTENANCE</td>
<td>PLN</td>
<td>99.40%</td>
<td>Autostrade per l’Italia SpA</td>
<td>0.60%</td>
<td>Autostrade per l’Italia SpA</td>
</tr>
<tr>
<td>Pavimental SpA</td>
<td>MOTORWAY AND AIRPORT CONSTRUCTION AND MAINTENANCE</td>
<td>PLN</td>
<td>99.40%</td>
<td>Autostrade per l’Italia SpA</td>
<td>0.60%</td>
<td>Autostrade per l’Italia SpA</td>
</tr>
<tr>
<td>Pavimental SpA</td>
<td>20.00%</td>
<td></td>
<td></td>
<td>90.00%</td>
<td></td>
<td>80.00%</td>
</tr>
</tbody>
</table>

Annual Report 2016
### Name | Registered Office | Business | Currency | Share capital/consortium fund as at 31 December 2016 (in shares/units) | Overall group interest in share capital/consortium fund as at 31 December 2016 (%) | % Interest in share capital/consortium fund as at 31 December 2016 (in shares/units) | % Interest held by | Held by | Note
--- | --- | --- | --- | --- | --- | --- | --- | --- | ---

1. **ACITA**

   **MOTORWAY OPERATION AND CONSTRUCTION**

   **EURO**

   **343,805,000**

   **2.43%**

2. **ROMULUS FINANCE Srl (IN LIQUIDATION)**

   **CONEGLIANO**

   **SECURITISATION VEHICLE**

   **EURO**

   **10,000**

   **100%**

3. **RODOVIAS DAS COLINAS SA**

   **SAO PAULO**

   **(BRAZIL)**

   **MOTORWAY OPERATION AND CONSTRUCTION**

   **BRAZILIAN REAL**

   **226,145,401**

   **AB Concessões SA**

   **100%**

4. **SCI LA RATONNIÉRE**

   **NICE**

   **(FRANCE)**

   **PROPERTY SERVICES**

   **EURO**

   **243,918**

   **Aéroports de la Côte d'Azur**

   **100%**

5. **SKY VALET FRANCE SAS**

   **LE BOURGET**

   **(FRANCE)**

   **HANDLING SERVICES**

   **EURO**

   **1,151,584**

   **Aca Holding SAS**

   **100%**

6. **SKY VALET SPAIN SL**

   **MADRID**

   **(SPAIN)**

   **HANDLING SERVICES**

   **EURO**

   **231,956**

   **Aca Holding SAS**

   **100%**

7. **SOCIEDADE CONCESIONARIA AUTOPISTA NORORIENTE SA**

   **SANTIAGO**

   **(CHILE)**

   **MOTORWAY OPERATION AND CONSTRUCTION**

   **CHILEAN PESO**

   **5,875,178,700**

   **Grupo Costanera SpA**

   **99.90%**

   **Sociedad Gestion Vial SA**

   **0.10%**

   **100%**

8. **SOCIEDADE CONCESIONARIA AUTOPISTA NUEVA VESPUCIO SUR SA**

   **SANTIAGO**

   **(CHILE)**

   **MOTORWAY OPERATION AND CONSTRUCTION**

   **CHILEAN PESO**

   **22,738,904,654**

   **Grupo Costanera SpA**

   **99.99%**

   **Sociedad Gestion Vial SA**

   **0.01%**

   **100%**

9. **SOCIEDADE CONCESIONARIA AUTOPISTA NORTE SA**

   **SANTIAGO**

   **(CHILE)**

   **MOTORWAY OPERATION AND CONSTRUCTION**

   **CHILEAN PESO**

   **58,859,765,519**

   **Grupo Costanera SpA**

   **99.99804%**

   **Sociedad Gestion Vial SA**

   **0.00196%**

   **100%**

10. **SOCIEDADE CONCESIONARIA AUTOPISTA AMB SA**

    **SANTIAGO**

    **(CHILE)**

    **MOTORWAY OPERATION AND CONSTRUCTION**

    **CHILEAN PESO**

    **166,967,672,229**

    **Grupo Costanera SpA**

    **99.99996%**

    **Sociedad Gestion Vial SA**

    **0.00004%**

    **100%**

11. **RACCORDO AUTOSTRADALE VALLE D’AOSTA SpA**

    **AOSTA**

    **MOTORWAY OPERATION AND CONSTRUCTION**

    **EURO**

    **343,805,000**

    **2.43%**

(4) The issued capital is made up of €284,350,000 in ordinary shares and €59,455,000 in preference shares. The percentage interests in total voting rights (57.97%) are calculated with reference to all shares in issue, whereas the 58.00% of voting rights is calculated with reference to ordinary voting shares.

(5) A special purpose entity, established pursuant to Law 130/99, through which Aeroporti di Roma SpA’s creditor banks agreed, on 14 February 2003, to merge their shares into a single company to which they transferred their respective rights and obligations concerning their shareholding in Autostrade. In accordance with IFRS, the Group’s interest in the company is considered on a par with full control.

(6) On 29 December 2015, Autostrada Tirrenica, following authorisation by the general meeting of shareholders held on the same day, resolved to carry out an additional capital increase equal to 99.99% as at 31 December 2016 (the percentage interest calculated on the basis of the ratio of shares held by Autostrade per l’Italia and the subsidiary’s total shares is 99.93%).
<table>
<thead>
<tr>
<th>NAME</th>
<th>REGISTERED OFFICE</th>
<th>BUSINESS</th>
<th>CURRENCY</th>
<th>SHARE CAPITAL/CONSORTIUM FUND AS AT 31 DECEMBER 2016 (IN SHARES/UNITS)</th>
<th>HELD BY</th>
<th>% INTEREST IN SHARE CAPITAL/CONSORTIUM FUND AS AT 31 DECEMBER 2016 (%)</th>
<th>OVERALL GROUP INTEREST (%)</th>
<th>NOTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>AUTOSTRADA CONCESIONI DEL LITTORALE CENTRALE SA</td>
<td>SANTIAGO</td>
<td>CONSTRUCTION AND MAINTENANCE OF ROADS AND THE RELATED SERVICES</td>
<td>CHILEAN PESO</td>
<td>5,905,900</td>
<td>Autostrada per l'Italia SpA</td>
<td>50.01%</td>
<td>50.01%</td>
<td></td>
</tr>
<tr>
<td>AUTOSTRADAS DEL MEDITERRANEANO S.p.A.</td>
<td>SANTIAGO</td>
<td>CONSTRUCTION AND MAINTENANCE OF ROADS AND THE RELATED SERVICES</td>
<td>CHILEAN PESO</td>
<td>1,000,000</td>
<td>Speca Engineering SpA</td>
<td>99.99%</td>
<td>99.99%</td>
<td></td>
</tr>
<tr>
<td>AUTOSTRADAS DEL MEDITERRANEANO S.p.A.</td>
<td>SANTIAGO</td>
<td>CONSTRUCTION AND MAINTENANCE OF ROADS AND THE RELATED SERVICES</td>
<td>CHILEAN PESO</td>
<td>8,966,000</td>
<td>Autostrada per l'Italia SpA</td>
<td>50.01%</td>
<td>50.01%</td>
<td></td>
</tr>
</tbody>
</table>

(6) On 29 December 2015, Autostrada Tirrenica, following authorization by the general meeting of shareholders held on the same date, purchased 100,000 own shares from non-controlled shareholders. Autostrada per l'Italia’s interest is, therefore, equal to 99.99% as at 31 December 2015 (the percentage interest calculated on the basis of the ratio of shares held by Autostrada per l'Italia and the subsidiary’s total shares is 99.99%).
### Consolidated financial statements as at and for the year ended 31 December 2016

<table>
<thead>
<tr>
<th>NAME</th>
<th>BUSINESS</th>
<th>CURRENCY</th>
<th>SHARE CAPITAL/CONSORTIUM FUND AS AT 31 DECEMBER 2016 (IN SHARES/UNITS)</th>
<th>NAME</th>
<th>BUSINESS</th>
<th>CURRENCY</th>
<th>SHARE CAPITAL/CONSORTIUM FUND AS AT 31 DECEMBER 2016 (IN SHARES/UNITS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>STALEXPORT AUTOROUTE SAR.L. LUXEMBOURG (LUXEMBOURG) MOTORWAY SERVICES</td>
<td>MOTORWAY SERVICES</td>
<td>EURO</td>
<td>56,149,500</td>
<td>STALEXPORT AUTOSTRADA MALOPOLSKA SA MYŚLOWICE (POLAND) MOTORWAY OPERATION AND CONSTRUCTION</td>
<td>POLISH</td>
<td>61.20%</td>
<td></td>
</tr>
<tr>
<td>STALEXPORT AUTOSTRADA MALOPOLSKA SA MYŚLOWICE (POLAND)</td>
<td>HOLDING COMPANY</td>
<td>POLISH</td>
<td>100%</td>
<td>STALEXPORT AUTOSTRADA MALOPOLSKA SA MYŚLOWICE (POLAND) HOLDING COMPANY</td>
<td>POLISH</td>
<td>61.20%</td>
<td></td>
</tr>
<tr>
<td>TANGENZIALE DI NAPOLI SpA NAPOLI MOTORWAY OPERATION AND CONSTRUCTION</td>
<td>ITALIAN</td>
<td>EURO</td>
<td>108,077,490</td>
<td>TELEPASS SpA ROME AUTOMATED TOLLING SERVICES</td>
<td>ITALIAN</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>TECH SOLUTIONS INTEGRATORS SAS. PARIGI CONSTRUCTION, INSTALLATION AND MAINTENANCE OF ELECTRONIC TOLLING SYSTEMS</td>
<td>ITALIAN</td>
<td>EURO</td>
<td>2,000,000</td>
<td>TELEPASS Pay SpA ROME DEVELOPMENT, ISSUE AND MANAGEMENT OF ELECTRONIC MONEY INSTRUMENTS AND POSTPAID SERVICES</td>
<td>ITALIAN</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>TRIOAUTO ALTA AUTO-ESTRADAS SA MATAO (BRAZIL) MOTORWAY OPERATION AND CONSTRUCTION</td>
<td>ITALIAN</td>
<td>BRAZILIAN REAL</td>
<td>71,000,000</td>
<td>VIA4 SA MYŚLOWICE (POLAND) MOTORWAY SERVICES</td>
<td>POLISH</td>
<td>61.20%</td>
<td></td>
</tr>
</tbody>
</table>

Note: The company is listed on the Warsaw stock exchange.
### INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

#### Associates

<table>
<thead>
<tr>
<th>NAME</th>
<th>REGISTERED OFFICE</th>
<th>BUSINESS</th>
<th>CURRENCY</th>
<th>SHARE CAPITAL/ CONSORTIUM FUND AS AT 31 DECEMBER 2016 (IN SHARES/UNITS)</th>
<th>HELD BY</th>
<th>% INTEREST IN SHARE CAPITAL/ CONSORTIUM FUND AS AT 31 DECEMBER 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>BOLOGNA &amp; FIERA PARKING SpA</td>
<td>BOLOGNA</td>
<td>DESIGN, CONSTRUCTION AND MANAGEMENT OF MULTI-LEVEL PUBLIC PARKS</td>
<td>EURO</td>
<td>2,75,200</td>
<td>Autostrade per l’Italia SpA</td>
<td>36.81%</td>
</tr>
<tr>
<td>BOURO CENTRUM Sp. Z O.O.</td>
<td>KATOWICE (POLAND)</td>
<td>ADMINISTRATIVE SERVICES</td>
<td>POLISH ZLOTY</td>
<td>80,000</td>
<td>Stalexport Autostrady SA</td>
<td>40.63%</td>
</tr>
<tr>
<td>PEDEMONTANA VENETA SpA (IN LIQUIDATION)</td>
<td>VERONA</td>
<td>MOTORWAY OPERATION AND CONSTRUCTION</td>
<td>EURO</td>
<td>6,000,000</td>
<td>Autostrade per l’Italia SpA</td>
<td>29.77%</td>
</tr>
<tr>
<td>SAME SpA</td>
<td>TESSERA - VENICE</td>
<td>MANAGEMENT OF VENICE AND TREVISO AIRPORTS</td>
<td>EURO</td>
<td>35,971,000</td>
<td>Atlantia SpA</td>
<td>22.09%</td>
</tr>
</tbody>
</table>

#### Joint Ventures

<table>
<thead>
<tr>
<th>NAME</th>
<th>REGISTERED OFFICE</th>
<th>BUSINESS</th>
<th>CURRENCY</th>
<th>SHARE CAPITAL/ CONSORTIUM FUND AS AT 31 DECEMBER 2016 (IN SHARES/UNITS)</th>
<th>HELD BY</th>
<th>% INTEREST IN SHARE CAPITAL/ CONSORTIUM FUND AS AT 31 DECEMBER 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>A&amp;T ROAD CONSTRUCTION MANAGEMENT AND OPERATION PRIVATE LIMITED</td>
<td>PUNE - MAHARASHTRA (INDIA)</td>
<td>OPERATION AND MAINTENANCE, DESIGN AND PROJECT MANAGEMENT</td>
<td>INDIAN RUPEE</td>
<td>100,000</td>
<td>Autostrade India Infrastructure Development Private Limited</td>
<td>50.00%</td>
</tr>
<tr>
<td>CONCESIONARIA RODOVIA DO TITIÉ SA</td>
<td>SAO PAULO (BRAZIL)</td>
<td>MOTORWAY OPERATION AND CONSTRUCTION</td>
<td>BRAZILIAN REAL</td>
<td>303,578,476</td>
<td>AS Concessões SA</td>
<td>50.00%</td>
</tr>
<tr>
<td>GIE DEL TRAFICO DEL MONTE BIANCO</td>
<td>COURMAYEUR</td>
<td>MAINTENANCE AND OPERATION OF MONT BLANC TUNNEL</td>
<td>EURO</td>
<td>2,000,000</td>
<td>Società Italiana per l’Umanità del Monviso</td>
<td>50.00%</td>
</tr>
<tr>
<td>PUNE SOLAPUR EXPRESSWAYS PRIVATE LIMITED</td>
<td>PATRA - DISTRICT PUNE - MAHARASHTRA (INDIA)</td>
<td>MOTORWAY OPERATION AND CONSTRUCTION</td>
<td>INDIAN RUPEE</td>
<td>300,000,000</td>
<td>Atlantia SpA</td>
<td>50.00%</td>
</tr>
<tr>
<td>NAME</td>
<td>REGISTERED OFFICE</td>
<td>BUSINESS</td>
<td>CURRENCY</td>
<td>SHARE CAPITAL/CONSORTIUM FUND AS AT 31 DECEMBER 2016 (IN SHARES/UNITS)</td>
<td>HELD BY</td>
<td>% INTEREST IN SHARE CAPITAL/CONSORTIUM FUND AS AT 31 DECEMBER 2016</td>
</tr>
<tr>
<td>---------------------------</td>
<td>-------------------</td>
<td>---------------------------------</td>
<td>----------</td>
<td>------------------------------------------------------------------------</td>
<td>-----------</td>
<td>-------------------------------------------------------------------</td>
</tr>
<tr>
<td>DOMINO Srl</td>
<td>FIUMICINO</td>
<td>INTERNET SERVICES</td>
<td>EURO</td>
<td>10,000</td>
<td>Atlantia SrlA</td>
<td>100%</td>
</tr>
<tr>
<td>GEMINA FIDUCIARY SERVICES SA</td>
<td>LUXEMBOURG (LUXEMBOURG)</td>
<td>TRUST COMPANY</td>
<td>EURO</td>
<td>150,000</td>
<td>Atlantia SrlA</td>
<td>99.99%</td>
</tr>
<tr>
<td>PAVIMENTAL EST AO (EN LIQUIDATION)</td>
<td>MOSCOW (RUSSIA)</td>
<td>MOTORWAY CONSTRUCTION AND MAINTENANCE</td>
<td>RUSSIAN ROUBLE</td>
<td>4,200,000</td>
<td>Pavimental SpA</td>
<td>100%</td>
</tr>
<tr>
<td>PETROSTAL SA (EN LIQUIDATION)</td>
<td>WARSAW (POLAND)</td>
<td>REAL ESTATE SERVICES</td>
<td>POLISH ZLOTY</td>
<td>2,050,000</td>
<td>Stalexport Autostrasky SrlA</td>
<td>100%</td>
</tr>
</tbody>
</table>
### Other investments

<table>
<thead>
<tr>
<th>Name</th>
<th>Registered Office</th>
<th>Business</th>
<th>Currency</th>
<th>Share Capital/Consortium Fund as at 31 December 2016</th>
<th>% Interest in Share Capital/Consortium Fund as at 31 December 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>AEROPORTO DI GENOVA SpA</td>
<td>GENOA</td>
<td>GENOA AIRPORT MANAGEMENT</td>
<td>EURO</td>
<td>7,746,900</td>
<td>15.00%</td>
</tr>
<tr>
<td>Aeroporti di Roma SpA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CENTRO INTERMODALE TOSCANO AMERIGO VESPUCCI SpA</td>
<td>LIVORNO</td>
<td>FREIGHT LOGISTICS</td>
<td>EURO</td>
<td>11,756,695</td>
<td>0.43%</td>
</tr>
<tr>
<td>Società Autostrada Teresiana S.p.A.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>COMPAGNIA AEREA ITALIANA SpA</td>
<td>FIUMICINO</td>
<td>AIR TRANSPORT</td>
<td>EURO</td>
<td>80,225,194</td>
<td>8.03%</td>
</tr>
<tr>
<td>Atlantia SpA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DIRECTIONAL CAPITAL HOLDINGS Plc</td>
<td></td>
<td>FINANCIAL COMPANY</td>
<td>EUR</td>
<td>4,264,000</td>
<td>7.24%</td>
</tr>
<tr>
<td>Firenze ParcoSud SpA</td>
<td>MILAN</td>
<td>CAR PARK MANAGEMENT</td>
<td>EUR</td>
<td>25,595,158</td>
<td>5.43%</td>
</tr>
<tr>
<td>Emittenti Trasporti SpA</td>
<td>MILAN</td>
<td>INVEST IN BORSI SPAA</td>
<td>EUR</td>
<td>27,200,000</td>
<td>5.00%</td>
</tr>
<tr>
<td>HUTA JEDNOŚĆ SA</td>
<td>SIEMIANOWICE (POLAND)</td>
<td>STEEL TRADING</td>
<td>PLN</td>
<td>11,700,000</td>
<td>5.28%</td>
</tr>
<tr>
<td>Stalexport Autostrady SA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>INVEST STAR SA (IN LIQUIDATION)</td>
<td></td>
<td>STEEL TRADING</td>
<td>PLN</td>
<td>17,500,000</td>
<td>2.24%</td>
</tr>
<tr>
<td>Stalexport Autostrady SA</td>
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<td></td>
</tr>
<tr>
<td>ITALMEX SpA (IN LIQUIDATION)</td>
<td>MILAN</td>
<td>TRADING AGENCY</td>
<td>EUR</td>
<td>1,464,000</td>
<td>4.24%</td>
</tr>
<tr>
<td>Stalexport Autostrady SA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**INVESTMENTS ACCOUNTED FOR AT COST OR FAIR VALUE**

**% INTEREST IN SHARE CAPITAL/CONSORTIUM FUND AS AT 31 DECEMBER 2016**

**NAME**

**REGISTERED OFFICE**

**BUSINESS**

**CURRENCY**

**SHARE CAPITAL/CONSORTIUM FUND AS AT 31 DECEMBER 2016**

**HELD BY**

**% INTEREST IN SHARE CAPITAL/CONSORTIUM FUND AS AT 31 DECEMBER 2016**
3. Consolidated financial statements as at and for the year ended 31 December 2016

**Investments Accounted for at Cost or Fair Value**

<table>
<thead>
<tr>
<th>Name</th>
<th>Registered Office</th>
<th>Business</th>
<th>Currency</th>
<th>Share Capital/Consortium Fund as at 31 December 2016 (in shares/units)</th>
<th>Held by</th>
<th>% Interest in Share Capital/Consortium Fund as at 31 December 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>LUSOPONTE - CONCESSIONARIA PARA A TRAVESSIA DO TEJO</td>
<td>SA MONTJO</td>
<td>Motorway Operator</td>
<td>EUR</td>
<td>25,000,000</td>
<td>Autostrade Portugal - Consorcios de Infraestruturas SA</td>
<td>17.21%</td>
</tr>
<tr>
<td>USABUE GATE GOURMET ROMA SpA (INSOLVENT)</td>
<td>TESSERA</td>
<td>Airport Catering</td>
<td>EUR</td>
<td>103,200</td>
<td>Aeroporti di Roma SpA</td>
<td>20.00%</td>
</tr>
<tr>
<td>KONSORCJUM AUTOSTRADA ŚLĄSKA SA</td>
<td>KATOWICE</td>
<td>Motorway Operation and Construction</td>
<td>POLISH</td>
<td>1,987,300</td>
<td>Stalexport Autostrady SA</td>
<td>5.43%</td>
</tr>
<tr>
<td>SACAL, SpA</td>
<td>LAMEZIA TERME</td>
<td>Airport Management</td>
<td>EUR</td>
<td>7,755,000</td>
<td>Aeroporti di Roma SpA</td>
<td>16.57%</td>
</tr>
<tr>
<td>SOCIETÀ DI PROGETTO BREBEMI SpA</td>
<td>BRESCIA</td>
<td>Motorway Operation and Construction</td>
<td>EUR</td>
<td>180,000,000</td>
<td>Spea Engineering SpA</td>
<td>0.00%</td>
</tr>
<tr>
<td>TANGENZIALE ESTERNA SpA</td>
<td>MILAN</td>
<td>Motorway Operation and Construction</td>
<td>EUR</td>
<td>464,945,000</td>
<td>Autostrade per l’Italia SpA</td>
<td>0.25%</td>
</tr>
<tr>
<td>TANGENZIALE ESTERNE DI MILANO SpA</td>
<td>MILAN</td>
<td>Construction and Operation of Milan Ring Road</td>
<td>EUR</td>
<td>220,344,608</td>
<td>Autostrade per l’Italia SpA</td>
<td>13.67%</td>
</tr>
<tr>
<td>UIRNET SpA</td>
<td>ROME</td>
<td>Operation of National Logistics Network</td>
<td>EUR</td>
<td>1,051,000</td>
<td>Autostrade per l’Italia SpA</td>
<td>1.51%</td>
</tr>
<tr>
<td>VENETO STRADE SpA</td>
<td>VENICE</td>
<td>Construction and Maintenance of Roads and Traffic Services</td>
<td>EUR</td>
<td>5,263,200</td>
<td>Autostrade per l’Italia SpA</td>
<td>5.00%</td>
</tr>
<tr>
<td>WALKOWNIA URJĘDOWOŚĆ SP Z O. O.</td>
<td>SIEMASNOWICE</td>
<td>Steel Trading</td>
<td>POLISH</td>
<td>220,059,000</td>
<td>Stalexport Autostrady SA</td>
<td>0.01%</td>
</tr>
<tr>
<td>ZAHŁADY METALOWE DEZMET SA</td>
<td>NOWA DEBA</td>
<td>Steel Trading</td>
<td>POLISH</td>
<td>19,941,750</td>
<td>Stalexport Autostrady SA</td>
<td>0.26%</td>
</tr>
</tbody>
</table>

INVESTMENTS ACCOUNTED FOR AT COST OR FAIR VALUE
## Atlantic Group consolidated statements

<table>
<thead>
<tr>
<th>Name</th>
<th>Registered Office</th>
<th>Business</th>
<th>Currency</th>
<th>Share Capital</th>
<th>% Interest in Share Capital / Consortium Fund as at 31 December 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>CONSORTIUM CONSTRUCTION CONSORTIUM RIBERAO PRETO (BRAZIL)</td>
<td>RIBERAO PRETO</td>
<td>ELECTRICAL REQUIREMENTS</td>
<td>EUR</td>
<td>3.20%</td>
<td>3.20%</td>
</tr>
<tr>
<td>CONSORTIUM CONSTRUCTION CONSORTIUM CONSORTIUM RIBERAO PRETO</td>
<td>RIBERAO PRETO</td>
<td>MOTORWAY CONSTRUCTION AND ACTIVITIES</td>
<td>EUR</td>
<td>10,000</td>
<td>100%</td>
</tr>
<tr>
<td>CONSORTIUM CONSTRUCTION CONSORTIUM CONSORTIUM CONSORTIUM RIBERAO PRETO</td>
<td>RIBERAO PRETO</td>
<td>ELECTRICAL REQUIREMENTS</td>
<td>EUR</td>
<td>3.20%</td>
<td>3.20%</td>
</tr>
<tr>
<td>CONSORTIUM CONSTRUCTION CONSORTIUM CONSORTIUM RIBERAO PRETO</td>
<td>RIBERAO PRETO</td>
<td>MOTORWAY CONSTRUCTION AND ACTIVITIES</td>
<td>EUR</td>
<td>10,000</td>
<td>100%</td>
</tr>
<tr>
<td>CONSORTIUM CONSTRUCTION CONSORTIUM CONSORTIUM RIBERAO PRETO</td>
<td>RIBERAO PRETO</td>
<td>ELECTRICAL REQUIREMENTS</td>
<td>EUR</td>
<td>3.20%</td>
<td>3.20%</td>
</tr>
<tr>
<td>CONSORTIUM CONSTRUCTION CONSORTIUM CONSORTIUM RIBERAO PRETO</td>
<td>RIBERAO PRETO</td>
<td>MOTORWAY CONSTRUCTION AND ACTIVITIES</td>
<td>EUR</td>
<td>10,000</td>
<td>100%</td>
</tr>
<tr>
<td>CONSORTIUM CONSTRUCTION CONSORTIUM CONSORTIUM RIBERAO PRETO</td>
<td>RIBERAO PRETO</td>
<td>ELECTRICAL REQUIREMENTS</td>
<td>EUR</td>
<td>3.20%</td>
<td>3.20%</td>
</tr>
<tr>
<td>CONSORTIUM CONSTRUCTION CONSORTIUM CONSORTIUM RIBERAO PRETO</td>
<td>RIBERAO PRETO</td>
<td>MOTORWAY CONSTRUCTION AND ACTIVITIES</td>
<td>EUR</td>
<td>10,000</td>
<td>100%</td>
</tr>
<tr>
<td>CONSORTIUM CONSTRUCTION CONSORTIUM CONSORTIUM RIBERAO PRETO</td>
<td>RIBERAO PRETO</td>
<td>ELECTRICAL REQUIREMENTS</td>
<td>EUR</td>
<td>3.20%</td>
<td>3.20%</td>
</tr>
<tr>
<td>CONSORTIUM CONSTRUCTION CONSORTIUM CONSORTIUM RIBERAO PRETO</td>
<td>RIBERAO PRETO</td>
<td>MOTORWAY CONSTRUCTION AND ACTIVITIES</td>
<td>EUR</td>
<td>10,000</td>
<td>100%</td>
</tr>
<tr>
<td>CONSORTIUM CONSTRUCTION CONSORTIUM CONSORTIUM RIBERAO PRETO</td>
<td>RIBERAO PRETO</td>
<td>ELECTRICAL REQUIREMENTS</td>
<td>EUR</td>
<td>3.20%</td>
<td>3.20%</td>
</tr>
<tr>
<td>CONSORTIUM CONSTRUCTION CONSORTIUM CONSORTIUM RIBERAO PRETO</td>
<td>RIBERAO PRETO</td>
<td>MOTORWAY CONSTRUCTION AND ACTIVITIES</td>
<td>EUR</td>
<td>10,000</td>
<td>100%</td>
</tr>
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</table>
### 3. Consolidated financial statements as at and for the year ended 31 December 2016

<table>
<thead>
<tr>
<th>Name</th>
<th>Business Description</th>
<th>Currency</th>
<th>Share Capital/Consortium Fund</th>
<th>Interests Held by</th>
<th>% Interest in Share Capital/Consortium Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>CONSORTIUM</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CONSORTIUM RAMONTI S.C.A.R.L. (IN LIQUIDATION)</td>
<td>TORTONA MOTORWAY CONSTRUCTION</td>
<td>EUR</td>
<td>10,000</td>
<td>Pavimental Spa</td>
<td>49.00%</td>
</tr>
<tr>
<td>CONSORTIUM RAMONTI S.C.A.R.L. (IN LIQUIDATION)</td>
<td>SAHIYAO CONSTRUCTION OF AMERICAN ROAD NETWORK</td>
<td>EUR</td>
<td>50,000</td>
<td>Pavimental Spa</td>
<td>30.00%</td>
</tr>
<tr>
<td>CONSORTIUM RAMONTI S.C.A.R.L. (IN LIQUIDATION)</td>
<td>INTEGRATED TECHNICAL ENGINEERING SERVICES - HIGHWAY PROJECTS</td>
<td>NOK</td>
<td>20,000</td>
<td>Spot Engineering Spa</td>
<td>30.00%</td>
</tr>
<tr>
<td>CONSORTIUM RAMONTI S.C.A.R.L. (IN LIQUIDATION)</td>
<td></td>
<td>EUR</td>
<td>50,000</td>
<td>Spot Engineering Spa</td>
<td>20.00%</td>
</tr>
<tr>
<td>CONSORTIUM RAMONTI S.C.A.R.L. (IN LIQUIDATION)</td>
<td></td>
<td>EUR</td>
<td>50,000</td>
<td>Spot Engineering Spa</td>
<td>10.00%</td>
</tr>
<tr>
<td>CONSORTIUM RAMONTI S.C.A.R.L. (IN LIQUIDATION)</td>
<td></td>
<td>EUR</td>
<td>50,000</td>
<td>Spot Engineering Spa</td>
<td>5.00%</td>
</tr>
<tr>
<td>CONSORTIUM RAMONTI S.C.A.R.L. (IN LIQUIDATION)</td>
<td></td>
<td>EUR</td>
<td>100%</td>
<td>Pavimental SpA</td>
<td>75.00%</td>
</tr>
<tr>
<td>CONSORTIUM RAMONTI S.C.A.R.L. (IN LIQUIDATION)</td>
<td></td>
<td>EUR</td>
<td>100%</td>
<td>Autostrade Tech SpA</td>
<td>20.00%</td>
</tr>
<tr>
<td>CONSORTIUM RAMONTI S.C.A.R.L. (IN LIQUIDATION)</td>
<td></td>
<td>EUR</td>
<td>100%</td>
<td>Pavimental Polska SpA</td>
<td>5.00%</td>
</tr>
<tr>
<td>CONSORTIUM RAMONTI S.C.A.R.L. (IN LIQUIDATION)</td>
<td></td>
<td>EUR</td>
<td>100%</td>
<td>Stalexport Autostrady SpA</td>
<td>2.71%</td>
</tr>
<tr>
<td>CONSORTIUM RAMONTI S.C.A.R.L. (IN LIQUIDATION)</td>
<td></td>
<td>EUR</td>
<td>100%</td>
<td>Stalexport Autostrady SpA</td>
<td>2.63%</td>
</tr>
<tr>
<td>CONSORTIUM RAMONTI S.C.A.R.L. (IN LIQUIDATION)</td>
<td></td>
<td>EUR</td>
<td>100%</td>
<td>Autostrade per Italia SpA</td>
<td>2.00%</td>
</tr>
<tr>
<td>CONSORTIUM RAMONTI S.C.A.R.L. (IN LIQUIDATION)</td>
<td></td>
<td>EUR</td>
<td>100%</td>
<td>Raccordo Autostradale Valle d’Aosta SpA</td>
<td>0.10%</td>
</tr>
<tr>
<td>CONSORTIUM RAMONTI S.C.A.R.L. (IN LIQUIDATION)</td>
<td></td>
<td>EUR</td>
<td>100%</td>
<td>SPEA do Brasil Projetos e Infra Estrutura Limitada</td>
<td>50.00%</td>
</tr>
<tr>
<td>CONSORTIUM RAMONTI S.C.A.R.L. (IN LIQUIDATION)</td>
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<td>Spea Engineering SpA</td>
<td>30.00%</td>
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<tr>
<td>CONSORTIUM RAMONTI S.C.A.R.L. (IN LIQUIDATION)</td>
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<td>100%</td>
<td>Pavimental SpA</td>
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<tr>
<td>CONSORTIUM RAMONTI S.C.A.R.L. (IN LIQUIDATION)</td>
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<td>100%</td>
<td>Pavimental SpA</td>
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</tr>
<tr>
<td>CONSORTIUM RAMONTI S.C.A.R.L. (IN LIQUIDATION)</td>
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<td>100%</td>
<td>Pavimental SpA</td>
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<tr>
<td>CONSORTIUM RAMONTI S.C.A.R.L. (IN LIQUIDATION)</td>
<td></td>
<td>EUR</td>
<td>100%</td>
<td>Pavimental SpA</td>
<td>5.00%</td>
</tr>
<tr>
<td>CONSORTIUM RAMONTI S.C.A.R.L. (IN LIQUIDATION)</td>
<td></td>
<td>EUR</td>
<td>100%</td>
<td>Stalexport Autostrady SpA</td>
<td>2.71%</td>
</tr>
<tr>
<td>CONSORTIUM RAMONTI S.C.A.R.L. (IN LIQUIDATION)</td>
<td></td>
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<td>100%</td>
<td>Stalexport Autostrady SpA</td>
<td>2.63%</td>
</tr>
<tr>
<td>CONSORTIUM RAMONTI S.C.A.R.L. (IN LIQUIDATION)</td>
<td></td>
<td>EUR</td>
<td>100%</td>
<td>Autostrade per Italia SpA</td>
<td>2.00%</td>
</tr>
<tr>
<td>CONSORTIUM RAMONTI S.C.A.R.L. (IN LIQUIDATION)</td>
<td></td>
<td>EUR</td>
<td>100%</td>
<td>Raccordo Autostradale Valle d’Aosta SpA</td>
<td>0.10%</td>
</tr>
<tr>
<td>CONSORTIUM RAMONTI S.C.A.R.L. (IN LIQUIDATION)</td>
<td></td>
<td>EUR</td>
<td>100%</td>
<td>SPEA do Brasil Projetos e Infra Estrutura Limitada</td>
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</tr>
<tr>
<td>CONSORTIUM RAMONTI S.C.A.R.L. (IN LIQUIDATION)</td>
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<td>100%</td>
<td>Spea Engineering SpA</td>
<td>30.00%</td>
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<tr>
<td>CONSORTIUM RAMONTI S.C.A.R.L. (IN LIQUIDATION)</td>
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<td>100%</td>
<td>Pavimental SpA</td>
<td>60.00%</td>
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<tr>
<td>CONSORTIUM RAMONTI S.C.A.R.L. (IN LIQUIDATION)</td>
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<td>Pavimental SpA</td>
<td>30.00%</td>
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<tr>
<td>CONSORTIUM RAMONTI S.C.A.R.L. (IN LIQUIDATION)</td>
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<td>100%</td>
<td>Pavimental SpA</td>
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<tr>
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<td>100%</td>
<td>Pavimental SpA</td>
<td>5.00%</td>
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<tr>
<td>CONSORTIUM RAMONTI S.C.A.R.L. (IN LIQUIDATION)</td>
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<td>100%</td>
<td>Stalexport Autostrady SpA</td>
<td>2.71%</td>
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<tr>
<td>CONSORTIUM RAMONTI S.C.A.R.L. (IN LIQUIDATION)</td>
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<td>EUR</td>
<td>100%</td>
<td>Autostrade per Italia SpA</td>
<td>2.00%</td>
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<tr>
<td>CONSORTIUM RAMONTI S.C.A.R.L. (IN LIQUIDATION)</td>
<td></td>
<td>EUR</td>
<td>100%</td>
<td>Raccordo Autostradale Valle d’Aosta SpA</td>
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<tr>
<td>CONSORTIUM RAMONTI S.C.A.R.L. (IN LIQUIDATION)</td>
<td></td>
<td>EUR</td>
<td>100%</td>
<td>SPEA do Brasil Projetos e Infra Estrutura Limitada</td>
<td>50.00%</td>
</tr>
<tr>
<td>CONSORTIUM RAMONTI S.C.A.R.L. (IN LIQUIDATION)</td>
<td></td>
<td>EUR</td>
<td>100%</td>
<td>Spea Engineering SpA</td>
<td>30.00%</td>
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<td>CONSORTIUM RAMONTI S.C.A.R.L. (IN LIQUIDATION)</td>
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<td>100%</td>
<td>Pavimental SpA</td>
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<td>CONSORTIUM RAMONTI S.C.A.R.L. (IN LIQUIDATION)</td>
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<td>100%</td>
<td>Pavimental SpA</td>
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<td>100%</td>
<td>Pavimental SpA</td>
<td>10.00%</td>
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<tr>
<td>CONSORTIUM RAMONTI S.C.A.R.L. (IN LIQUIDATION)</td>
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<td>100%</td>
<td>Pavimental SpA</td>
<td>5.00%</td>
</tr>
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<td>CONSORTIUM RAMONTI S.C.A.R.L. (IN LIQUIDATION)</td>
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<td>100%</td>
<td>Stalexport Autostrady SpA</td>
<td>2.71%</td>
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<td></td>
<td>EUR</td>
<td>100%</td>
<td>Stalexport Autostrady SpA</td>
<td>2.63%</td>
</tr>
<tr>
<td>CONSORTIUM RAMONTI S.C.A.R.L. (IN LIQUIDATION)</td>
<td></td>
<td>EUR</td>
<td>100%</td>
<td>Autostrade per Italia SpA</td>
<td>2.00%</td>
</tr>
<tr>
<td>CONSORTIUM RAMONTI S.C.A.R.L. (IN LIQUIDATION)</td>
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<td>EUR</td>
<td>100%</td>
<td>Raccordo Autostradale Valle d’Aosta SpA</td>
<td>0.10%</td>
</tr>
<tr>
<td>CONSORTIUM RAMONTI S.C.A.R.L. (IN LIQUIDATION)</td>
<td></td>
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<td>100%</td>
<td>SPEA do Brasil Projetos e Infra Estrutura Limitada</td>
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</tr>
<tr>
<td>CONSORTIUM RAMONTI S.C.A.R.L. (IN LIQUIDATION)</td>
<td></td>
<td>EUR</td>
<td>100%</td>
<td>Spea Engineering SpA</td>
<td>30.00%</td>
</tr>
<tr>
<td>CONSORTIUM RAMONTI S.C.A.R.L. (IN LIQUIDATION)</td>
<td></td>
<td>EUR</td>
<td>100%</td>
<td>Pavimental SpA</td>
<td>60.00%</td>
</tr>
<tr>
<td>CONSORTIUM RAMONTI S.C.A.R.L. (IN LIQUIDATION)</td>
<td></td>
<td>EUR</td>
<td>100%</td>
<td>Pavimental SpA</td>
<td>30.00%</td>
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<tr>
<td>CONSORTIUM RAMONTI S.C.A.R.L. (IN LIQUIDATION)</td>
<td></td>
<td>EUR</td>
<td>100%</td>
<td>Pavimental SpA</td>
<td>10.00%</td>
</tr>
<tr>
<td>CONSORTIUM RAMONTI S.C.A.R.L. (IN LIQUIDATION)</td>
<td></td>
<td>EUR</td>
<td>100%</td>
<td>Pavimental SpA</td>
<td>5.00%</td>
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</table>
ANNEX 2

DISCLOSURES PURSUANT TO ART. 149- DUODECIES OF THE CONSOB REGULATIONS FOR ISSUERS 11971/1999

Atlantia SpA

<table>
<thead>
<tr>
<th>TYPE OF SERVICE</th>
<th>PROVIDER OF SERVICE</th>
<th>NOTE</th>
<th>FEES (€000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit</td>
<td>Parent Company's auditor</td>
<td></td>
<td>27</td>
</tr>
<tr>
<td>Certification</td>
<td>Parent Company's auditor</td>
<td>(1)</td>
<td>23</td>
</tr>
<tr>
<td>Other services</td>
<td>Associate of Parent Company's auditor</td>
<td>(2)</td>
<td>88</td>
</tr>
<tr>
<td>Other services</td>
<td>Parent Company's auditor</td>
<td>(3)</td>
<td>198</td>
</tr>
<tr>
<td><strong>Total Atlantia SpA</strong></td>
<td></td>
<td></td>
<td><strong>336</strong></td>
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</table>

Subsidiaries

<table>
<thead>
<tr>
<th>TYPE OF SERVICE</th>
<th>PROVIDER OF SERVICE</th>
<th>NOTE</th>
<th>FEES (€000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit</td>
<td>Parent Company's auditor</td>
<td></td>
<td>511</td>
</tr>
<tr>
<td>Audit</td>
<td>Associate of Parent Company's auditor</td>
<td>(4)</td>
<td>451</td>
</tr>
<tr>
<td>Certification</td>
<td>Parent Company's auditor</td>
<td>(5)</td>
<td>23</td>
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<tr>
<td>Other services</td>
<td>Parent Company's auditor</td>
<td>(6)</td>
<td>96</td>
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<tr>
<td>Other services</td>
<td>Associate of Parent Company's auditor</td>
<td>(6)</td>
<td>327</td>
</tr>
<tr>
<td><strong>Total subsidiaries</strong></td>
<td></td>
<td></td>
<td><strong>1,408</strong></td>
</tr>
</tbody>
</table>

**Total Atlantia Group**  
1,744

(1) Opinion on payment of interim dividends.
(2) Signature of consolidated and 770 tax forms, agreed upon procedures for data and accounting information and comfort letters for the tenders in which the Group has participated, review of the Sustainability Report and comfort letter for the offering circular.
(3) Financial, accounting and tax due diligence.
(4) Opinion on payment of interim dividends.
(5) Signature of consolidated and 770 tax forms, agreed upon procedures for data and accounting information and comfort letters for the tenders in which the Group has participated, services relating to the internal control system.
(6) Agreed upon procedures on accounting data and information and checks on income tax applied to employees and obligations as withholding agent.
Proposed resolutions for the Annual General Meeting of Atlantia SpA’s shareholders

Separate financial statements as at and for the year ended 31 December 2016: financial statements and notes
FINANCIAL STATEMENTS

Statement of financial position (1)

<table>
<thead>
<tr>
<th>€</th>
<th>31 December 2016</th>
<th>31 December 2015</th>
</tr>
</thead>
<tbody>
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<td><strong>ASSETS</strong></td>
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<td></td>
</tr>
<tr>
<td><strong>NON-CURRENT ASSETS</strong></td>
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<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>7,074,276</td>
<td>7,539,720</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>330,619</td>
<td>2,025,725</td>
</tr>
<tr>
<td>Investment property</td>
<td>6,743,657</td>
<td>5,513,995</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>222,327</td>
<td>224,974</td>
</tr>
<tr>
<td>Investments</td>
<td>10,807,961,770</td>
<td>8,836,431,848</td>
</tr>
<tr>
<td>Non-current financial assets</td>
<td>1,332,891,592</td>
<td>7,078,406,899</td>
</tr>
<tr>
<td>Non-current derivative assets</td>
<td>42,319,440</td>
<td>216,685,760</td>
</tr>
<tr>
<td>Other non-current financial assets</td>
<td>1,290,572,152</td>
<td>6,861,721,139</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>213,728</td>
<td>274,937</td>
</tr>
<tr>
<td><strong>TOTAL NON-CURRENT ASSETS</strong></td>
<td>12,148,363,693</td>
<td>15,922,878,378</td>
</tr>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trading assets</td>
<td>5,461,485</td>
<td>4,280,445</td>
</tr>
<tr>
<td>Trade receivables</td>
<td>5,461,485</td>
<td>4,280,445</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>219,499,476</td>
<td>417,479,529</td>
</tr>
<tr>
<td>Cash</td>
<td>13,959,488</td>
<td>4,150,640</td>
</tr>
<tr>
<td>Cash equivalents</td>
<td>-</td>
<td>400,000,000</td>
</tr>
<tr>
<td>Intercompany current account receivables due from related parties</td>
<td>205,539,988</td>
<td>13,328,889</td>
</tr>
<tr>
<td>Current financial assets</td>
<td>12,872,134</td>
<td>1,109,271,459</td>
</tr>
<tr>
<td>Current portion of medium/long-term financial assets</td>
<td>4,489,939</td>
<td>1,102,323,741</td>
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<tr>
<td>Other current financial assets</td>
<td>8,382,195</td>
<td>6,947,718</td>
</tr>
<tr>
<td>Current tax assets</td>
<td>87,348,022</td>
<td>29,455,350</td>
</tr>
<tr>
<td>Other current assets</td>
<td>758,909</td>
<td>28,477,672</td>
</tr>
<tr>
<td>Non-current assets held for sale or related to discontinued operations</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL CURRENT ASSETS</strong></td>
<td>325,940,026</td>
<td>1,588,964,455</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>12,474,303,719</td>
<td>17,511,842,833</td>
</tr>
</tbody>
</table>

(1) As required by CONSOB Resolution 15519 of 27 July 2006, the impact of related party transactions on Atlantia SpA’s statement of financial position are shown in the statement of financial position, expressed in thousands of euros, on the following pages. The impact is also described in further detail in note 8.2.
## Statement of financial position

### EQUITY AND LIABILITIES

#### EQUITY

<table>
<thead>
<tr>
<th></th>
<th>31 December 2016</th>
<th>31 December 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issued capital</td>
<td>825,783,990</td>
<td>825,783,990</td>
</tr>
<tr>
<td>Reserves and retained earnings</td>
<td>8,470,237,330</td>
<td>8,517,467,265</td>
</tr>
<tr>
<td>Treasury shares</td>
<td>-106,873,651</td>
<td>-38,984,692</td>
</tr>
<tr>
<td>Profit/(Loss) for the year net of interim dividends</td>
<td>556,778,538</td>
<td>404,063,684</td>
</tr>
<tr>
<td><strong>TOTAL EQUITY</strong></td>
<td>9,745,926,207</td>
<td>9,708,330,247</td>
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</table>

#### NON-CURRENT LIABILITIES

<table>
<thead>
<tr>
<th></th>
<th>31 December 2016</th>
<th>31 December 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-current provisions</td>
<td>599,077</td>
<td>749,143</td>
</tr>
<tr>
<td>Non-current provisions for employee benefits</td>
<td>599,077</td>
<td>749,143</td>
</tr>
<tr>
<td>Non-current financial liabilities</td>
<td>989,223,884</td>
<td>6,627,153,731</td>
</tr>
<tr>
<td>Bond issues</td>
<td>989,223,884</td>
<td>6,418,135,566</td>
</tr>
<tr>
<td>Non-current derivative liabilities</td>
<td>-</td>
<td>209,018,165</td>
</tr>
<tr>
<td><strong>Deferred tax liabilities</strong></td>
<td>12,694,596</td>
<td>35,548,838</td>
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<tr>
<td>Other non-current liabilities</td>
<td>2,444,981</td>
<td>3,889,473</td>
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<tr>
<td><strong>TOTAL NON-CURRENT LIABILITIES</strong></td>
<td>1,004,962,538</td>
<td>6,667,341,185</td>
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</table>

#### CURRENT LIABILITIES

<table>
<thead>
<tr>
<th></th>
<th>31 December 2016</th>
<th>31 December 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trading liabilities</td>
<td>8,539,626</td>
<td>4,660,311</td>
</tr>
<tr>
<td>Trade payables</td>
<td>8,539,626</td>
<td>4,660,311</td>
</tr>
<tr>
<td>Current provisions</td>
<td>1,731,253</td>
<td>1,675,365</td>
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<tr>
<td>Current provisions for employee benefits</td>
<td>124,498</td>
<td>138,833</td>
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<tr>
<td>Other current provisions</td>
<td>1,606,755</td>
<td>1,536,532</td>
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<tr>
<td>Current financial liabilities</td>
<td>1,606,840,485</td>
<td>1,091,876,099</td>
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<tr>
<td>Bank overdrafts repayable on demand</td>
<td>203</td>
<td>73</td>
</tr>
<tr>
<td>Short-term borrowings</td>
<td>1,600,000,000</td>
<td>-</td>
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<tr>
<td>Current portion of medium/long-term financial liabilities</td>
<td>5,134,441</td>
<td>1,091,549,927</td>
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<tr>
<td>Derivative liabilities</td>
<td>1,119,586</td>
<td>-</td>
</tr>
<tr>
<td>Other current financial liabilities</td>
<td>586,255</td>
<td>326,099</td>
</tr>
<tr>
<td><strong>Current tax liabilities</strong></td>
<td>80,966,233</td>
<td>18,126,593</td>
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<tr>
<td>Other current liabilities</td>
<td>25,337,377</td>
<td>19,833,033</td>
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<td><strong>Liabilities related to discontinued operations</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL CURRENT LIABILITIES</strong></td>
<td>1,723,414,974</td>
<td>1,136,171,401</td>
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</table>

### TOTAL LIABILITIES

<table>
<thead>
<tr>
<th></th>
<th>31 December 2016</th>
<th>31 December 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td>2,728,377,512</td>
<td>7,803,512,586</td>
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</table>

### TOTAL EQUITY AND LIABILITIES

<table>
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<tr>
<th></th>
<th>31 December 2016</th>
<th>31 December 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL EQUITY AND LIABILITIES</strong></td>
<td>12,474,303,719</td>
<td>17,511,842,833</td>
</tr>
</tbody>
</table>
## Income statement (2)

<table>
<thead>
<tr>
<th></th>
<th>€ 2016</th>
<th>€ 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating revenue</td>
<td>2,170,014</td>
<td>2,100,243</td>
</tr>
<tr>
<td><strong>TOTAL REVENUE</strong></td>
<td>2,170,014</td>
<td>2,100,243</td>
</tr>
<tr>
<td><strong>COSTS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Raw and consumable materials</td>
<td>-60,855</td>
<td>-65,697</td>
</tr>
<tr>
<td>Service costs</td>
<td>-12,325,812</td>
<td>-11,765,462</td>
</tr>
<tr>
<td>Staff costs</td>
<td>-21,429,237</td>
<td>-15,448,910</td>
</tr>
<tr>
<td>Other operating costs</td>
<td>-4,405,408</td>
<td>-4,699,288</td>
</tr>
<tr>
<td>Lease expense</td>
<td>-1,006,800</td>
<td>-1,045,295</td>
</tr>
<tr>
<td>Other</td>
<td>-3,398,608</td>
<td>-3,653,993</td>
</tr>
<tr>
<td>Amortisation and depreciation</td>
<td>-468,092</td>
<td>-469,427</td>
</tr>
<tr>
<td>Depreciation of property, plant and equipment</td>
<td>-135,418</td>
<td>-187,326</td>
</tr>
<tr>
<td>Depreciation of investment property</td>
<td>-330,027</td>
<td>-279,454</td>
</tr>
<tr>
<td>Amortisation of intangible assets</td>
<td>-2,647</td>
<td>-2,647</td>
</tr>
<tr>
<td><strong>TOTAL COSTS</strong></td>
<td>-38,689,404</td>
<td>-32,448,784</td>
</tr>
<tr>
<td><strong>OPERATING PROFIT/(LOSS)</strong></td>
<td>-36,519,390</td>
<td>-30,348,541</td>
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<tr>
<td>Financial income</td>
<td>1,440,006,993</td>
<td>1,397,657,130</td>
</tr>
<tr>
<td>Dividends received from investees</td>
<td>979,790,732</td>
<td>794,023,295</td>
</tr>
<tr>
<td>Other financial income</td>
<td>460,216,261</td>
<td>603,633,835</td>
</tr>
<tr>
<td><strong>Financial expenses</strong></td>
<td>-485,740,195</td>
<td>-631,870,597</td>
</tr>
<tr>
<td>Financial expenses from discounting of provisions</td>
<td>-10,986</td>
<td>-8,250</td>
</tr>
<tr>
<td>Impairment losses on investments</td>
<td>-31,509,045</td>
<td>-36,248,533</td>
</tr>
<tr>
<td>Other financial expenses</td>
<td>-454,220,164</td>
<td>-595,613,814</td>
</tr>
<tr>
<td>Foreign exchange gains/(losses)</td>
<td>219,648</td>
<td>470,371</td>
</tr>
<tr>
<td><strong>FINANCIAL INCOME/(EXPENSES)</strong></td>
<td>954,486,446</td>
<td>766,256,904</td>
</tr>
<tr>
<td><strong>PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS</strong></td>
<td>917,967,056</td>
<td>735,908,363</td>
</tr>
<tr>
<td>Income tax (expense)/benefit</td>
<td>1,262,940</td>
<td>-2,499,441</td>
</tr>
<tr>
<td>Current tax expense</td>
<td>-5,702,040</td>
<td>-5,191,436</td>
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<tr>
<td>Differences on tax expense for previous years</td>
<td>6,746,524</td>
<td>1,138,430</td>
</tr>
<tr>
<td>Deferred tax income and expense</td>
<td>218,456</td>
<td>1,553,565</td>
</tr>
<tr>
<td><strong>PROFIT/(LOSS) FROM CONTINUING OPERATIONS</strong></td>
<td>919,229,996</td>
<td>733,408,922</td>
</tr>
<tr>
<td>Profit/(Loss) from discontinued operations</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>PROFIT FOR THE YEAR</strong></td>
<td>919,229,996</td>
<td>733,408,922</td>
</tr>
</tbody>
</table>

(2) As required by CONSOB Resolution 15519 of 27 July 2006, the impact of related party transactions and components of income deriving from non-recurring transactions on Atlantia SpA’s income statement are shown in the income statement, expressed in thousands of euros, on the following pages. The impact is also described in further detail in notes 8.2 and 6.9.
<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit for the year</td>
<td>919,229,996</td>
<td>733,408,922</td>
</tr>
<tr>
<td>Amortisation and</td>
<td>468,092</td>
<td>469,427</td>
</tr>
<tr>
<td>depreciation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating change in</td>
<td>72,626</td>
<td>2,979</td>
</tr>
<tr>
<td>provisions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial expenses from</td>
<td>10,986</td>
<td>8,250</td>
</tr>
<tr>
<td>discounting of</td>
<td></td>
<td></td>
</tr>
<tr>
<td>provisions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impairment losses/(</td>
<td>31,438,822</td>
<td>36,248,533</td>
</tr>
<tr>
<td>Reversal of impairment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>losses) on financial</td>
<td></td>
<td></td>
</tr>
<tr>
<td>assets and investments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net change in</td>
<td>-218,456</td>
<td>-1,553,565</td>
</tr>
<tr>
<td>deferred tax (assets)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>/liabilities through</td>
<td></td>
<td></td>
</tr>
<tr>
<td>profit or loss</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other non-cash costs</td>
<td>3,316,699</td>
<td>3,456,279</td>
</tr>
<tr>
<td>(income)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in working capital</td>
<td>35,076,843</td>
<td>-21,036,225</td>
</tr>
<tr>
<td>and other changes</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net cash generated</strong></td>
<td>989,395,608</td>
<td>751,004,600</td>
</tr>
<tr>
<td>**from/(used in)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>operating activities**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchases of property,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>plant and equipment</td>
<td>-</td>
<td>-15,497</td>
</tr>
<tr>
<td>Purchase of investments</td>
<td>-1,998,487,311</td>
<td>-9,225,409</td>
</tr>
<tr>
<td>Net change in other</td>
<td>61,209</td>
<td>61,041</td>
</tr>
<tr>
<td>non-current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net change in</td>
<td>1,318,382,441</td>
<td>1,062,330,584</td>
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<tr>
<td>current and non-current</td>
<td></td>
<td></td>
</tr>
<tr>
<td>financial assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net cash generated</strong></td>
<td>-680,043,661</td>
<td>1,053,150,719</td>
</tr>
<tr>
<td>**from/(used in)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>investing activities**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Purchase)/Sale of</td>
<td>-77,202,284</td>
<td>227,950,608</td>
</tr>
<tr>
<td>treasury shares</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividends paid</td>
<td>-757,507,762</td>
<td>-695,639,324</td>
</tr>
<tr>
<td>Proceeds from exercise</td>
<td>3,979,499</td>
<td>3,269,901</td>
</tr>
<tr>
<td>of rights under share-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>based incentive plans</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bond redemptions</td>
<td>-1,100,572,000</td>
<td>-1,351,250,000</td>
</tr>
<tr>
<td>Increase in short-term</td>
<td>1,600,000,000</td>
<td>-</td>
</tr>
<tr>
<td>borrowings</td>
<td></td>
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<tr>
<td>Net change in other</td>
<td>-176,029,583</td>
<td>-36,327,162</td>
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<tr>
<td>current and non-current</td>
<td></td>
<td></td>
</tr>
<tr>
<td>financial liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net cash generated</strong></td>
<td>-507,332,130</td>
<td>-1,851,995,977</td>
</tr>
<tr>
<td>**from/(used in)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>financing activities**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>**Increase in cash and</td>
<td>-197,980,183</td>
<td>-47,840,658</td>
</tr>
<tr>
<td>cash equivalents**</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>[a+b+c]</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>**NET CASH AND CASH</td>
<td>417,479,456</td>
<td>465,320,114</td>
</tr>
<tr>
<td>EQUIVALENTS AT BEGINNING</td>
<td></td>
<td></td>
</tr>
<tr>
<td>OF YEAR</td>
<td>219,499,273</td>
<td>417,479,456</td>
</tr>
<tr>
<td>**NET CASH AND CASH</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EQUIVALENTS AT END OF</td>
<td></td>
<td></td>
</tr>
<tr>
<td>YEAR</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(3) As required by CONSOB Resolution 15519 of 27 July 2006, the impact of related party transactions on Atlantia SpA’s statement of cash flows is shown in the statement of cash flows, expressed in thousands of euros, on the following pages.
## Statement of financial position

<table>
<thead>
<tr>
<th>€000</th>
<th>NOTE</th>
<th>31 December 2016</th>
<th>31 December 2015</th>
<th>of which related party transactions</th>
<th>of which related party transactions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>NON-CURRENT ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>5.1</td>
<td>7,074</td>
<td>7,540</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td></td>
<td>330</td>
<td>2,026</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment property</td>
<td></td>
<td>6,744</td>
<td>5,514</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intangible assets</td>
<td>5.2</td>
<td>222</td>
<td>225</td>
<td></td>
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</tr>
<tr>
<td>Investments</td>
<td>5.3</td>
<td>10,807,963</td>
<td>8,836,432</td>
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<td></td>
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<tr>
<td>Non-current financial assets</td>
<td>5.4</td>
<td>1,332,892</td>
<td>7,078,407</td>
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<td></td>
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<tr>
<td>Non-current derivative assets</td>
<td></td>
<td>42,520</td>
<td>-</td>
<td>216,686</td>
<td>216,123</td>
</tr>
<tr>
<td>Other non-current financial assets</td>
<td></td>
<td>1,290,972</td>
<td>1,289,634</td>
<td>6,961,721</td>
<td>6,860,865</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>5.5</td>
<td>214</td>
<td>275</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL NON-CURRENT ASSETS</strong></td>
<td></td>
<td>12,148,365</td>
<td>15,922,879</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
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## Statement of financial position

### Equity and Liabilities

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<th>€000</th>
<th>NOTE</th>
<th>31 December 2016</th>
<th>of which related party transactions</th>
<th>31 December 2015</th>
<th>of which related party transactions</th>
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<td><strong>EQUITY</strong></td>
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<td>Issued capital</td>
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<td><strong>TOTAL EQUITY AND LIABILITIES</strong></td>
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<td><strong>12,474,304</strong></td>
<td><strong>17,511,843</strong></td>
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</table>
## Income statement

### 2016 2015

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<th>€000</th>
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<th>2015</th>
<th>of which related party transactions</th>
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<td>Profit/(Loss) from discontinued operations</td>
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<td><strong>PROFIT FOR THE YEAR</strong></td>
<td>919,230</td>
<td>733,409</td>
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<td><strong>€</strong></td>
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<tr>
<td>- from continuing operations</td>
<td>1.12</td>
<td>0.89</td>
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<tr>
<td>- from discontinued operations</td>
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<td>Diluted earnings per share</td>
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<td>1.11</td>
<td>0.89</td>
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<td>of which:</td>
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<td>- from continuing operations</td>
<td>1.11</td>
<td>0.89</td>
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<td></td>
<td></td>
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<tr>
<td>- from discontinued operations</td>
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### Statement of comprehensive income

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<td><strong>Profit for the year</strong></td>
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<tr>
<td>Fair value gains/(losses) on cash flow hedges</td>
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<td>Tax effect of fair value gains/(losses) on cash flow hedges</td>
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<td>Deferred tax effect of issuer substitution of cash flow hedges</td>
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<tr>
<td><strong>Other comprehensive income/(loss) for the year reclassifiable to profit or loss</strong></td>
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<tr>
<td>Gains/(losses) from actuarial valuations of provisions for employee benefits</td>
</tr>
<tr>
<td>Tax effect of gains/(losses) from actuarial valuations of provisions for employee benefits</td>
</tr>
<tr>
<td><strong>Other comprehensive income/(loss) for the year not reclassifiable to profit or loss</strong></td>
</tr>
<tr>
<td>Reclassification of the cash flow hedge reserve arising from issuer substitution</td>
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<tr>
<td><strong>Reclassification of other components of comprehensive income to profit or loss for the year</strong></td>
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<td><strong>Total other comprehensive income/(loss) for the year</strong></td>
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<td><strong>Comprehensive income for the year</strong></td>
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### Statement of changes in equity

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<th>Share premium reserve</th>
<th>Legal reserve</th>
<th>Extraordinary reserve</th>
<th>Reserve for purchase of treasury shares</th>
<th>Merger reserve</th>
<th>Cash flow hedge reserve</th>
<th>Reserve for actuarial gains and losses on post-employment benefits</th>
<th>Restricted reserve for Contingent Value Rights</th>
<th>Other reserves</th>
<th>Retained earnings</th>
<th>Reserves and retained earnings</th>
<th>Treasury shares</th>
<th>Profit for the year after payment of interim dividend</th>
<th>Total equity</th>
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<td><strong>Reserves and retained earnings</strong></td>
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<tr>
<td><strong>Balance as at 31 December 2014</strong></td>
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<td>10,833</td>
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<tr>
<td><strong>Owner transactions and other changes</strong></td>
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</tr>
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<td>Final dividend (€0.445 per share)</td>
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</tr>
<tr>
<td>Transfer of profit/loss for previous year to retained earnings</td>
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</tr>
<tr>
<td>Sale of treasury shares</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>158,120</td>
<td>-158,120</td>
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<td>Share-based incentive plans</td>
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<tr>
<td>Revaluation/conversion/lapse of options/units</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>7,983</td>
<td>-7,983</td>
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<tr>
<td>Reclassification for options/units settled in cash</td>
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</tr>
<tr>
<td><strong>Balance as at 31 December 2015</strong></td>
<td>825,784</td>
<td>154</td>
<td>281,610</td>
<td>4,989,991</td>
<td>38,985</td>
<td>2,987,182</td>
<td>56,801</td>
<td>-458</td>
<td>18,456</td>
<td>77,153</td>
<td>94,783</td>
<td>8,517,467</td>
<td>-38,985</td>
<td>404,064</td>
<td>9,708,880</td>
</tr>
<tr>
<td><strong>Comprehensive income for the year</strong></td>
<td>-</td>
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<tr>
<td><strong>Owner transactions and other changes</strong></td>
<td>-</td>
<td>-</td>
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<tr>
<td>Final dividend (€0.480 per share)</td>
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<tr>
<td>Transfer of profit/loss for previous year to retained earnings</td>
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<tr>
<td>Interim dividend (€0.440 per share)</td>
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<tr>
<td>Purchase of treasury shares</td>
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<tr>
<td>Other minor changes</td>
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<tr>
<td>Share-based incentive plans</td>
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<tr>
<td>Revaluation/conversion/lapse of options/units</td>
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<tr>
<td>Reclassification for options/units settled in cash</td>
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</tr>
<tr>
<td><strong>Balance as at 31 December 2016</strong></td>
<td>825,784</td>
<td>154</td>
<td>281,610</td>
<td>5,022,976</td>
<td>38,995</td>
<td>2,987,182</td>
<td>56,801</td>
<td>-458</td>
<td>18,456</td>
<td>77,153</td>
<td>94,783</td>
<td>8,517,467</td>
<td>-38,985</td>
<td>404,064</td>
<td>9,708,880</td>
</tr>
</tbody>
</table>
### Statement of cash flows

#### £000  

<table>
<thead>
<tr>
<th>Cash Flows From (Used In) Operating Activities</th>
<th>NOTE</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit for the year</td>
<td></td>
<td>919,230</td>
<td>733,409</td>
</tr>
<tr>
<td>Adjusted by:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortisation and depreciation</td>
<td></td>
<td>468</td>
<td>470</td>
</tr>
<tr>
<td>Operating change in provisions</td>
<td></td>
<td>73</td>
<td>3</td>
</tr>
<tr>
<td>Financial expenses from discounting of provisions</td>
<td>6.6</td>
<td>11</td>
<td>8</td>
</tr>
<tr>
<td>Impairment losses/(Reversal of impairment losses) on financial assets and investments</td>
<td></td>
<td>31,439</td>
<td>21,089</td>
</tr>
<tr>
<td>Net change in deferred tax (assets)/liabilities through profit or loss</td>
<td></td>
<td>6.7</td>
<td>219</td>
</tr>
<tr>
<td>Other non-cash costs (income)</td>
<td></td>
<td>3,316</td>
<td>3,456</td>
</tr>
<tr>
<td>Change in working capital and other changes</td>
<td></td>
<td>35,078</td>
<td>106,246</td>
</tr>
<tr>
<td>Net cash generated from/(used in) operating activities [a]</td>
<td></td>
<td>7.1</td>
<td>989,396</td>
</tr>
</tbody>
</table>

#### £000  

<table>
<thead>
<tr>
<th>Cash Flows From (Used In) Investing Activities</th>
<th>NOTE</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchases of property, plant and equipment</td>
<td>5.1</td>
<td>-1,998,487</td>
<td>-1,988,865</td>
</tr>
<tr>
<td>Purchase of investments</td>
<td>5.3</td>
<td>-1,318,382</td>
<td>-1,336,994</td>
</tr>
<tr>
<td>Net change in other non-current assets</td>
<td></td>
<td>61</td>
<td>61</td>
</tr>
<tr>
<td>Net change in current and non-current financial assets</td>
<td></td>
<td>829</td>
<td>1,600,000</td>
</tr>
<tr>
<td>Net cash generated from/(used in) investing activities [b]</td>
<td></td>
<td>7.1</td>
<td>-680,044</td>
</tr>
</tbody>
</table>

#### £000  

<table>
<thead>
<tr>
<th>Cash Flows From (Used In) Financing Activities</th>
<th>NOTE</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Purchase)/Sale of treasury shares</td>
<td>5.10</td>
<td>-77,202</td>
<td>227,951</td>
</tr>
<tr>
<td>Dividends paid</td>
<td></td>
<td>-757,507</td>
<td>-695,639</td>
</tr>
<tr>
<td>Proceeds from exercise of rights under share-based incentive plans</td>
<td></td>
<td>3,980</td>
<td>3,270</td>
</tr>
<tr>
<td>Bond redemptions</td>
<td>5.12</td>
<td>-1,100,572</td>
<td>-1,351,250</td>
</tr>
<tr>
<td>Increase in short-term borrowings</td>
<td>5.12</td>
<td>1,600,000</td>
<td>-</td>
</tr>
<tr>
<td>Net change in other current and non-current financial liabilities</td>
<td></td>
<td>-176,033</td>
<td>-36,328</td>
</tr>
<tr>
<td>Net cash generated from/(used in) financing activities [c]</td>
<td></td>
<td>7.1</td>
<td>-507,334</td>
</tr>
<tr>
<td>Decrease in cash and cash equivalents [a+b+c]</td>
<td></td>
<td>-197,982</td>
<td>-47,842</td>
</tr>
<tr>
<td>NET CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</td>
<td></td>
<td>417,480</td>
<td>465,322</td>
</tr>
<tr>
<td>NET CASH AND CASH EQUIVALENTS AT END OF YEAR</td>
<td></td>
<td>219,498</td>
<td>417,480</td>
</tr>
</tbody>
</table>

### Additional information on the statement of cash flows

#### £000  

<table>
<thead>
<tr>
<th>Income taxes paid/(refunded) to/(by) the tax authorities</th>
<th>NOTE</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>328,684</td>
<td>279,666</td>
</tr>
<tr>
<td>Income taxes refunded/(paid) by/(to) companies participating in tax consolidation</td>
<td></td>
<td>328,040</td>
<td>281,187</td>
</tr>
<tr>
<td>Interest and other financial income collected</td>
<td></td>
<td>668,026</td>
<td>628,189</td>
</tr>
<tr>
<td>Interest and other financial expenses paid</td>
<td></td>
<td>637,161</td>
<td>604,775</td>
</tr>
<tr>
<td>Dividends received</td>
<td>6.6</td>
<td>979,791</td>
<td>794,023</td>
</tr>
<tr>
<td>Foreign exchange gains collected</td>
<td></td>
<td>818</td>
<td>-</td>
</tr>
<tr>
<td>Foreign exchange losses incurred</td>
<td></td>
<td>829</td>
<td>-</td>
</tr>
</tbody>
</table>

### Reconciliation of net cash and cash equivalents

#### £000  

<table>
<thead>
<tr>
<th>Net cash and cash equivalents at beginning of year</th>
<th>NOTE</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>417,480</td>
<td>465,322</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>5.7</td>
<td>417,480</td>
<td>465,322</td>
</tr>
<tr>
<td>Net cash and cash equivalents at end of year</td>
<td></td>
<td>219,498</td>
<td>417,480</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>5.7</td>
<td>219,498</td>
<td>417,480</td>
</tr>
</tbody>
</table>
NOTES

1. INTRODUCTION

Atlantia SpA (or the “Company”) was formed in 2003. The Company’s registered office is in Rome, at Via Nibby, 20. The Company does not have branch offices.

The duration of the Company is currently until 31 December 2050.

The Company, listed on the screen-based trading system (Mercato Telematico Azionario) operated by Borsa Italiana SpA, is a holding company with investments in companies whose business is the construction and operation of motorways, airports and transport infrastructure, parking areas and intermodal systems, or who engage in activities related to the management of motorway or airport traffic.

At the date of preparation of these consolidated financial statements Sintonia SpA is the shareholder that holds a relative majority of the issued capital of Atlantia SpA. Neither Sintonia SpA nor its direct parent, Edizione Srl, exercise management and coordination of Atlantia SpA.

These financial statements as at and for the year ended 31 December 2016 were approved by the Company’s Board of Directors at its meeting of 10 March 2017.

Due to the fact that the Company has significant controlling interests in other companies, it also prepares Group consolidated financial statements that are presented together with the Company’s separate financial statements.

2. BASIS OF PREPARATION

The financial statements as at and for the year ended 31 December 2016 have been prepared on a going concern basis. They have been prepared in compliance with articles 2 and 4 of Legislative Decree 38/2005 and in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and endorsed by the European Commission. These standards reflect the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), in addition to previous International Accounting Standards (IAS) and interpretations issued by the Standard Interpretations Committee (SIC) and still in force. For the sake of simplicity, all the above standards and interpretations are hereinafter referred to as “IFRS”.

Moreover, the measures introduced by the CONSOB, in application of paragraph 3 of article 9 of Legislative Decree 38/2005, relating to the preparation of financial statements, have also been taken into account.

The financial statements consist of the statement of financial position, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and these notes, applying the historical cost convention, with the exception of those items that are required by IFRS to be recognised at fair value, as explained in the accounting policies for individual items described in note 3.

The statement of financial position is based on the format that separately discloses current and non-current assets and liabilities. The income statement is classified by nature of expense, whilst the statement of cash flows has been prepared in application of the indirect method.

IFRS have been applied in accordance with the indications provided in the “Conceptual Framework for Financial Reporting”, and no events have occurred that would require exemptions pursuant to paragraph 19 of IAS 1.
CONSOB Resolution 15519 of 27 July 2006 requires that, in addition to the specific requirements of IAS 1 and other IFRS, financial statements must, where material, include separate sub-items providing (i) disclosure of amounts deriving from related party transactions; and, with regard to the income statement, (ii) separate disclosure of income and expenses deriving from events and transactions that are non-recurring in nature, or transactions or events that do not occur on a frequent basis during the normal course of business.

An issuer substitution was completed in 2016. This has resulted in Autostrade per l’Italia taking Atlantia’s place as the issuer of certain bonds entered into by the latter, with a significant impact on the Company’s operating results, as described in detail in note 6.9, “Material non-recurring transactions”, in which information on the impact of the non-recurring transactions that took place in 2015 is also provided. Otherwise, no atypical or unusual transactions, having a material impact on the Company’s income statement and statement of financial position, were entered into during the period, either with third or related parties.

Amounts in the statement of financial position, income statement and statement of cash flows are shown in euros, whilst amounts in the statement of comprehensive income, the statement of changes in equity and these notes are shown in thousands of euros, unless otherwise indicated. With regard CONSOB Resolution 15519 of 27 July 2006 relating to the format for financial statements, a specific supplementary statement of financial position, income statement and statement of financial position in thousands of euros, showing material related party transactions and the impact of non-recurring transactions during the reporting period and in the comparative period, has been included.

The euro is both the Company’s functional currency and its presentation currency. Each item in the financial statements is compared with the corresponding amount for the previous year. Comparative amounts have not been either restated or reclassified with respect to those presented in the financial statements as at and for the year ended 31 December 2015, as there have not been any events, or significant amendments to the accounting standards applied, resulting in the need to adjust or reclassify prior year amounts.

3. ACCOUNTING STANDARDS AND POLICIES APPLIED

A description follows of the more important accounting standards and policies employed by the Company for its financial statements as at and for the year ended 31 December 2016. These accounting standards and policies are consistent with those applied in preparation of the financial statements for the previous year, as no new standards, interpretations, or amendments to existing standards became effective in 2015 having a material effect on the Company’s financial statements. However, the Company has changed the accounting policy applied to the certain types of transaction under common control, as described in the note on “Investments”. This change has, however, not had an impact on the statement of financial position or the income statement.

It should be noted that the following new standards and interpretations and/or amendments to existing standards and interpretations were applicable from 1 January 2016:

a) IFRS 11 – Joint Arrangements. The amendment has clarified the method of accounting for acquisitions of an interest in a joint operation that constitutes or contains a business, as defined by IFRS 3, requiring application of the provisions of this latter standard;

b) IFRS 7 – Financial Instruments: Disclosures. The amendments to the standard clarify that when a financial asset is transferred, but at the same time service arrangements are entered into, resulting in an interest in the asset’s future performance, it is, in any event, necessary to provide the disclosures required by the standard;
c) IAS 19 – Employee Benefits. The amendments clarify that the rate used to discount post-employment benefit obligations (whether financial or non-financial) must be determined with reference to market returns, at the reporting date, on high-quality corporate bonds denominated in the same currency as the benefits to be paid;
d) IAS 16 – Property, Plant and Equipment and IAS 38 – Intangible Assets. The amendments introduce the presumption that a revenue-based method of depreciation or amortisation for an asset or group of assets is not appropriate. This is because the IASB believes that revenue generated by an asset or group of assets, represented by an item of property, plant and equipment or an intangible asset, generally reflects factors not directly linked to consumption of the economic benefits embodied in the asset. The above presumption may only be overcome in limited circumstances, when it can be demonstrated that revenue and the consumption of economic benefits of the item of property, plant or equipment or intangible asset are highly correlated, or when the item of property, plant or equipment or intangible asset is expressed as a measure of revenue that can be obtained from the asset (such as, for example, in the case of concession rights giving rise to receipt of a determinate amount of revenue).
e) IAS 27 – Investments. The changes made introduce, alongside the measurement methods already permitted in separate financial statements (at cost or fair value), the option of measuring investments in subsidiaries, associates and joint ventures using the equity method.

Property, plant and equipment
Property, plant and equipment, including items acquired under finance leases, are stated at purchase cost. Cost includes expenditure that is directly attributable to the acquisition of the items and financial expenses incurred during construction of the asset. As permitted by IFRS 1, assets acquired through business combinations prior to 1 January 2004 are stated at previous amounts, as determined under Italian GAAP for those business combinations and representing deemed cost.

The cost of assets with finite useful lives is systematically depreciated on a straight-line basis applying rates that represent the expected useful life of the asset. Each component of an asset with a cost that is significant in relation to the total cost of the item, and that has a different useful life, is accounted for separately. Land, whether free of constructions or annexed to civil and industrial buildings, is not depreciated as it has an indefinite useful life.

Investment property, which is held to earn rentals or for capital appreciation, or both, is recognised at cost measured in the same manner as property, plant and equipment. The relevant fair value of such assets has also been disclosed.

The annual rates of depreciation applied to “Property, plant and equipment” and “Investment property” in 2016 are shown in the table below by asset class.

<table>
<thead>
<tr>
<th>Property, plant and equipment</th>
<th>Rate of depreciation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings</td>
<td>3%</td>
</tr>
<tr>
<td>Industrial and business equipment</td>
<td>20%</td>
</tr>
<tr>
<td>Other assets</td>
<td>12%</td>
</tr>
</tbody>
</table>

Property, plant and equipment is tested for impairment, as described in the relevant note, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Property, plant and equipment is derecognised on disposal. Any gains or losses (determined as the difference between disposal proceeds, less costs to sell, and the carrying amount of the asset) are recognised in profit or loss in the period in which the asset is sold.
Intangible assets

Intangible assets are identifiable assets without physical substance, controlled by the entity and from which future economic benefits are expected to flow, and purchased goodwill. Identifiable intangible assets are those purchased assets that, unlike goodwill, can be separately distinguished. This requirement is generally satisfied when the intangible asset: (i) arises from a legal or contractual right, or (ii) is separable, meaning that it may be sold, transferred, licensed or exchanged, either individually or as an integral part of other assets. The asset is controlled by the entity if the entity has the power to obtain future economic benefits from the asset and can limit access to it by others.

Intangible assets are recognised at cost, measured in the same manner as property, plant and equipment, provided that the assets can be identified and their cost reliably determined, are under the entity’s control and are able to generate future economic benefits.

Amortisation of intangible assets with finite useful lives begins when the asset is ready for use and is based on remaining economic benefits to be obtained in relation to their residual useful lives. The annual rate of amortisation used in 2016 is 1.01%.

Intangible assets are tested for impairment, as described below in the note on “Impairment of assets and reversals (impairment testing)”, whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable.

Gains and losses deriving from the disposal of an intangible asset are determined as the difference between the disposal proceeds, less costs to sell, and the carrying amount of the asset and are recognised as income or expense in the income statement at the time of the disposal.

Goodwill

Acquisitions of companies or business units are accounting for using the acquisition method, as required by IFRS 3. For this purpose, the identifiable assets acquired and liabilities assumed through business combinations are measured at their respective fair values at the acquisition date. The cost of an acquisition is measured as the fair value, at the date of exchange, of the assets acquired, liabilities assumed and any equity instruments issued by the Company in exchange for control.

Goodwill is initially measured as the positive difference between the acquisition cost, plus the fair value at the acquisition date of any previous non-controlling interests held in the acquiree, and the fair value of net assets acquired.

The goodwill, as measured on the date of acquisition, is allocated to each of the substantially independent cash generating units expected to benefit from the synergies of the business combination.

A negative difference between the cost of the acquisition and the fair value of the net assets acquired is recognised as income in profit or loss in the year of acquisition.

Goodwill on acquisitions of non-controlling interests is included in the carrying amount of the relevant investments.

After initial recognition, goodwill is no longer amortised and is carried at cost less any accumulated impairment losses, determined as described in the note on impairment testing.

IFRS 3 was not applied retrospectively to acquisitions prior to 1 January 2004, the Company’s IFRS transition date, as noted above. As a result, the carrying amount of goodwill on these acquisitions is that determined under Italian GAAP, which is the net carrying amount at this date, subject to impairment testing and the recognition of any impairment losses.

Investments

Investments in subsidiaries, associates and joint ventures are accounted for at cost and include any directly attributable transaction costs. Impairment losses are identified in accordance with IAS 36, as described below in the note on “Impairment of assets and reversals (impairment testing)”. The impairment is reversed in the event the circumstances giving rise to the impairment cease to exist; the reversal may not exceed the original carrying amount of the investment. Provisions are made to cover any losses of an associate or joint venture exceeding the carrying amount of the investment, to the extent that the shareholder is required to comply with actual or constructive obligations to cover such losses.
Investments in other companies, which qualify as available-for-sale financial instruments, as defined by IAS 39, are initially accounted for at cost at the settlement date, in that this represents fair value, including any directly attributable transaction costs. After initial recognition, these investments are measured at fair value, to the extent reliably determinable, through other comprehensive income and hence in a specific equity reserve. On realisation or recognition of an impairment loss in the income statement, the accumulated gains and losses in that reserve are taken to the income statement.

Impairment losses, identified as described below in the note on “Impairment of assets and reversals (impairment testing)”, are reversed to other comprehensive income in the event the circumstances giving rise to the impairment cease to exist.

When fair value cannot be reliably determined, investments classified as available-for-sale financial instruments are measured at cost less any impairment losses. In this case, impairment losses may not be reversed.

Investments held for sale, or those in the process of being sold, are accounted for in current assets at the lower of their carrying amount and fair value, less any costs to sell.

Acquisitions or disposals of companies and/or business units between companies belonging to the Atlantia Group (entities or businesses under common control) are treated, in accordance with IAS 1 and IAS 8, on the basis of their economic substance, with confirmation of the fact that the purchase consideration is determined on the basis of fair value and that added value is generated for all the parties involved, resulting in significant measurable changes in the cash flows generated by the investments transferred before and after the transaction.

In this regard:

a) in the case of the disposal of an intra-group investment, if both requirements to be confirmed are met, the difference between the purchase consideration received and the carrying amount of the investment transferred is recognised in profit or loss. In the other cases, the difference is recognised directly in equity;

b) in the case of acquisitions of intragroup investments, if both requirements to be confirmed are met, such investments are recognised at cost (as defined above); in the other cases, the investment is accounted for at the same amount at which it was accounted for in the financial statements of the transferee. The difference between the purchase consideration paid and this amount is recognised as an increase/reduction in the value of the investment held in the transferee.

Until the previous year, on the other hand, the chosen treatment for this type of transaction made sole reference to confirmation of the consideration based on the fair value of the investment. The change to the chosen accounting treatment has been adopted to better represent the substance of such transactions, taking into account recent, existing accounting theory and interpretation. The above change has had no impact on equity, other than a different allocation of the carrying amounts, as at 1 January 2014 and 2015, of the Company’s investments in Pavimental, Spea Engineering and ADR Engineering (subsequently merged with and into Spea Engineering) resulting from the acquisition of these companies in 2014, and of the matching effect on the carrying amounts of the investments in Autostrade per l’Italia and Aeroporti di Roma, which transferred the investments to the Company.
Receivables and payables
Receivables are initially recognised at fair value and subsequently measured at amortised cost, using the effective interest method, less any allowance for bad debts. The amount of the allowance is based on the present value of expected future cash flows. These cash flows take account of expected collection times, estimated realisable value, any guarantees received, and the expected costs of recovering amounts due. Impairment losses are reversed in future periods if the circumstances that resulted in the loss no longer exist. In this case, the reversal is accounted for in the income statement and may not in any event exceed the amortised cost of the receivable had no previous impairment losses been recognised.
Payables are initially recognised at cost, which corresponds to the fair value of the liability, after any directly attributable transaction costs. After initial recognition, payables are recognised at amortised cost, using the effective interest method.
Trade receivables and payables, which are subject to normal commercial terms and conditions, are not discounted to present value.

Cash and cash equivalents
Cash and cash equivalents are recognised at face value. They include highly liquid demand deposits or very short-term instruments of excellent quality, which are subject to an insignificant risk of changes in value.

Derivative financial instruments
All derivative financial instruments are recognised at fair value at the end of the year. As required by IAS 39, derivatives are designated as hedging instruments when the relationship between the derivative and the hedged item is formally documented and the periodically assessed effectiveness of the hedge is high and ranges between 80% and 125%.
Changes in the fair value of cash flow hedges hedging assets and liabilities (including those that are pending and highly likely to arise in the future) are recognised in the statement of comprehensive income. The gain or loss relating to the ineffective portion is recognised in profit or loss.
Changes in the fair value of derivatives serving as fair value hedges are recognised in profit or loss. Analogously, the hedged assets and liabilities are restated at fair value through profit or loss.
Changes in the fair value of derivative instruments that do not qualify for hedge accounting under IAS 39 are recognised in profit or loss.
Other financial assets and liabilities

Financial assets that the Company intends and is able to hold to maturity and other financial liabilities are recognised at the fair value of the purchase consideration at the settlement date, with assets being increased and liabilities being reduced by transaction costs directly attributable to the purchase of assets or issuance of financial liabilities. After initial recognition, financial assets are measured at amortised cost using the original effective interest method.

Financial assets and liabilities are derecognised when, following their sale or settlement, the Company is no longer involved in their management and has transferred all risks and rewards of ownership.

Financial assets held for trading are recognised and measured at fair value through profit or loss. Other categories of financial assets classified as available-for-sale financial instruments are recognised and measured at fair value through comprehensive income and, consequently, in a specific equity reserve. The financial instruments in these categories have, to date, never been reclassified.

Fair value measurement and fair value hierarchy

For all transactions or balances (financial or non-financial) for which an accounting standard requires or permits fair value measurement and which falls within the application of IFRS 13, the Company applies the following criteria:

a) identification of the unit of account, defined as the level at which an asset or a liability is aggregated or disaggregated in an IFRS for recognition purposes;

b) identification of the principal market or, in the absence of such a market, the most advantageous market in which the particular asset or liability to be measured could be traded; unless otherwise indicated, it is assumed that the market currently used coincides with the principal market or, in the absence of such a market, the most advantageous market;

c) definition for non-financial assets of the highest and best use of the asset; unless otherwise indicated, highest and best use is the same as the asset’s current use;

d) definition of valuation techniques that are appropriate for the measurement of fair value, maximising the use of relevant observable inputs that market participants would use when determining the price of an asset or liability;

e) determination of the fair value of assets, based on the price that would be received to sell an asset, and of liabilities and equity instruments, based on the price paid to transfer a liability in an orderly transaction between market participants at the measurement date;

f) inclusion of non-performance risk in the measurement of assets and liabilities and above all, in the case of financial instruments, determination of a valuation adjustment when measuring fair value to include, in addition to counterparty risk (CVA – credit valuation adjustment), the own credit risk (DVA – debit valuation adjustment).

Based on the inputs used for fair value measurement, as required by IFRS 13, a fair value hierarchy for classifying the assets and liabilities measured at fair value, or the fair value of which is disclosed in the financial statements, has been identified:

a) level 1: includes quoted prices in active markets for identical assets or liabilities;

b) level 2: includes inputs other than quoted prices included within level 1 that are observable, such as the following: i) quoted prices for similar assets or liabilities in active markets; ii) quoted prices for similar or identical assets or liabilities in markets that are not active; iii) other observable inputs (interest rate and yield curves, implied volatilities and credit spreads);

c) level 3: unobservable inputs. These inputs are used to the extent that observable data is not available. The unobservable data used for fair value measurement should reflect the assumptions that market participants would use when pricing the asset or liability being measured.

Definitions of the fair value hierarchy level in which individual financial instruments measured at fair value have been classified, or for which the fair value is disclosed in the financial statements, are provided in the notes to individual components of the financial statements.
There are no assets or liabilities classifiable in level 3 of the fair value hierarchy.
No transfers between the various levels of the fair value hierarchy took place during the year.

The fair value of derivative financial instruments is based on expected cash flows that are discounted at rates derived from the market yield curve at the measurement date and the curve for listed credit default swaps entered into by the counterparty and the Company, to include the non-performance risk explicitly provided for by IFRS 13.
In the case of medium/long-term financial instruments, other than derivatives, where market prices are not available, the fair value is determined by discounting expected cash flows, using the market yield curve at the measurement date and taking into account counterparty risk in the case of financial assets and own credit risk in the case of financial liabilities.

Treasury shares
Treasury shares are recognised at cost and accounted for as a reduction in equity. The impact of any subsequent sales is recognised in equity.

Provisions
Provisions are made when: (i) the Company has a present (actual or constructive) obligation as a result of a past event; (ii) it is probable that an outflow of resources will be required to settle the obligation; and (iii) the related amount has been reliably estimated.
Provisions are measured on the basis of management’s best estimate of the expenditure required to settle the present obligation at the end of the reporting period. If the discount to present value is material, provisions are determined by discounting future expected cash flows to their present value using a discount rate used that reflects current market assessments of the time value of money. Subsequent to the computation of present value, the increase in provisions over time is recognised as a financial expense.

Employee benefits
Short-term employee benefits, provided during the period of employment, are accounted for at the accrued liability at the end of the reporting period.
Liabilities deriving from other medium/long-term employee benefits are recognised in the vesting period, less any plan assets and advance payments made. They are determined on the basis of actuarial assumptions, if material, and recognised on an accruals basis in line with the period of service necessary to obtain the benefit.
Post-employment benefits in the form of defined contribution plans are recognised at the amount accrued at the end of the reporting period.
Post-employment benefits in the form of defined benefit plans are recognised in the vesting period, less any plan assets and advance payments made. Such defined benefit plans primarily regard the obligation as determined on the basis of actuarial assumptions and recognised on an accruals basis in line with the period of service necessary to obtain the benefit. The obligation is calculated by independent actuaries. Any resulting actuarial gain or loss is recognised in full in other comprehensive income in the period to which it relates.
Non-current assets held for sale, assets and liabilities included in disposal groups and/or related to discontinued operations

Where the carrying amount of non-current assets held for sale, or of assets and liabilities included in disposal groups and/or related to discontinued operations is to be recovered primarily through sale rather than through continued use, these items are presented separately in the statement of financial position. Immediately prior to being classified as held for sale, the above assets and liabilities are recognised under the specific IFRS applicable to each asset and liability, and subsequently accounted for at the lower of the carrying amount and estimated fair value. Any impairment losses are recognised immediately in the income statement. Disposal groups or discontinuing operations are recognised in profit or loss as discontinued operations provided the following conditions are met:
   a) they represent a major line of business or geographical area of operation;
   b) they are part of a single coordinated plan to dispose of a separate major line of business or geographical area of operation;
   c) they are subsidiaries acquired exclusively with a view to resale.

After tax gains and losses resulting from the management or sale of such operations are recognised as one amount in profit or loss with comparatives.

Revenue

Revenue is recognised when the fair value can be reliably measured and it is probable that the economic benefits associated with the transactions will flow to the Company. Depending on the type of transaction, revenue is recognised on the basis of the following specific criteria:
   a) to the extent, for sales of goods, that significant risks and rewards of ownership are transferred to the buyer;
   b) the provision of services is prorated to percentage of completion of work. When the amount of the revenue cannot be reliably determined, revenue is recognised only to the extent that expenses are considered to be recoverable;
   c) rental income or royalties, on an accruals basis, based on the agreed terms and conditions of the contract;
   d) interest income (and interest expense) is accrued with reference to amount of the financial asset or liability, in accordance with the effective interest method;
   e) dividend income is recognised when the right to receive payment is established.

Income taxes

Income taxes are recognised on the basis of a realistic estimate of tax expense to be paid, in compliance with the regulations in force. Deferred tax assets and liabilities are determined on the basis of temporary differences between the carrying amounts of assets and liabilities as in the Company’s books (resulting from application of the accounting policies described in note 3) and the corresponding tax bases (resulting from application of the tax regulations in force in the country relevant to each subsidiary), as follows:
   a) deferred tax assets are only recognised to the extent that it is probable that future taxable profit will be available against which the asset can be utilised;
   b) deferred tax liabilities are always recognised.

Atlantia operates a tax consolidation arrangement, on the basis of Legislative Decree 344/2003. The current tax assets and liabilities for IRES of the companies included in the consolidation are reported as current tax assets and liabilities, with recognition of a matching receivable or payable due from or to the subsidiary, in connection with the transfer of funds to be carried out as a result of the tax consolidation. Relations between the companies are regulated by a specific contract. This contract establishes that participation in the tax consolidation arrangement may not, under any circumstances, result in economic or financial disadvantages for the participating companies compared with the situation that would have arisen had
they not participated in the arrangement. Should such disadvantages arise, they are to be offset by a corresponding indemnity to be paid to the participating companies concerned.

**Share-based payment**
The cost of services provided by directors and/or employees remunerated through share–based incentive plans, and settled through the award of financial instruments, is based on the fair value of the rights at the grant date. Fair value is computed using actuarial assumptions and with reference to all characteristics, at the grant date (vesting period, any consideration due and conditions of exercise, etc.), of the rights and the plan’s underlying securities. The obligation is determined by independent actuaries.

The cost of these plans is recognised in profit or loss, with a contra–entry in equity, over the vesting period, based on a best estimate of the number of options that will vest.

The cost of any services provided by Directors and/or employees and remunerated through share–based payments, but settled in cash, is instead measured at the fair value of the liability assumed and recognised in profit or loss, with a contra entry in liabilities, over the vesting period, based on a best estimate of the number of options that will vest. Fair value is remeasured at the end of each reporting period until such time as the liability is settled, with any changes recognised in profit or loss.

If the beneficiaries are the directors or employees of subsidiaries, the cost is recognised as an increase in the value of the investment.

**Impairment of assets and reversals (impairment testing)**
At the end of the reporting period, the Company tests property, plant and equipment, intangible assets, financial assets and investments for impairment.

If there are indications that these assets have been impaired, the recoverable amounts of such assets are estimated in order to verify and eventually measure the amount of the impairment loss. Irrespective of whether there is an indication of impairment, intangible assets with indefinite lives and those which are not yet available for use are tested for impairment at least annually, or more frequently, if an event has occurred or there has been a change in circumstances that could cause an impairment.

If it is not possible to estimate the recoverable amounts of individual assets, the recoverable amount of the cash–generating unit to which a particular asset belongs is estimated (Cash Generating Unit – CGU).

This entails estimating the recoverable amount of the asset (represented by the higher of the asset’s fair value less costs to sell and its value in use) and comparing it with the carrying amount. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount. In calculating value in use, expected future pre–tax cash flow is discounted using a pre–tax rate that reflects current market assessments of the cost of capital which embodies the time value of money and the risks specific to the business.

In contrast, in estimating the future cash flow of a CGU, the Company uses after–tax cash flows and discount rates that produce results that are substantially equivalent to those resulting from a pre–tax computation. Impairments are recognised in profit or loss in a variety of classifications depending on the nature of the impaired asset. Losses are reversed if the circumstances that resulted in the loss no longer exist, provided that the reversal does not exceed the cumulative impairment losses previously recognised, unless the impairment loss relates to goodwill and investments measured at cost, where the related fair value cannot be reliably determined.
Estimates and judgments
Preparation of financial statements in compliance with IFRS involves the use of estimates and judgements, which are reflected in the measurement of the carrying amounts of assets and liabilities and in the disclosures provided in the notes to the financial statements, including contingent assets and liabilities at the end of the reporting period. These estimates are primarily used in determining amortisation and depreciation, impairment testing of assets (including the measurement of receivables), provisions, employee benefits, the fair value of financial assets and liabilities, and current and deferred tax assets and liabilities. The amounts subsequently recognised may, therefore, differ from these estimates. Moreover, these estimates and judgements are periodically reviewed and updated, and the resulting effects of each change immediately recognised in the financial statements.

Translation of foreign currency items
Transactions in currencies other than the functional currency are recognised by application of the exchange rate at the transaction date. Assets and liabilities denominated in currencies other than the functional currency are, subsequently, remeasured by application of the exchange rate at the end of the reporting period. Any exchange differences on remeasurement are recognised in the income statement. Non-monetary assets and liabilities denominated in foreign currencies and recognised at historical cost are translated using the exchange rate at the date of initial recognition.

Earnings per share
Basic earnings per share is computed by dividing profit by the weighted average number of shares outstanding during the accounting period. Diluted earnings per share is computed by dividing profit attributable to owners of the parent by the above weighted average, also taking into account the effects deriving from the subscription, exercise or conversion of all potential shares that may be issued as a result of the exercise of any outstanding rights.

New accounting standards and interpretations, or revisions and amendments of existing standards, that have yet to come into effect
As required by IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”, this section describes new accounting standards and interpretations, and amendments of existing standards and interpretations that are already applicable, but that have either yet to come into effect in 2016, and that may in the future be applied in the Company’s financial statements:
Annual report 2016

IFRS 9 – Financial instruments
In July 2014, the IASB published the final version of IFRS 9, the standard created to replace the existing IAS 39 for the classification and measurement of financial instruments.

The standard introduces new rules for the classification and measurement of financial instruments, a new impairment model for financial assets and a new hedge accounting model.

Classification and measurement
IFRS 9 envisages a single approach for the assessment and classification of all financial assets, including those containing embedded derivatives. The classification and related measurement is driven by both the business model in which the financial asset is held and the contractual cash flow characteristics of the asset.

The financial asset is measured at amortised cost subject to both of the following conditions:

a) the asset is held in conjunction with a business model whose objective is to hold assets in order to collect contractual cash flows; and

b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The financial asset is measured at fair value, with any changes recognised in comprehensive income, if the objectives of the business model are to hold the financial asset to collect the contractual cash flows, or to sell it.

Finally, the standard envisages a residual category of financial asset measured at fair value through profit or loss, which includes assets held for trading.

A financial asset meeting the conditions to be classified and measured at amortised cost may, on initial recognition, be designated as a financial asset at fair value through profit or loss, to the extent that this accounting treatment would eliminate or significantly reduce a measurement or recognition inconsistency (sometimes referred to as an ‘accounting mismatch’) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

In addition, the new standard provides that an entity may, with respect to investments in equity instruments, which consequently may not be carried and measured at amortised cost unless such instruments are shares that are not held for trading but rather for strategic reasons, make an irrevocable election on initial recognition to present changes in the fair value in comprehensive income.

The new IFRS 9, on the other hand, has confirmed the provisions of IAS 39 for financial liabilities including the relative measurement at amortised cost or, in specific circumstances, at fair value through profit or loss.

The requirements of IAS 39 that have been changed are primarily:

a) the reporting of changes in fair value in connection with the credit risk of certain liabilities, which IFRS 9 requires to be recognised in comprehensive income rather than in profit or loss as movements in fair value as a result of other risks;
b) the elimination of the option to measure, at amortised cost, financial liabilities consisting of derivative financial instruments entailing the delivery of unlisted equity instruments. The consequence of the change is that all derivative financial instruments must now be recognised at fair value.

**Impairment**

IFRS 9 has defined a new impairment model for financial assets, with the objective of providing the users of financial statements with more useful information about an entity’s expected losses. The model requires an entity to recognise expected credit losses at all times and to update the amount of expected losses recognised at each reporting date to reflect changes in the credit risk of the financial instruments. It is, therefore, no longer necessary to wait for evidence of a trigger event before testing for impairment and recognition of a credit loss. All financial instruments must be tested for impairment, with the exception of those measured at fair value through profit or loss.

**Hedge accounting**

The most important changes introduced by IFRS 9 regard:

a) the extended scope of the risks eligible for hedge accounting, to include those to which non-financial assets and liabilities are exposed, also permitting the designation of groups and net positions as hedged items, also including any derivatives;

b) the option of designating a financial instrument at fair value through profit or loss as a hedging instrument;

c) the alternative method of accounting for forwards and options, when included in a hedge accounting relationship;

d) changes to the method of conducting hedge effectiveness tests, following introduction of the principle of the “economic relationship” between the hedged item and the hedging instrument; in addition, retrospective hedge effectiveness testing is no longer required;

e) the possibility of “rebalancing” an existing hedge where the risk management objectives continue to be valid.

**IFRS 15 – Revenue from Contracts with Customers**

IFRS 15 replaces the previous IAS 18, in addition to IAS 11, regarding contract work, and the related interpretations, IFRIC 13, IFRIC 15, IFRIC 18 and SIC 31. IFRS 15 establishes the standards to follow in recognising revenue from contracts with customers, with the exception of contracts falling within the scope of application of standards governing leases, insurance contracts and financial instruments.

The new standard provides an overall framework for identifying the timing and amount of revenue to be recognised in the financial statements. Under the new standard, the entity must analyse the contract and the related accounting effects using the following steps:

a) identification of the contract;

b) identification of the performance obligations in the contract;

c) determination of the transaction price;

d) allocation of the transaction price to each identified performance obligation;

e) recognition of revenue when the performance obligation is satisfied.

The amount recognised as revenue by an entity must, therefore, reflect the consideration to which the entity is entitled in exchange for goods transferred to the customer and/or services rendered. This revenue is to be recognised when the entity has satisfied its performance obligations under the contract. In addition, in recognising revenue, the standard stresses the need to assess the likelihood of obtaining/collecting the economic benefits linked to the proceeds. In the case of contract work in progress, currently governed by IAS 11, the new standard introduces the requirement to recognise revenue taking into account the effect of discounting to present value resulting from the deferral of collections over time.
If it is not possible to retrospectively apply the new standard, a modified approach can be used upon first-time adoption. Under this approach, the effects of application of the new standard must be recognised in opening equity at the beginning of the reporting period of first-time adoption.

**IFRS 16 – Leases**
On 13 January 2016, the IASB published the final version of the new accounting standard regarding the accounting treatment for finance leases. This new standard replaces IAS 17, IFRIC 4, SIC 15 and SIC 27, and its adoption, subject to endorsement by the European Union, is required from 1 January 2019. Earlier application is permitted if IFRS 15 – Revenue from Contracts with Customers has been applied.

The new accounting standard provides a single lessee accounting model for both operating and finance leases. IFRS 16 requires the lessee to recognise the leased assets in its statement of financial position, with the assets recognised and classified as a right-of-use asset (thus, in intangible assets), regardless of the nature of the leased asset, to be amortised over the life of the right. On initial recognition, the lessee recognises the right-of-use asset and the related lease liability, based on the present value of the minimum lease payments payable over the lease term. IFRS 16 also clarifies that a lessor, with regard to contracts that contain a lease component, must separate the lease components (to which IFRS 16 applies) from the non-lease components, to which other IFRS are applicable.

Application of the new method of presentation is not required, in terms of significance for the lessee, when the lease term is 12 months or less or the underlying asset has a low value. In terms of the lessor, the alternative accounting models for finance or operating leases continue to be substantially applicable, depending on the nature of the contract, as currently governed by IAS 17. As a result, it will be necessary to recognise the receivable (if a finance lease) or the fixed asset (if an operating lease).

**Amendments to IAS 7 – Statement of Cash Flows**
On 29 January 2016, the IASB published a number of amendments to IAS 7, with the aim of introducing a requirement to provide a specific disclosure enabling the users of financial statements to assess changes in liabilities arising from financing activities.

For this purpose, the entity must disclose the following changes in liabilities arising from financing activities:

- changes from financing cash flows;
- changes arising from the acquisition or loss of control of a subsidiary or another business;
- the effect of changes in foreign exchange rates;
- changes in fair value;
- other changes.

**Amendments to IAS 12 – Income taxes**
On 19 January 2016, the IASB amended IAS 12 by issuing the document “Recognition of Deferred Tax Assets for Unrealised Losses”, which aims to clarify how to account for deferred tax assets on debt instruments measured at fair value.

The amendment clarifies the following aspects:

- unrealised losses on debt instruments accounted for at fair value, but whose tax base is based on cost, give rise to a deductible temporary difference regardless of whether or not the debt instrument’s holder expects to recover the carrying amount of the asset through its sale or use;
- the carrying amount of an asset does not limit the estimation of probably future taxable profit;
- the estimation of probably future taxable profit must be performed regardless of any potential tax deductions resulting from the reversal of deductible temporary differences;
- a deferred tax asset must be measured in combination with other deferred tax assets. However, when the applicable tax law limits the use of tax losses to offset a specific taxable profit, the deductible temporary difference may be measured in solely combination with other deductible temporary differences of the same type.
Amendments to IFRS 2 – Share-based Payment
On 20 June 2016, the IASB published a number of amendments to IFRS 2 in order to clarify the method of accounting for cash-settled share-based payments linked to performance indicators, the classification of share-based payments settled net of tax withholdings and the method of accounting in the event of modification of share-based payment transactions from cash-settled to equity-settled.

Annual Improvements to IFRSs: 2014 – 2016
On 8 December 2016, the IASB published its “Annual Improvements to IFRSs: 2014 – 2016 cycle”. The principal amendments that could be relevant to the Group regard IFRS 12 – Disclosure of Interest in Other Entities. The document clarifies the scope of the standard, specifying that the disclosures required by the standard, with the exception of those in paragraphs B10-B16, also apply to investments in other entities held for sale, held for distribution or as discontinued operations in accordance with IFRS 5.

The effect of the future application of newly issued standards and interpretations, as well as all revisions and amendments to existing standards, is currently being evaluated by the Company. The impact cannot currently be reasonably estimated.

Above all, with reference to IFRS 15, the Company is assessing the applicability of the new standard to the various types of existing contracts, and the potential operational and accounting effects. In general, in terms of the most important types of revenue accounted for in the income statement, and based on the analyses and evaluations conducted so far, the adoption of IFRS 15 is not expected to have a material impact on the Company’s financial statements.

The Company has also begun an assessment of the potential impact of application of the new accounting standards, IFRS 9 and IFRS 16. The assessment is at a preliminary stage.

With regard to IFRS 9, the principal types of financial asset held by that Company that might be potentially affected are medium/long-term loans to subsidiaries and amounts receivable on bonds.

As regards the potential impact of the introduction of IFRS 16, the Company is not a party to significant lease arrangements as a lessee, and it is not believed that the new standard will have a material impact in relation to arrangements in which the Company is the lessor.
4. CORPORATE ACTIONS FINANCIAL TRANSACTIONS DURING THE YEAR

4.1 Restructuring of the Group

On 19 October 2016, Atlantia announced a restructuring that would result in an organisation with operations in the following operating segments: Italian motorways, overseas motorways, Italian airports, overseas airports and other activities.

For this purpose, at the end of December 2016 (following the resolution passed by Atlantia’s board of directors on 15 December 2016), Autostrade per l’Italia’s acquired the following investments:

a) a 100% interest in Telepass, following the transfer to Atlantia of the 96.15% held by Autostrade per l’Italia and the 3.85% held by Autostrade Tech;
b) Stalexport Autostrady, in which the Group holds a 61.2% interest, following the transfer of the shares held by Autostrade per l’Italia.

These transactions were carried out on the basis of prices based on the estimated pro rata fair value of the above investments, computed by an independent expert and amounting to €1,148 million in the case of Telepass and €143 million in the case of Stalexport Autostrady.

In addition, on 15 December 2016, Autostrade per l’Italia’s Board of Directors voted to propose that the General Meeting of shareholders approve the distribution to Atlantia of a special dividend in kind, via the transfer of the Autostrade per l’Italia’s entire interests in Autostade dell’Atlantico (the sub-holding company that controls the Group’s Chilean and Brazilian motorway businesses and holds a controlling interest in Electronic Transaction Consultants) and Autostrade Indian Infrastructure Development. On 25 January 2017, the General Meeting of Autostrade per l’Italia’s shareholders approved the above proposal, which took effect from 1 March 2017 in the case of Autostrade dell’Atlantico, as described in note 9.6 “Events after 31 December 2016.

These transactions are classifiable as transactions under common control and merely represent a restructuring within the Atlantia Group, without generating added value for any of the parties involved, resulting in significant measurable changes in the cash flows generated by the assets transferred before and after the transaction.

In particular, with regard to the transfers of the investments in Telepass and Stalexport Autostrady, in accordance with the accounting standard chosen by the Company in previous years and described in note 3 above, the difference between the carrying amount of the investments in the financial statements of Autostrade per l’Italia and Autostrade Tech, and the established consideration has been recognised as an increase in the carrying amount of the Company’s investments in the transferors, as shown in note 5.3. “Investments”.
4.2 Issue of new shares by Azzurra Aeroporti and acquisition of indirect control of Aéroports de la Côte d’Azur

Following receipt of the necessary consents, on 9 November 2016, the Group acquired control (through a 64% interest) of Aéroports de la Côte d’Azur (“ACA”), the company that (directly or indirectly) controls the airports of Nice, Cannes-Mandelieu and Saint-Tropez and the international network of ground handlers, Sky Valet. The acquisition, which followed the Group’s provisional selection as the winning bidder on 28 July 2016, after a tender process, was completed through the acquisition vehicle, Azzurra Aeroporti (a subsidiary of Atlantia).

Following the issues of new shares completed around the end of October and early November 2016, Azzurra Aeroporti Srl (formerly Mizard Srl) is 65% owned by Atlantia, 10% owned by Aeroporti di Roma and 25% owned by EDF (the French EDF Group). The subsidiary completed the acquisition at a total cost of €1.303 million, including €1,222 million to acquire a 60% stake from the French government and the remaining amount to acquire a 4% interest held by the Alpes-Maritime Department.

As a result of the above share issues, Atlantia paid in a contribution of €150 million, giving it the right to receive a priority and preferred return of 5.2% per annum on this investment, compared with the holders of ordinary capital, subject to certain conditions: Azzurra Aeroporti’s distribution of dividends and distributable reserves, or distribution of the company’s assets in the event of its winding up following the company’s liquidation or bankruptcy. In the latter cases, in addition to the above return, Atlantia has a right to the return of its above initial investment, and subordination in the event of capital losses.

Nice airport is the third largest airport in France after Paris Charles de Gaulle and Orly, in terms of passenger traffic, which totalled approximately 12 million in 2016. The related concession expires on 31 December 2044.

As a result of the transaction, Atlantia has also acquired indirect control of the following subsidiaries of ACA:

- Aéroport Golfe de Saint-Tropez, in which the Company has a 99.94% interest and which owns and operates the airport of the same name;
- SCI La Ratonnière, a wholly owned subsidiary, which provides property management services;
- ACA C1 and ACA Holding, wholly owned subsidiaries, which operate as sub-holding companies;
- Sky Valet France and Sky Valet Spain, wholly owned subsidiaries, that provide ground handling services for general aviation in the respective countries.

In addition, on 22 November 2016, Atlantia, with the consent of Azzurra Aeroporti’s other shareholders, granted the Principality of Monaco, subject to authorisation from the French government, an option to purchase (within 15 days of the date of such authorisation) a 12.5% interest in Azzurra Aeroporti, and a share of Atlantia’s preferred contribution (described above), amounting to €70 million (bearing the same rights enjoyed by Atlantia), for a total consideration of €135 million.
4.3 Issuer substitution

On 31 August 2016, Atlantia and Autostrade per l’Italia announced the Dublin and Luxembourg stock exchanges that their respective boards of directors had approved the transfer to Autostrade per l’Italia of bonds issued by Atlantia under its EMTN Programme. The bonds were issued on behalf of Autostrade per l’Italia, to which Atlantia had proceeded to transfer the funds raised as a result of the bond issues, in the form of intercompany loans substantially replicating the same terms, conditions and maturities applicable to the bonds issued by Atlantia. The bond issues were secured by an upstream guarantee provided by Autostrade per l’Italia. The transaction did not include the retail bonds issued by Atlantia in 2012 and maturing in 2018.

The transaction was completed and became effective on 22 December 2016, via an issuer substitution which, under Italian law, consisted in the transfer of debt to Autostrade per l’Italia and the accompanying issue, by Atlantia, of a parent company guarantee to the holders of the bonds and on behalf of Autostrade per l’Italia. The holders of the public bonds will benefit from this guarantee until maturity, whilst the private bondholders will benefit until September 2025.

As a result, Autostrade per l’Italia has replaced Atlantia as the issuer of the following bonds (amounts refer to the remaining par values as at the transaction date):

- Senior Guaranteed Notes maturing 18 September 2017 (€506 million);
- Senior Notes maturing 8 February 2019 (€674 million);
- Senior Guaranteed Notes maturing 16 March 2020 (€619 million);
- Senior Guaranteed Notes maturing 26 February 2021 (€750 million);
- Notes maturing 9 June 2022 (GBP500 million);
- Notes maturing 9 June 2024 (€1 billion);
- Senior Guaranteed Notes maturing 16 September 2025 (€500 million);
- Zero Coupon Senior Guaranteed Notes maturing 2 April 2032 (€62 million);
- Senior Notes maturing 9 June 2032 (€35 million);
- Senior Notes maturing 9 June 2033 (€75 million);
- Senior Notes maturing 10 June 2034 (€125 million);
- Notes maturing 10 December 2038 (20 billion yen);
- Senior Notes maturing 9 June 2038 (€75 million).

In addition, Autostrade per l’Italia has replaced Atlantia as the counterparty in Cross Currency Swaps hedging the interest rate and currency risks associated with the above bonds denominated in sterling and yen.

As a result of the above, Atlantia has proceeded with:

a) extinguishment of:

1) the above bond issues (the carrying amount of which, at the transfer date, was €5,147 million, net of the remaining associated costs of €29 million, including accumulated foreign exchange gains of €142 million);
2) the above Cross Currency Swaps entered into with banks (fair value losses on which, including accumulated foreign exchange gains of €142 million, amounted to €272 million, with the amount of €130 million recognised in equity, before the related taxation);
3) the above loans to Autostrade per l’Italia (with a carrying amount of €5,306 million);
4) the Interest Rate Swaps entered into with Autostrade per l’Italia in relation to the floating rate loan granted to the subsidiary (fair value gains on which, at the date of extinguishment, amounted to €201 million, with a matching amount taken to equity, before the related taxation);
5) the cash flow hedge reserves recognised in relation to the derivatives referred to in points 2) and 4), with a net positive balance of €71 million;

b) collection of an adjustment, paid by Autostrade per l’Italia, of €17 million.
Therefore, as indicated in note 6.9, “Material non-recurring transactions”, the above transaction has not resulted in the recognition of any impact in the income statement.
5. NOTES TO THE STATEMENT OF FINANCIAL POSITION

The following notes provide information on items in the statement of financial position as at 31 December 2016. Comparative amounts as at 31 December 2015 are shown in brackets. Details of items in the consolidated statement of financial position deriving from related party transactions are provided in note 8.2, “Related party transactions”.

5.1 Property, plant and equipment

€7,074 thousand (€7,540 thousand)

The following table provides details of property, plant and equipment at the beginning and end of the period, showing the original cost and accumulated depreciation at the end of the period.

<table>
<thead>
<tr>
<th>€000</th>
<th>31 December 2016</th>
<th>31 December 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cost</td>
<td>Accumulated depreciation</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>4,074</td>
<td>-3,744</td>
</tr>
<tr>
<td>Investment property</td>
<td>12,126</td>
<td>-5,382</td>
</tr>
<tr>
<td><strong>Total property, plant and equipment</strong></td>
<td><strong>16,200</strong></td>
<td><strong>-9,126</strong></td>
</tr>
</tbody>
</table>

The reduction of €466 thousand in the carrying amount of property, plant and equipment compared with 31 December in 2015 essentially reflects depreciation for the year, as shown in the following table.

<table>
<thead>
<tr>
<th>€000</th>
<th>Carrying amount as at 31 December 2015</th>
<th>Depreciation</th>
<th>Reclassifications and other adjustments</th>
<th>Carrying amount as at 31 December 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, plant and equipment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>39</td>
<td>-</td>
<td>-</td>
<td>39</td>
</tr>
<tr>
<td>Buildings</td>
<td>1,879</td>
<td>-113</td>
<td>-1,560</td>
<td>206</td>
</tr>
<tr>
<td>Industrial and business equipment</td>
<td>74</td>
<td>-13</td>
<td>-</td>
<td>61</td>
</tr>
<tr>
<td>Other assets</td>
<td>34</td>
<td>-9</td>
<td>-1</td>
<td>24</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,026</strong></td>
<td><strong>-135</strong></td>
<td><strong>-1,561</strong></td>
<td><strong>330</strong></td>
</tr>
<tr>
<td>Investment property</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>1,124</td>
<td>-</td>
<td>-</td>
<td>1,124</td>
</tr>
<tr>
<td>Buildings</td>
<td>4,390</td>
<td>-330</td>
<td>1,560</td>
<td>5,620</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5,514</strong></td>
<td><strong>-330</strong></td>
<td><strong>1,560</strong></td>
<td><strong>6,744</strong></td>
</tr>
<tr>
<td><strong>Total property, plant and equipment</strong></td>
<td><strong>7,540</strong></td>
<td><strong>-465</strong></td>
<td><strong>-1</strong></td>
<td><strong>7,074</strong></td>
</tr>
</tbody>
</table>

Annual report 2016  275
This item consists of:

a) property, plant and equipment, including owned buildings and land used in operations;

b) investment property, which includes buildings and land owned by the Company, together with the surrounding land, and leased to other Group companies. The total fair value of these assets is estimated to be €13,621 based on independent appraisals and information on property markets relevant to these types of investment property. This amount is higher than the related carrying amount. Investment property generated rental income of €802 thousand in 2016, whilst direct maintenance and management costs totalled €147 thousand.

There were no changes in the expected useful lives of these assets during 2016. Property, plant and equipment as at 31 December 2016 is free of mortgages, liens or other collateral guarantees restricting use.

5.2 Intangible assets

€222 thousand (€225 thousand)

The following table provides details of intangible assets at the beginning and end of the period, showing the original cost and accumulated amortisation at the end of the period.

<table>
<thead>
<tr>
<th></th>
<th>31 December 2016</th>
<th></th>
<th>31 December 2015</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cost</td>
<td>Accumulated</td>
<td>Carrying amount</td>
<td>Cost</td>
</tr>
<tr>
<td>Building rights</td>
<td>262</td>
<td>-40</td>
<td>222</td>
<td>262</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>262</td>
<td>-40</td>
<td>222</td>
<td>262</td>
</tr>
</tbody>
</table>

Intangible assets, whose carrying amount is in line with the figure for 31 December 2015, consist solely of building rights for land owned by the Municipality of Florence, which are amortised over the term of the rights.

5.3 Investments

€10,807,963 thousand) (€8,836,432 thousand)

The balance of this item is up €1,971,531 thousand compared with 31 December 2015, primarily due to the transactions described in detail in notes 4.1, “Restructuring of the Group”, and 4.2, “Issue of new shares by Azzurra Aeroporti and acquisition of indirect control of Aéroports de la Cote d’Azur”. These transactions regarded:

a) the acquisition of a 100% interest in Telepass (96.15% owned by Autostrade per l’Italia and 3.85% owned by Autostrade Tech) for €1,148,000 thousand, and of 61.20% of Stalexport Autostrady (owned by Autostrade per l’Italia) for €143,270 thousand;

b) the injection of capital into Azzurra Aeroporti, amounting to €488,042 thousand, in order to fund the acquisition of a 64% interest in Aéroports de la Cote d’Azur.

The following additions and reductions also took place:

a) the acquisition of a 22.1% interest in SAVE SpA, the company that holds the concession to operate the airports of Venice and Treviso (representing Italy’s third largest airport system) for a total of €180,541 thousand. The company’s shares are listed on the screen-based trading system
(Mercato Telematico Azionario) operated by Borsa Italiana SpA. The investment was acquired in two different transactions completed in September 2016 (when a 21.3% interest was acquired) and in November 2016 (when a further 0.8% interest was acquired). The agreements between the parties also include an earn-out provision that will be triggered if, within 3 years, there is a public tender or exchange offer for SAVE’s shares at a price that is higher than the price paid. The investment does not form part of any shareholder agreement and does not grant Atlantia any additional rights with respect to those provided for in SAVE’s articles of association;

b) the acquisition, from Rome Chamber of Commerce and other small investors, of a further 0.81% of Aeroporti di Roma for a total of €29,012 thousand. The Company’s interest in Aeroporti di Roma thus amounts to 96.73% as at 31 December 2016;

c) recognition of the accrued amount for share-based incentive plans, totalling €4,488 thousand, reflecting the benefits granted to certain directors and personnel of subsidiaries. Further details are provided in note 8.3 “Disclosures regarding share-based payments”;

d) the impairment loss on the investment in the subsidiary, Pavimental, totalling €21,089 thousand, as described in detail below;

e) the write-off of the carrying amount of the investment in Compagnia Aerea Italiana, totalling €9,622 thousand, including further capital injections during the year (the remaining obligation under the equity commitment agreed in 2014 amounts to €3,996 thousand).

The following tables show:

a) amounts at the beginning and end of the period (showing the original cost and any accumulated revaluations and impairments) for the investment held by the Company, classified by category, and the related changes during the year;

b) details of investments, showing, as well as other information, percentage interest and the relevant carrying amount as at 31 December 2016 (net of any unpaid, called-up issued capital).
<table>
<thead>
<tr>
<th>€000</th>
<th>New acquisitions and purchases of additional shares</th>
<th>Increases due to share-based payment plans</th>
<th>Currency translation differences</th>
<th>Impairments</th>
<th>Cost</th>
<th>Accumulated (impairments)</th>
<th>Carrying amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31 December 2015</td>
<td>31 December 2016</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cost</td>
<td>Accumulated (impairments)</td>
<td>Carrying amount</td>
<td>Cost</td>
<td>Accumulated (impairments)</td>
<td>Carrying amount</td>
<td>Cost</td>
</tr>
<tr>
<td>Autostrade per l’Italia SpA (1)</td>
<td>5,991,946</td>
<td>-</td>
<td>5,991,946</td>
<td>11,598,863 (4)</td>
<td>3,101</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Aeroporti di Roma SpA (1)</td>
<td>2,784,884</td>
<td>-</td>
<td>2,784,884</td>
<td>29,012</td>
<td>1,175</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Azzurra Aeroporti Srl (2)</td>
<td>21</td>
<td>-</td>
<td>21</td>
<td>48,942</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Stakeport Autorubrica SA</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>104,843 (4)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Telepass SpA</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>26,564 (4)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Fiumicino Energie Srl</td>
<td>7,873</td>
<td>-</td>
<td>7,873</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Pavimental SpA (1)</td>
<td>28,575</td>
<td>-</td>
<td>28,575</td>
<td>-</td>
<td>122</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Spea Engineering SpA (1)</td>
<td>3,659</td>
<td>-</td>
<td>3,659</td>
<td>90</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Domino Srl</td>
<td>13</td>
<td>-</td>
<td>13</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Gemma Fiduciary Service Srl (3)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Investments in subsidiaries (A)</td>
<td>8,816,681</td>
<td>-</td>
<td>8,816,681</td>
<td>1,808,324</td>
<td>4,488</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>SAVE SpA</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>180,541</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Investments in associates (B)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>180,541</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Pune Solapur Expressways Private Ltd</td>
<td>16,342</td>
<td>-</td>
<td>16,342</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Investments in joint ventures (C)</td>
<td>16,342</td>
<td>-</td>
<td>16,342</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Firenze Parcheggi SpA</td>
<td>2,582</td>
<td>-</td>
<td>2,582</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Emittente Titoli SpA</td>
<td>827</td>
<td>-</td>
<td>827</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Compagnia Aerea Italiana SpA</td>
<td>102,249</td>
<td>-102,249</td>
<td>9,622</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Investments in other companies (D)</td>
<td>165,658</td>
<td>-162,249</td>
<td>3,409</td>
<td>9,622</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Investments (A+B+C+D)</td>
<td>8,998,681</td>
<td>-162,249</td>
<td>8,836,432</td>
<td>1,908,487</td>
<td>4,488</td>
<td>-5</td>
<td>-31,439</td>
</tr>
</tbody>
</table>

(1) Compared with the figure published in the Annual Report for 2015, the balance as at 31 December 2015 shown in the table reflects reclassifications resulting from the restatement described in note 3, “Accounting standards and policies applied”.

(2) Azzurra Aeroporti Srl is the new name of Mizard Srl, as approved by the General Meeting of the subsidiary’s shareholders on 21 October 2016.

(3) As at 31 December 2016, provisions of €79 thousand have been made for impairments in excess of the carrying amount of this investment.

(4) The figures refer to the acquisitions of Telepass and Stakeport Autorubrica, recognised in accordance with the applicable accounting standards, as described in note 4.1.
<table>
<thead>
<tr>
<th>Name</th>
<th>Registered office</th>
<th>Number of shares/units</th>
<th>Par value</th>
<th>Capital/ Consortium fund</th>
<th>Interest (%)</th>
<th>Number of shares/units held</th>
<th>Profit/(Loss) for 2016 (€000) (1)</th>
<th>Equity as at 31 December 2016 (€000) (1)</th>
<th>Carrying amount (€000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Autostrade per l’Italia SpA</td>
<td>Rome</td>
<td>622,027,000</td>
<td>euro 1.00</td>
<td>euro 622,027,000</td>
<td>100.00%</td>
<td>622,027,000</td>
<td>619,121</td>
<td>3,605,115</td>
<td>7,154,910</td>
</tr>
<tr>
<td>Aeroporti di Roma SpA</td>
<td>Fiumicino</td>
<td>622,244,743</td>
<td>euro 1.00</td>
<td>euro 622,244,743</td>
<td>96.73%</td>
<td>60,187,231</td>
<td>215,742</td>
<td>1,101,042</td>
<td>2,815,071</td>
</tr>
<tr>
<td>Azzurra Aeroporti Srl(2) (3)</td>
<td>Rome</td>
<td>3</td>
<td>euro</td>
<td>-</td>
<td>65.01%</td>
<td>1</td>
<td>-7,215</td>
<td>662,789</td>
<td>488,063</td>
</tr>
<tr>
<td>Stalexport Autostrady SA</td>
<td>My foolish (Poland)</td>
<td>247,262,023</td>
<td>zloty 0.75</td>
<td>zloty 185,446,517</td>
<td>61.20%</td>
<td>151,323,463</td>
<td>41,425</td>
<td>87,882</td>
<td>104,843</td>
</tr>
<tr>
<td>Telepass SpA</td>
<td>Rome</td>
<td>26,000,000</td>
<td>euro 1.00</td>
<td>euro 26,000,000</td>
<td>100.00%</td>
<td>26,000,000</td>
<td>59,253</td>
<td>108,734</td>
<td>26,564</td>
</tr>
<tr>
<td>Fiumicino Energia Srl</td>
<td>Fiumicino</td>
<td>741,795</td>
<td>euro 1.00</td>
<td>euro 741,795</td>
<td>87.14%</td>
<td>646,387</td>
<td>235</td>
<td>9,578</td>
<td>7,673</td>
</tr>
<tr>
<td>Pavimental SpA</td>
<td>Rome</td>
<td>77,818,865</td>
<td>euro 0.13</td>
<td>euro 10,116,452</td>
<td>59.40%</td>
<td>6,966,000</td>
<td>17,734</td>
<td>93,628</td>
<td>3,659</td>
</tr>
<tr>
<td>Spea Engineering SpA</td>
<td>Rome</td>
<td>1,350,000</td>
<td>euro 5.16</td>
<td>euro 6,966,000</td>
<td>60.00%</td>
<td>810,000</td>
<td>13,664</td>
<td>15,394</td>
<td>13</td>
</tr>
<tr>
<td>Domini Srl</td>
<td>Fiumicino</td>
<td>1</td>
<td>euro</td>
<td>-</td>
<td>100.00%</td>
<td>1</td>
<td>-1</td>
<td>10</td>
<td>9</td>
</tr>
<tr>
<td>Gemini Fiduciary Services S.A</td>
<td>Luxembourg</td>
<td>17,647</td>
<td>euro</td>
<td>-</td>
<td>99.99%</td>
<td>150,000</td>
<td>32</td>
<td>-111</td>
<td>-</td>
</tr>
<tr>
<td><strong>Investments in subsidiaries (A)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>10,608,404</strong></td>
</tr>
<tr>
<td>SAVE SpA</td>
<td>Venice</td>
<td>55,340,000</td>
<td>euro 0.65</td>
<td>euro 35,971,000</td>
<td>22.09%</td>
<td>12,225,045</td>
<td>30,296</td>
<td>543,708</td>
<td>180,541</td>
</tr>
<tr>
<td><strong>Investments in associates (B)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>180,541</strong></td>
</tr>
<tr>
<td>Pune Solapur Expressways Private Ltd.</td>
<td>Maharashtra (India)</td>
<td>10,000,000</td>
<td>rupee 10.00</td>
<td>rupee 100,000,000</td>
<td>50.00%</td>
<td>5,000,000</td>
<td>-10,397</td>
<td>13,664</td>
<td>16,337</td>
</tr>
<tr>
<td><strong>Investments in joint ventures (C)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>16,337</strong></td>
</tr>
<tr>
<td>Firenze Parcheggi SpA</td>
<td>Florence</td>
<td>495,550</td>
<td>euro 51.65</td>
<td>euro 25,959,158</td>
<td>5.47%</td>
<td>27,120</td>
<td>407</td>
<td>33,902</td>
<td>1,854</td>
</tr>
<tr>
<td>Emittente Titoli SpA</td>
<td>Milan</td>
<td>8,200,000</td>
<td>euro 0.52</td>
<td>euro 4,264,000</td>
<td>7.24%</td>
<td>594,000</td>
<td>67,100</td>
<td>78,767</td>
<td>827</td>
</tr>
<tr>
<td>Compagnia Aerea Italiana S.p.A</td>
<td>Fiumicino</td>
<td>62,441,172,830</td>
<td>euro</td>
<td>-</td>
<td>8.03%</td>
<td>5,015,469,291</td>
<td>-5,109</td>
<td>78,767</td>
<td>-</td>
</tr>
<tr>
<td><strong>Investments in other companies (D)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>2,681</strong></td>
</tr>
<tr>
<td><strong>Investments (A+B+C+D)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>10,807,963</strong></td>
</tr>
</tbody>
</table>

(1) The figures have been taken from the latest financial statements approved by the boards of directors of each company.
(2) Azzurra Aeroporti Srl is the new name of Mizard Srl, as approved by the General Meeting of the subsidiary’s shareholders on 21 October 2016.
(3) The carrying amount and equity as at 31 December 2016 include Atlantia’s preferred contribution of €150 million (described above in note 4.1), which thus constitutes a share of equity belonging exclusively to Atlantia.
(4) These figures have been taken from the latest financial statements approved (as at 31 December 2015).
(5) The figures have been taken from the reporting package prepared by the company for the purpose of preparation of the Atlantia Group’s consolidated financial statements as at and for the year ended 31 December 2016.
Impairment tests have been conducted on the carrying amounts of investments as at 31 December 2016:

a) that included goodwill (in this case, IAS 36 requires an impairment test to be conducted at least once a year), or
b) for which there is evidence of a potential impairment.

As regards point a), the carrying amount of the investment in Autostrade per l’Italia has been tested for impairment, given that the carrying amount includes goodwill resulting from the Group’s reorganisation in 2003. For this purpose, value in use was determined by using the company’s long-term business plan, prepared on the basis of the regulatory mechanisms included in the Single Concession Arrangement, containing projections for traffic, investment, costs and revenues through to the end of the related concession term. Use of the long-term plan covering the entirety of the company’s concession term is deemed more appropriate than the approach provisionally suggested by IAS 36 (namely, a limited explicit projection period and the estimated terminal value), given the intrinsic nature of the motorway concession arrangement, above all with regard to the regulations governing the sector and the predetermined duration of the arrangement. In particular, Autostrade per l’Italia’s long-term plan used for the test has been prepared on the basis of the following assumptions:

1) a CAGR for traffic of 1.24%;
2) an average annual toll increase, linked to inflation, of 1.19%, which is 70% lower than the target inflation rate (2.00% between 2019 and 2022) for the medium term indicated in the update to the Italian government’s Economic and Finance Document for 2016”;
3) an average annual increase in the return on investment to be carried out of 1.34%. In this regard, a portion of this toll increase is not recognised if the planned investment is not carried out; in this case, the other economic and financial effects of not carrying out such investment would, instead, be taken into account.

As regards point 2), the related impairment test confirmed that the carrying amount of the investment in Pavimental is recoverable.

In terms of the method used in carrying out the impairment tests for this company, which essentially provides support services to the Atlantia Group’s operators (with regard to their construction and maintenance activities), it was also considered appropriate to estimate value in use on the basis of the same period covered by the long-term plans of the operators to which it provides its services or until 2044, without estimating the terminal value.

The projected after-tax cash flows for the long-term plans of the subsidiaries indicated in points a) and b) were discounted to present value using the discount rate of 5.14% (6.14% in 2015), determined on the basis of the requirements of IAS 36.

The impairment tests confirmed that the carrying amount of the investment in Autostrade per l’Italia is fully recoverable, whilst resulting in an impairment loss of €21,089 thousand on the investment in Pavimental.

In addition to the above impairment test, sensitivity analyses were conducted on the recoverable values, increasing the above discount rates by 1%, and, in Autostrade per l’Italia’s case, reducing the average annual rate of traffic growth by 1%. The results of these analyses have not, in any event, resulted in any material differences with respect to the outcomes of the above tests. Moreover, with regard to Autostrade per l’Italia, taking into account the importance of this investment and in view of the lengthy period of time over which the projected cash flows are generated and the fact that the discount rate, determined in accordance with the criteria established in IAS 36, is influenced by the particular state of the financial markets (with extremely low interest rates, partly as a result of the ECB’s expansionary monetary policies and very low levels of inflation in Europe), a sensitivity analysis was also performed applying a rate that is more representative of the company’s projected medium/long-term WACC, estimated in an interval of 6.3% - 6.4%. In addition, sensitivity analyses were conducted on the recoverable values, reducing the
average annual rate of traffic growth by 1%. The results of these analyses also confirmed that the value of the investment is fully recoverable as at 31 December 2016.

Finally, with regard to the investment in Compagnia Aerea Italiana, given the lack of sufficient information on which to base a reliable fair value measurement and in view of the significant losses incurred by this investee, reference was made to the Company’s share of the investee’s assets and liabilities measured in accordance with IFRS. This resulted in the write-off of the carrying amount of the investment (€9,622 thousand).

With regard to the investments in Aeroporti di Roma, Stalexport Autostrady and SAVE, the related carrying amounts are higher than the matching shares of equity. This difference does not represent an indication of a potential impairment of the value of the investments, which is fully recoverable, taking into account:

a) in Aeroporti di Roma’s case, the estimated present value of the company’s and its subsidiaries’ future net cash flows;

b) in Stalexport Autostrady’s case, the recent independent expert appraisal, as described in note 3, “Accounting standards and policies applied”;

c) in the case of SAVE, the market price of the shares, which is higher than the average price paid in order to acquire the investment.

5.4 Financial assets

(non-current) €1,332,892 thousand (€7,078,407 thousand)
(current) €12,872 thousand (€1,109,271 thousand)

The balance of this item is significantly higher than as at 31 December 2015, following the issuer substitution described in note 4.3, which has resulted in the extinguishment of loans granted by the Company to Autostrade per l’Italia and of the related Interest Rate Swaps. This follows the transfer of bond issues and the connected Cross Currency Swaps to the subsidiary. As at 31 December 2016, the Company has accounted for only one loan granted to Autostrade per l’Italia in 2012 and maturing in 2018. This is because the above substitution did not include the matching retail bonds issued by Atlantia.

The following analysis shows the composition of financial assets at the beginning and end of the period, together with the current and non-current portions.
Medium/long-term financial assets, totalling €1,337,382 thousand, are down €6,843,349 thousand. This primarily reflects a combination of the following:

- a) extinguishment of the loans granted to Autostrade per l’Italia (€5,305,954 thousand) and of the derivatives with fair value gains entered into with the subsidiary (€200,909 thousand) as part of the issuer substitution described in note 4.3;
- b) partial early repayment of €220,100 thousand in loans (maturing in 2017, 2019 and 2020) granted to Autostrade per l’Italia and the collection of the balance repayable on the loan granted to the same subsidiary in 2009, amounting to a face value of €880,472 thousand, carried out prior to the issuer substitution;
- c) a reduction of €215,185 thousand in accrued income, primarily due to the above transactions.

Details of the hedging strategy and of the derivatives entered into to hedge certain financial assets (indicated in the above table) are provided in note 7.2, “Financial risk management”.

Other current financial assets, essentially relating to short-term receivables in the form of guarantees given to certain subsidiaries. These are up €1,435 thousand compared with 31 December 2015, primarily due to an increase in amounts due from the indirect subsidiary, Electronic Transaction Consultants (€1,342 thousand).

The loan granted to Autostrade per l’Italia, maturing in 2018, and not included in the issuer substitution, is subject to the same terms as those applied to the Company’s borrowings, increased by a margin to take account of the cost of managing the loan.

The following two tables include details of financial assets, showing:

- a) the composition of the carrying amount and the related face value and maturity (current and non-current), indicating loans to subsidiaries:

### Table

<table>
<thead>
<tr>
<th>31 December 2016</th>
<th>31 December 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans to subsidiaries (1) (2)</td>
<td>992,321</td>
</tr>
<tr>
<td>Bonds held (1)(3)</td>
<td>297,313</td>
</tr>
<tr>
<td>Derivative assets (4)</td>
<td>42,320</td>
</tr>
<tr>
<td>Accrued income of medium/long-term financial assets (1)</td>
<td>4,280</td>
</tr>
<tr>
<td>Other loans and receivables (1)</td>
<td>1,148</td>
</tr>
<tr>
<td>Total financial assets</td>
<td>1,337,382</td>
</tr>
<tr>
<td>Current portion</td>
<td>4,490</td>
</tr>
<tr>
<td>Non-current portion</td>
<td>1,332,892</td>
</tr>
<tr>
<td>Bonds held (1)(3)</td>
<td>297,313</td>
</tr>
<tr>
<td>Derivative assets (4)</td>
<td>42,320</td>
</tr>
<tr>
<td>Accrued income of medium/long-term financial assets (1)</td>
<td>4,280</td>
</tr>
<tr>
<td>Other loans and receivables (1)</td>
<td>1,148</td>
</tr>
<tr>
<td>Total financial assets</td>
<td>8,180,731</td>
</tr>
<tr>
<td>Current portion</td>
<td>1,102,324</td>
</tr>
<tr>
<td>Non-current portion</td>
<td>7,078,407</td>
</tr>
<tr>
<td>Other financial assets (1)</td>
<td>8,382</td>
</tr>
<tr>
<td>Other current financial assets</td>
<td>8,382</td>
</tr>
<tr>
<td>Financial assets</td>
<td>1,345,764</td>
</tr>
<tr>
<td>Total</td>
<td>12,872</td>
</tr>
<tr>
<td>Non-current portion</td>
<td>1,332,892</td>
</tr>
<tr>
<td>Total financial assets</td>
<td>8,187,678</td>
</tr>
<tr>
<td>Current portion</td>
<td>1,109,271</td>
</tr>
<tr>
<td>Non-current portion</td>
<td>7,078,407</td>
</tr>
<tr>
<td>Total financial assets</td>
<td>1,337,382</td>
</tr>
<tr>
<td>Current portion</td>
<td>4,490</td>
</tr>
<tr>
<td>Non-current portion</td>
<td>1,332,892</td>
</tr>
<tr>
<td>Total financial assets</td>
<td>8,180,731</td>
</tr>
<tr>
<td>Current portion</td>
<td>1,102,324</td>
</tr>
<tr>
<td>Non-current portion</td>
<td>7,078,407</td>
</tr>
</tbody>
</table>

1) These assets are classified as “loans and receivables” in accordance with IAS 39.
2) Until 22 December 2016, the date of the issuer substitution described in note 4.3, the Company had entered into interest rate hedges with notional values and maturities matching those of the underlying instrument, and classified as cash flow hedges in accordance with IAS 39. These instruments were included in “Derivative assets”.
3) As at 31 December 2016, the Company has entered into interest rate and currency hedges with notional values and maturities matching those of the underlying instrument, and classified as cash flow hedges in accordance with IAS 39. These instruments were included in “Derivative assets”.
4) These assets are classified as hedging derivatives.
Annual report 2016 283

2025
2019
2020
2032
2032
2018
2033
2021
2038
2034

Autostrade per l'Italia loan issued 2010

Autostrade per l'Italia loan issued 2012

Autostrade per l'Italia loan issued 2012

Autostrade per l'Italia loan issued 2012

Autostrade per l'Italia loan issued 2012

Autostrade per l'Italia loan issued 2012

Autostrade per l'Italia loan issued 2013

Autostrade per l'Italia loan issued 2013
Autostrade per l'Italia loan issued 2014
Autostrade per l'Italia loan issued 2014
- fix ed rate
Autostrade per l'Italia loan issued 2004
- floating rate
Loans to subsidiaries

F + G

G

-

-

-

-

-

-

-

-

-

1 ,2 9 6 ,2 1 2

8 ,3 8 2

1 ,1 4 8
1 ,2 8 7 ,8 3 0

2 8 6 ,6 8 2

1 ,0 0 0 ,0 0 0
1 ,0 0 0 ,0 0 0

-

1,000,000

FACE VALUE

-

-

-

-

-

-

-

-

-

1 ,3 4 5 ,7 6 4

8 ,3 8 2

2 9 7 ,3 1 3
4 2 ,3 2 0
4 ,2 8 0
1 ,1 4 8
1 ,3 3 7 ,3 8 2

9 9 2 ,3 2 1
9 9 2 ,3 2 1

-

992,321

CARRYING
AMOUNT

-

-

-

-

-

-

-

-

-

-

-

-

1 2 ,8 7 2

8 ,3 8 2

4 ,2 8 0
210
4 ,4 9 0

CURRENT
PORTION

1 ,3 3 2 ,8 9 2

-

2 9 7 ,3 1 3
4 2 ,3 2 0
938
1 ,3 3 2 ,8 9 2

9 9 2 ,3 2 1
9 9 2 ,3 2 1

-

992,321

-

-

-

-

-

-

-

-

-

NON-CURRENT
PORTION

OF WHICH

31 December 2016

-

-

-

-

-

-

-

-

-

9 9 3 ,2 5 9

-

938
9 9 3 ,2 5 9

9 9 2 ,3 2 1
9 9 2 ,3 2 1

-

992,321

BETWEEN 13
AND 60
MONTHS

TERM

-

-

-

-

-

-

-

-

-

-

-

-

3 3 9 ,6 3 3

-

2 9 7 ,3 1 3
4 2 ,3 2 0
3 3 9 ,6 3 3

AFTER 60
MONTHS

7 ,7 0 0 ,1 5 5

6 ,9 4 7

2 8 6 ,6 8 2
984
7 ,6 9 3 ,2 0 8

750,000
75,000
125,000
6 ,6 5 6 ,5 2 6
750,000
7 5 0 ,0 0 0
7 ,4 0 6 ,5 2 6

75,000

1,000,000

48,600

35,000

656,890

764,028

500,000

597,360

149,176

880,472

1,000,000

FACE VALUE

8 ,1 8 7 ,6 7 8

6 ,9 4 7

3 4 6 ,2 6 2
2 1 6 ,6 8 6
2 1 9 ,4 6 4
984
8 ,1 8 0 ,7 3 1

750,000
75,000
125,000
6 ,6 4 7 ,3 3 5
750,000
7 5 0 ,0 0 0
7 ,3 9 7 ,3 3 5

75,000

988,549

48,600

35,000

656,890

764,028

500,000

597,360

149,176

882,732

1,000,000

CARRYING
AMOUNT

-

7 ,0 7 8 ,4 0 7

1 ,1 0 9 ,2 7 1

3 4 6 ,2 6 2
2 1 6 ,6 8 6
856
7 ,0 7 8 ,4 0 7

750,000
75,000
125,000
5 ,7 6 4 ,6 0 3
750,000
7 5 0 ,0 0 0
6 ,5 1 4 ,6 0 3

75,000

988,549

48,600

35,000

656,890

764,028

500,000

597,360

149,176

1,000,000

6 ,9 4 7

2 1 9 ,4 6 4
128
1 ,1 0 2 ,3 2 4

8 8 2 ,7 3 2
8 8 2 ,7 3 2

-

-

-

-

-

-

-

-

-

882,732

NON-CURRENT
PORTION

OF WHICH
CURRENT
PORTION

31 December 2015

(1) As at 31 December 2016, the Company has entered into interest rate and currency hedges with notional values and maturities matching those of the underlying instrument, and classified as cash flow hedges in accordance with IAS 39. These instruments were included in "Derivative assets".

F inancial assets

Other current financial assets

B
C
D
E
F = A+ B+ C + D+ E

2017

Autostrade per l'Italia loan issued 2010

A

2038

Autostrade per l'Italia loan issued 2009

Bonds held (1 )
Derivative assets
Accrued incom e of m edium /long-term financial assets
Other loans and receivables
M edium /long-term financial assets

2016

2022

2024

Autostrade per l'Italia loan issued 2009

MATURITY

Autostrade per l'Italia loan issued 2004

€000


b) the type of interest rate applied, the maturity and the fair value:

<table>
<thead>
<tr>
<th>€000</th>
<th>MATURITY</th>
<th>31 December 2016</th>
<th>31 December 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>CARRYING AMOUNT (1)</td>
<td>FAIR VALUE (2)</td>
</tr>
<tr>
<td>Autostrade per l’Italia loan issued 2004</td>
<td>2024</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Autostrade per l’Italia loan issued 2009</td>
<td>2016</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Autostrade per l’Italia loan issued 2009</td>
<td>2038</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Autostrade per l’Italia loan issued 2010</td>
<td>2017</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Autostrade per l’Italia loan issued 2010</td>
<td>2025</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Autostrade per l’Italia loan issued 2012</td>
<td>2019</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Autostrade per l’Italia loan issued 2012</td>
<td>2020</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Autostrade per l’Italia loan issued 2012</td>
<td>2032</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Autostrade per l’Italia loan issued 2012</td>
<td>2032</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Autostrade per l’Italia loan issued 2012</td>
<td>2018</td>
<td>992,321</td>
<td>1,071,347</td>
</tr>
<tr>
<td>Autostrade per l’Italia loan issued 2013</td>
<td>2033</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Autostrade per l’Italia loan issued 2013</td>
<td>2021</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Autostrade per l’Italia loan issued 2014</td>
<td>2038</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Autostrade per l’Italia loan issued 2014</td>
<td>2034</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>- fixed rate</td>
<td>-</td>
<td>992,321</td>
<td>1,071,347</td>
</tr>
<tr>
<td>Autostrade per l’Italia loan issued 2004 - floating rate</td>
<td>2022</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Loans to subsidiaries</td>
<td>A</td>
<td>992,321</td>
<td>1,071,347</td>
</tr>
<tr>
<td>Bonds held</td>
<td>B</td>
<td>2023</td>
<td>297,313</td>
</tr>
<tr>
<td>Derivative assets</td>
<td>C</td>
<td>42,320</td>
<td>42,320</td>
</tr>
<tr>
<td>Accrued income of medium/long-term financial assets</td>
<td>D</td>
<td>4,280</td>
<td>4,280</td>
</tr>
<tr>
<td>Other loans and receivables</td>
<td>E</td>
<td>1,148</td>
<td>1,148</td>
</tr>
<tr>
<td>Medium/long-term financial assets</td>
<td>F=A+B+C+D+E</td>
<td>1,337,352</td>
<td>1,397,424</td>
</tr>
<tr>
<td>Other current financial assets</td>
<td>G</td>
<td>8,382</td>
<td>8,382</td>
</tr>
<tr>
<td>Financial assets</td>
<td>F+G</td>
<td>1,345,734</td>
<td>1,405,806</td>
</tr>
</tbody>
</table>

(1) The value of medium/long-term financial assets shown in the table includes both the non-current and current portions.
(2) The fair value shown is classified in level 2 of the fair value hierarchy.

Details of the criteria applied in determining the fair values shown in the table are provided in note 3, "Accounting standards and policies applied";

- a comparison of the face value and the related carrying amount of loans to subsidiaries and bonds held, indicating the related currency, showing the average and effective yield:
d) changes in the carrying amounts of loans to subsidiaries and bonds held during the period:

<table>
<thead>
<tr>
<th>€000</th>
<th>CARRYING AMOUNT AS AT 31 DECEMBER 2016 (1)</th>
<th>ADDITIONS</th>
<th>ISSUER SUBSTITUTION</th>
<th>REPAYMENTS RECEIVED</th>
<th>CURRENCY TRANSLATION DIFFERENCES AND OTHER CHANGES</th>
<th>CARRYING AMOUNT AS AT 31 DECEMBER 2016 (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans to subsidiaries</td>
<td>7,397,335</td>
<td>-</td>
<td>-5,305,954</td>
<td>-1,100,572</td>
<td>1,512</td>
<td>992,321</td>
</tr>
<tr>
<td>Bonds held</td>
<td>346,262</td>
<td>-</td>
<td>-</td>
<td>-48,949 (2)</td>
<td>297,313</td>
<td></td>
</tr>
</tbody>
</table>

(1) The loans shown in the table include both the non-current and current portions.

(2) This item includes the accrued portion of the premium payable to Romulus Finance’s noteholders, totalling €7,182 thousand and the negative impact of exchange rate movements, totalling €41,767 thousand.

5.5 Other non-current assets

€214 thousand (€275 thousand)

This item regards prepayments for long-term insurance policies.

5.6 Trading assets

€5,462 thousand (€4,280 thousand)

This item, which primarily regards trade receivables due from Group companies, is up €1,182 thousand compared with 31 December 2015. This primarily reflects an increase in the amount due from Strada dei Parchi in the form of fees on the guarantee described in detail in note 8.1, “Guarantees”.

The carrying amount of trade receivables approximates to fair value.
5.7 Cash and cash equivalents

€219,498 thousand (€417,480 thousand)

This item includes:
  a) the balance receivable on the intercompany current account with the subsidiary, Autostrade per l’Italia, totalling €205,539 thousand (€13,329 thousand as at 31 December 2015);
  b) bank deposits of €13,959 thousand (€4,154 thousand as at 31 December 2015).

Cash equivalents of €400,000 thousand as at 31 December 2015 regarded the short-term investment of liquidity by Autostrade per l’Italia.

The overall reduction in cash and cash equivalents is essentially linked to the cash used to purchase investments, net of the cash obtained from additional short-term borrowings.

Detailed explanations of the cash flows resulting in the decrease in the Group’s cash at the end of 2016 are contained in note 7.1, “Notes to the statement of cash flows”.

5.8 Current tax assets and liabilities

Current tax assets €87,348 thousand (€29,456 thousand)
Current tax liabilities €80,966 thousand (€18,127 thousand)

Current tax assets and liabilities at the beginning and end of the period are detailed below.

<table>
<thead>
<tr>
<th></th>
<th>€000</th>
<th>Current tax assets</th>
<th>Current tax liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>31 December 2016</td>
<td>31 December 2015</td>
</tr>
<tr>
<td>IRAP</td>
<td></td>
<td>671</td>
<td>601</td>
</tr>
<tr>
<td>IRES Atlantia SpA</td>
<td>-2,731</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>IRES companies</td>
<td>41,407</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>participating in the</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>tax consolidation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>arrangement</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other refundable IRES</td>
<td>107</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>IRES on taxable</td>
<td>38,783</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax refunds claimed</td>
<td>113</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>by Atlantia SpA</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax refunds claimed</td>
<td>23,373</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>by companies</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>participating in the</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>tax consolidation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>arrangement</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other tax refunds</td>
<td>8,324</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>claimed</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Claim for IRES refund</td>
<td>31,810</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>IRES</td>
<td>70,593</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Relations with</td>
<td>16,084</td>
<td>28,855</td>
<td>80,966</td>
</tr>
<tr>
<td>companies</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>participating in the</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>tax consolidation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>arrangement</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>87,348</td>
<td>29,656</td>
<td>80,966</td>
</tr>
</tbody>
</table>

Atlantia SpA operates a tax consolidation arrangement, on the basis of Legislative Decree 344/2003, in which the following participated in 2016:
  a) the direct subsidiaries Autostrade per l’Italia, Aeroporti di Roma, Telepass, Pavimental and Spea Engineering;
b) the indirect subsidiaries (through Autostrade per l’Italia) Tangenziale di Napoli, Società Autostrada Tirrenica, EsseDiEsse Società di Servizi, AD Moving, Autostrade Meridionali, Autostrade dell’Atlantico, Giove Clear, Infoblu and Autostrade Tech and the indirect subsidiaries (through Aeroporti di Roma) ADR Assistance, ADR Tel, ADR Security and ADR Mobility.

As a result, Atlantia recognises the following items in its current tax assets and liabilities:

a) current tax assets and liabilities for IRES attributable to the companies included in the arrangement;

b) matching receivables or payables due from or to the subsidiaries, in connection with the transfer of funds as a result of the tax consolidation.

The reduction in net current tax assets, compared with 31 December 2015, amounts to €4,947 thousand and essentially reflects:

a) IRES payable for the year (€5,702 thousand);

b) payments on account during the year (€2,971 thousand);

c) collection of the refund for the previous year (€997 thousand);

d) collection of a refund of IRES of €1,278 thousand due to the deductibility of IRAP for the tax years 2004-2007, in accordance with art. 6 of Law 2 of 28 January 2009.

5.9 Other current assets

€759 thousand (€28,477 thousand)

This item, consisting of receivables and other current assets that are not eligible for classification as trading or financial, is down €27,718 thousand compared with 31 December 2015. This essentially reflects settlement, in January 2016, of an amount, totalling €26,919 thousand, receivable from subsidiaries that, in 2015, participated in the Group VAT arrangement (governed by Ministerial Decree 11065 of 13 December 1979). The matching amount payable to the tax authorities was, as at 31 December 2015, broadly offset by the Company’s payment on account of VAT on behalf of all the companies participating in the arrangement.

5.10 Equity

€9,745,926 thousand (€9,708,330 thousand)

Atlantia SpA’s issued capital as at 31 December 2016 is fully subscribed and paid-in and consists of 825,783,990 ordinary shares with a par value of €1 each, amounting to €825,784 thousand. The issued capital did not undergo any changes in 2016.

As at 31 December 2016:

a) the number of shares outstanding totals 820,347,943 (823,382,237 as at 31 December 2015);

b) the number of treasury shares totals 5,436,047 (2,401,753 as at 31 December 2015).

The reduction in the number of shares outstanding, and the accompanying increase in treasury shares, reflects the purchase in the market of 3,608,128 shares, as part of the buyback programme announced in December 2016, net of the transfer of 573,834 shares to the beneficiaries of share-based incentive plans during the year, as described in note 8.3, “Disclosures regarding share-based payments”).

Equity has increased by €37,596 thousand compared with 31 December 2015, primarily due to a combination of the following:
a) comprehensive income for the year, amounting to €867,949 thousand, reflecting profit for the year (€919,230 thousand) and after-tax fair value losses on cash flow hedges (€51,270 thousand), primarily due to:
   1) the release, resulting in recognition of net income of €71,418 thousand in profit or loss, of cash flow hedge reserves hedging derivatives included in the issuer substitution described in note 4.3 (this income was entirely offset by a matching cost resulting from extinguishment of the financial assets and liabilities involved in the transaction);
   2) the reversal of net deferred tax liabilities, totalling €21,888 thousand, linked to point 1);

b) payment of the final dividend for 2015, amounting to €395,316 thousand and the interim dividend for 2016, amounting to €362,451 thousand;

c) the above purchase of treasury shares for a price of €77,202 thousand.

Atlantia manages its capital with a view to creating value for shareholders, ensuring the Group can function as a going concern, safeguarding the interests of stakeholders, and providing efficient access to external sources of financing to adequately support the growth of the Group’s businesses.

The table below shows an analysis of issued capital and equity reserves as at 31 December 2016, showing their permitted uses and distributable amounts.
### Equity as at 31 December 2016

<table>
<thead>
<tr>
<th>Description</th>
<th>Equity as at 31 December 2016 (€000)</th>
<th>Permitted uses (A, B, C, D)*</th>
<th>Available portion (€000)</th>
<th>Uses between 1 January 2013 and 31 December 2016 (art. 2427, 7 bis of Italian Civil Code)</th>
<th>To cover losses</th>
<th>For other reasons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issued capital</td>
<td>825,784 (1)</td>
<td>B</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share premium reserve</td>
<td>154</td>
<td>A, B, C</td>
<td>154</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal reserve</td>
<td>261,410</td>
<td>A (2), B</td>
<td>96,253</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Extraordinary reserve</td>
<td>5,022,976</td>
<td>A, B, C</td>
<td>5,022,976</td>
<td>18,456 (3)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Merger reserve</td>
<td>2,987,182 (4)</td>
<td>A, B, C</td>
<td>2,987,182</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash flow hedge reserve</td>
<td>4,531</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reserve for actuarial gains and losses on post-employment benefits</td>
<td>-499</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted reserve for Contingent Value Rights</td>
<td>18,456</td>
<td>A, B, D</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other reserves</td>
<td>72,195</td>
<td>A, B, C</td>
<td>72,195</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retained earnings</td>
<td>103,832</td>
<td>A, B, C</td>
<td>103,832</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Reserves and retained earnings</strong></td>
<td>8,470,237</td>
<td>8,282,093</td>
<td></td>
<td>18,456</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Treasury shares</strong></td>
<td>-106,874 (6)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>9,189,147</td>
<td>8,175,219</td>
<td></td>
<td>18,456</td>
<td></td>
<td></td>
</tr>
<tr>
<td>of which:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-distributable</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distributable</td>
<td></td>
<td></td>
<td></td>
<td>8,175,219</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Key:
- A: capital increases
- B: to cover losses
- C: shareholder distributions
- D: subject to other restrictions imposed by articles of association/shareholder resolutions

**Notes**

1. Of which €730,643 thousand related to capital increases: €163,956 thousand relating to the merger with Gemina SpA in 2013 and €566,687 thousand relating to the merger of Autostrade with and into the former NewCo28 SpA in 2003. With reference for the Autostrade merger to art. 172, paragraph 5 of the Consolidated Income Tax Act, this capital increase is restricted to the following reserves that are taxable on distribution:
   - revaluation reserve pursuant to Law 72/1983, amounting to €556,960 thousand;
   - revaluation reserve pursuant to Law 413/1991, amounting to €6,807 thousand;
   - revaluation reserve pursuant to Law 342/2000, amounting to €2,920 thousand.
2. €96,253 thousand of which being the excess over one fifth of the issued capital.
3. This item regards establishment of the restricted reserve for Contingent Value Rights issued in connection with the merger with Gemina in 2013. It also refers to the bonus issues carried out in 2011 and 2012, amounting to €30,015 thousand and €31,516 thousand, respectively.
4. With reference to art. 172, paragraph 5 of the Consolidated Income Tax Act, the merger surplus of €448,999 thousand generated by the merger in 2003 described in note (1) is restricted to and accounted for in the following reserves that are taxable on distribution:
   - reserve for capital contributions, amounting to €8,113 thousand;
   - revaluation reserve pursuant to Law 72/1983, amounting to €368,840 thousand;
   - revaluation reserve pursuant to Law 413/1991, amounting to €50,416 thousand;
   - revaluation reserve pursuant to Law 342/2000, amounting to €21,630 thousand.
5. This item includes:
   - €64,699 thousand recognised in equity following the sale of treasury shares in the market in 2015 and the exercise and conversion of a number of options and units granted under the Company's share-based incentive plans;
   - €7,504 thousand relating to the "Reserve for share-based incentive plans";
   - €8 thousand relating to the "IFRS transition reserve".
6. Pursuant to art. 2357 of the Italian Civil Code, the Annual General Meeting of shareholders held on 21 April 2016 authorised the purchase of treasury share with a value of up to €1,900,000,000. In addition, pursuant to art. 2357-ter, paragraph 3, in effect since 1 January 2016, the same AGM voted to increase the "Extraordinary reserve" by an amount equal to the balance of the "Reserve for treasury shares in portfolio" (£38,895 thousand as at 31 December 2015), with the concomitant extinguishment of the latter.
5.11 Provisions

(non-current) €599 thousand (€749 thousand)
(current) €1,731 thousand (€1,675 thousand)

Provisions for employee benefits

(non-current) €599 thousand (€749 thousand)
(current) €124 thousand (€138 thousand)

As at 31 December 2016, this item refers solely to provisions for post-employment benefits. The balance is broadly in line with 31 December 2015.

The most important actuarial assumptions used to measure the provision for post-employment benefits at 31 December 2016 are summarised below.

<table>
<thead>
<tr>
<th>Financial assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual discount rate(^1)</td>
</tr>
<tr>
<td>Annual inflation rate</td>
</tr>
<tr>
<td>Annual rate of increase in post-employment benefits</td>
</tr>
<tr>
<td>Annual rate of increase in real salaries</td>
</tr>
<tr>
<td>Annual turnover rate</td>
</tr>
<tr>
<td>Annual rate for advances paid</td>
</tr>
<tr>
<td>Duration (years)</td>
</tr>
</tbody>
</table>

\(^1\) The annual discount rate is used to determined the present value of the obligation and was, in turn, determined with reference to the average yield curve taken from the Iboxx Eurozone Corporate AA on the valuation date for durations of 7-10 years which reflect the overall duration of the provisions.

<table>
<thead>
<tr>
<th>Demographic assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mortality</td>
</tr>
<tr>
<td>Disability</td>
</tr>
<tr>
<td>Retirement age</td>
</tr>
<tr>
<td>Government General Accounting Office projections</td>
</tr>
<tr>
<td>INPS tables by age and sex</td>
</tr>
<tr>
<td>Mandatory state pension retirement age</td>
</tr>
</tbody>
</table>

The following table shows a sensitivity analysis for each actuarial assumption at the end of 2016, showing the impact on the defined benefit obligation of assumed changes in the individual rates used in the actuarial assumptions.

<table>
<thead>
<tr>
<th>€000</th>
<th>Sensitivity analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Change in assumption</td>
</tr>
<tr>
<td></td>
<td>turnover rate</td>
</tr>
<tr>
<td></td>
<td>+1%</td>
</tr>
<tr>
<td>Balance of post-employment benefits</td>
<td>720</td>
</tr>
</tbody>
</table>
Other provisions

(non-current) - (-)  
(current) €1,607 thousand (€1,537 thousand)

This item, consisting of provisions for tax liabilities and contract disputes, is essentially in line with the comparative amount, and reflects estimates of the liabilities expected to be incurred in connection with pending litigation and disputes at the end of the year.

5.12 Financial liabilities

(non-current) €989,224 thousand (€6,627,154 thousand)  
(current) €1,606,841 thousand (€1,091,876 thousand)

MEDIUM/LONG-TERM BORROWINGS

(non-current) €989,224 thousand (€6,627,154 thousand)  
(current) €5,134 thousand (€1,091,550 thousand)

The balance of this item is significantly lower than as at 31 December 2015, following the issuer substitution described in note 4.3, which resulted in the transfer of bond issues and the connected Cross Currency Swaps to Autostrade per l’Italia, via extinguishment of loans granted to the subsidiary and of the related Interest Rate Swaps. The transaction did not include retail bonds issued by Atlantia in 2012 and maturing in 2018, or the marching loan granted to Autostrade per l’Italia.

The following tables provide an analysis of outstanding medium to long-term financial liabilities with respect to:

a) the composition of the carrying amount (current and non-current), the related face value and terms to maturity:
### Face Value, Carrying Amount, Current Portion, Non-Current Portion

<table>
<thead>
<tr>
<th>SUBGROUP</th>
<th>31 December 2015</th>
<th>31 December 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>OF WHICH</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EUR000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GBP Bond issue 2004 (1) (2)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2002</td>
<td>750,000</td>
<td>880,876</td>
</tr>
<tr>
<td>2004</td>
<td>1,000,000</td>
<td>982,489</td>
</tr>
<tr>
<td>2005</td>
<td>944,750</td>
<td>842,419</td>
</tr>
<tr>
<td>2006</td>
<td>944,750</td>
<td>842,419</td>
</tr>
<tr>
<td>Bond issue 2004</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>680,876</td>
<td>680,876</td>
</tr>
<tr>
<td>2016</td>
<td>1,000,000</td>
<td>993,239</td>
</tr>
<tr>
<td>2017</td>
<td>680,876</td>
<td>680,876</td>
</tr>
<tr>
<td>Bond issue 2009</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>882,489</td>
<td>882,489</td>
</tr>
<tr>
<td>2017</td>
<td>882,489</td>
<td>882,489</td>
</tr>
<tr>
<td>Bond issue 2010</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>595,691</td>
<td>595,691</td>
</tr>
<tr>
<td>2018</td>
<td>595,691</td>
<td>595,691</td>
</tr>
<tr>
<td>Bond issue 2012</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td>653,121</td>
<td>653,121</td>
</tr>
<tr>
<td>2023</td>
<td>653,121</td>
<td>653,121</td>
</tr>
<tr>
<td>Bond issue 2013</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2024</td>
<td>989,224</td>
<td>989,224</td>
</tr>
<tr>
<td>2025</td>
<td>989,224</td>
<td>989,224</td>
</tr>
<tr>
<td>Retail bond issue 2012</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>58,858</td>
<td>58,858</td>
</tr>
<tr>
<td>2019</td>
<td>58,858</td>
<td>58,858</td>
</tr>
<tr>
<td>Bond issue 2013</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>989,224</td>
<td>989,224</td>
</tr>
<tr>
<td>2022</td>
<td>989,224</td>
<td>989,224</td>
</tr>
<tr>
<td>Bond issue 2014</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>742,979</td>
<td>742,979</td>
</tr>
<tr>
<td>2022</td>
<td>742,979</td>
<td>742,979</td>
</tr>
<tr>
<td>Bond issue 2015</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2024</td>
<td>989,224</td>
<td>989,224</td>
</tr>
<tr>
<td>2025</td>
<td>989,224</td>
<td>989,224</td>
</tr>
<tr>
<td>Bond issue 2016</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2025</td>
<td>989,224</td>
<td>989,224</td>
</tr>
<tr>
<td>2026</td>
<td>989,224</td>
<td>989,224</td>
</tr>
<tr>
<td>JPY Bond issue 2009 (1) (2)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>152,014</td>
<td>152,014</td>
</tr>
<tr>
<td>2016</td>
<td>152,014</td>
<td>152,014</td>
</tr>
<tr>
<td>Zero coupon bond issue 2012</td>
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</tr>
<tr>
<td>2022</td>
<td>355,875</td>
<td>355,875</td>
</tr>
<tr>
<td>2023</td>
<td>355,875</td>
<td>355,875</td>
</tr>
<tr>
<td>Bond issue 2013</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2023</td>
<td>72,489</td>
<td>72,489</td>
</tr>
<tr>
<td>2024</td>
<td>72,489</td>
<td>72,489</td>
</tr>
<tr>
<td>Bond issue 2014</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2023</td>
<td>72,514</td>
<td>72,514</td>
</tr>
<tr>
<td>2024</td>
<td>72,514</td>
<td>72,514</td>
</tr>
<tr>
<td>Bond issues (3)</td>
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<td></td>
</tr>
<tr>
<td>A</td>
<td>1,000,000</td>
<td>989,224</td>
</tr>
<tr>
<td>B</td>
<td>5,134</td>
<td>5,134</td>
</tr>
<tr>
<td>C</td>
<td>5,134</td>
<td>5,134</td>
</tr>
<tr>
<td>Medium/long-term financial liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A+B+C</td>
<td>1,005,134</td>
<td>994,358</td>
</tr>
<tr>
<td>Accrued expenses on medium/long-term financial liabilities (b)</td>
<td>5,134</td>
<td>5,134</td>
</tr>
<tr>
<td>Medium/long-term financial liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A+B+C</td>
<td>1,005,134</td>
<td>994,358</td>
</tr>
<tr>
<td>Derivative losses (1)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>B</td>
<td>209,018</td>
<td>209,018</td>
</tr>
<tr>
<td>Accrued expenses on medium/long-term financial liabilities (b)</td>
<td>5,134</td>
<td>5,134</td>
</tr>
<tr>
<td>Medium/long-term financial liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A+B+C</td>
<td>7,718,704</td>
<td>7,300,256</td>
</tr>
</tbody>
</table>

**Notes:**
- (1) Until 22 December 2016, the date of the issuer substitution described in note 4.3, the Company had entered into interest rate swaps and foreign currency swaps (the "Swaps") with a notional value of EUR 7,267,603 at the end of 2015 and 7,058,750 at the end of 2016, as well as derivative financial assets at maturity of Euro 35,000 and JPY 4,307,859.
- (2) The par value is calculated on the basis of the exchange rate fixed at the time of execution of the hedges, which are Cross Currency Swaps.
- (3) These financial instruments are classified as financial liabilities measured at amortised cost, in accordance with IAS 39.
b) type of interest rate, maturity and fair value:

<table>
<thead>
<tr>
<th>£000</th>
<th>Maturity</th>
<th>CARrying AMOUNT (1)</th>
<th>FAIR VALUE (2)</th>
<th>CARrying AMOUNT (1)</th>
<th>FAIR VALUE (2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>GBP Bond issue 2004 (3)</td>
<td>2022</td>
<td>-</td>
<td>-</td>
<td>680,876</td>
<td>814,885</td>
</tr>
<tr>
<td>Bond issue 2004</td>
<td>2024</td>
<td>-</td>
<td>-</td>
<td>953,239</td>
<td>1,348,200</td>
</tr>
<tr>
<td>Bond issue 2009</td>
<td>2016</td>
<td>-</td>
<td>-</td>
<td>882,489</td>
<td>896,541</td>
</tr>
<tr>
<td>Bond issue 2010</td>
<td>2017</td>
<td>-</td>
<td>-</td>
<td>595,691</td>
<td>629,576</td>
</tr>
<tr>
<td>Bond issue 2010</td>
<td>2025</td>
<td>-</td>
<td>-</td>
<td>495,786</td>
<td>618,545</td>
</tr>
<tr>
<td>Bond issue 2012</td>
<td>2019</td>
<td>-</td>
<td>-</td>
<td>758,353</td>
<td>859,050</td>
</tr>
<tr>
<td>Bond issue 2012</td>
<td>2020</td>
<td>-</td>
<td>-</td>
<td>653,121</td>
<td>757,933</td>
</tr>
<tr>
<td>Bond issue 2012</td>
<td>2032</td>
<td>-</td>
<td>-</td>
<td>35,000</td>
<td>45,316</td>
</tr>
<tr>
<td>Retail bond issue 2012</td>
<td>2018</td>
<td>989,223</td>
<td>1,068,030</td>
<td>983,517</td>
<td>1,093,300</td>
</tr>
<tr>
<td>Bond issue 2013</td>
<td>2021</td>
<td>-</td>
<td>-</td>
<td>742,979</td>
<td>821,378</td>
</tr>
<tr>
<td>Bond issue 2014</td>
<td>2034</td>
<td>-</td>
<td>-</td>
<td>123,699</td>
<td>141,089</td>
</tr>
<tr>
<td>listed fixed rate</td>
<td></td>
<td>989,223</td>
<td>1,068,030</td>
<td>6,944,750</td>
<td>8,025,793</td>
</tr>
<tr>
<td>JPY Bond issue 2009 (3)</td>
<td>2038</td>
<td>-</td>
<td>-</td>
<td>152,014</td>
<td>226,045</td>
</tr>
<tr>
<td>Zero coupon bond issue 2012</td>
<td>2032</td>
<td>-</td>
<td>-</td>
<td>58,858</td>
<td>85,959</td>
</tr>
<tr>
<td>Bond issue 2013</td>
<td>2033</td>
<td>-</td>
<td>-</td>
<td>72,489</td>
<td>86,152</td>
</tr>
<tr>
<td>Bond issue 2014</td>
<td>2038</td>
<td>-</td>
<td>-</td>
<td>72,514</td>
<td>85,204</td>
</tr>
<tr>
<td>unlisted fixed rate</td>
<td></td>
<td></td>
<td></td>
<td>355,875</td>
<td>483,365</td>
</tr>
<tr>
<td>Bond issues A</td>
<td>989,223</td>
<td>1,068,030</td>
<td>7,300,625</td>
<td>8,509,158</td>
<td></td>
</tr>
<tr>
<td>Derivative liabilities B</td>
<td>-</td>
<td>-</td>
<td>209,018</td>
<td>209,018</td>
<td></td>
</tr>
<tr>
<td>Accrued expenses on medium/long-term financial liabilities C</td>
<td>5,134</td>
<td>5,134</td>
<td>209,061</td>
<td>209,061</td>
<td></td>
</tr>
<tr>
<td>Medium/long-term financial liabilities A+B+C</td>
<td>994,357</td>
<td>1,073,184</td>
<td>7,118,704</td>
<td>8,927,237</td>
<td></td>
</tr>
</tbody>
</table>

(1) The medium/long-term financial liabilities shown in the table include both current and non-current portions.
(2) The fair value shown is classified in level 2 of the fair value hierarchy.
(3) Until 22 December 2016, the date of the issuer substitution described in note 4.3, the Company had entered into interest rate and currency hedges with notional values and maturities matching those of the underlying instrument, and classified as cash flow hedges in accordance with IAS 39. These instruments were included in “Derivative liabilities”.

The methods of fair value measurement used are dealt with in note 3, “Accounting standards and policies applied”;

c) a comparison of the par value and the carrying amount of bond issues, showing the currency of issue, and the average and effective interest rates:

<table>
<thead>
<tr>
<th>CURRENCY</th>
<th>FACE VALUE</th>
<th>CARRYING AMOUNT</th>
<th>AVERAGE INTEREST RATE APPLIED TO 31 DECEMBER 2016</th>
<th>EFFECTIVE INTEREST RATE AS AT 31 DECEMBER 2016</th>
<th>FACE VALUE</th>
<th>CARRYING AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Euro (EUR)</td>
<td>1,000,000</td>
<td>989,224</td>
<td>4.32%</td>
<td>4.45%</td>
<td>6,517,608</td>
<td>6,467,735</td>
</tr>
<tr>
<td>Sterling (GBP)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>750,000</td>
<td>680,876</td>
</tr>
<tr>
<td>Yen (JPY)</td>
<td>1,000,000</td>
<td>989,224</td>
<td>4.57%</td>
<td>4.57%</td>
<td>149,176</td>
<td>152,041</td>
</tr>
<tr>
<td>Bond issues</td>
<td>1,000,000</td>
<td>989,224</td>
<td>4.57%</td>
<td>4.57%</td>
<td>7,416,784</td>
<td>7,300,625</td>
</tr>
</tbody>
</table>

(1) Until 22 December 2016, the date of the issuer substitution described in note 4.3, including the effect of the interest rate and currency hedges.
d) movements during the period in the carrying amounts of outstanding bond issues:

<table>
<thead>
<tr>
<th>€000</th>
<th>CARRYING AMOUNT AS AT 31 DECEMBER 2015 (1)</th>
<th>ADDITIONS</th>
<th>ISSUER SUBSTITUTION</th>
<th>REPAYMENTS</th>
<th>CURRENCY TRANSLATION DIFFERENCES AND OTHER CHANGES</th>
<th>CARRYING AMOUNT AS AT 31 DECEMBER 2016 (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bond issues</td>
<td>7,300,625</td>
<td>-</td>
<td>-5,177,102</td>
<td>-1,100,572</td>
<td>-33,727</td>
<td>989,224</td>
</tr>
</tbody>
</table>

(1) The value of the bond issues shown in the table includes both the non-current and current portions.

Changes in the individual components of medium/long-term liabilities with respect to 31 December 2015 relate to:

a) the reduction of €6,311,401 thousand in bond issues, primarily due to the above issuer substitution (€5,177,102 thousand), preceded by both the repayment of bonds in May 2016, amounting a par value of €880,472 thousand, and the partial buyback of bonds issued by the Company maturing in 2017, 2019 and 2020, amounting to par value of €220,100 thousand;

b) the reduction in fair value losses on derivative financial instruments, amounting to €209,018 thousand, due to the above issuer substitution;

c) a reduction of €203,927 thousand in accrued expenses payable, essentially in relation to the above issuer substitution.

Further details of the issuer substitution are provided in note 4.3 and details of the hedging strategy in note 7.2, “Financial risk management”, above all with regard to the hedges entered into, through to the date of transfer to Autostrade per l’Italia, in relation to certain financial liabilities, as indicated in the above tables.

Atlantia has launched a new €3 billion Euro Medium Term Note Programme. The Offering Circular was approved by the Irish Central Bank and Irish Stock Exchange, where the securities will be listed after issue, on 27 October 2016.

The new EMTN programme will not be secured by upstream guarantees from Autostrade per l’Italia. As regards the €10 billion EMTN Programme launched by Atlantia in 2004, as a result of the above issuer substitution, Autostrade per l’Italia has taken Atlantia’s place as the issuer of the bonds covered by this programme.

It should be noted that:

a) Atlantia’s EMTN Programme, launched in October 2016,
b) a number of Autostrade per l’Italia’s long-term loan agreements, for which Atlantia is guarantor, and
c) the terms and conditions of the bonds issued by Atlantia, with guarantees provided by ASPI, under Atlantia’s previous EMTN programme, for which ASPI has become the issuer as a result of the issuer substitution, and which will continue to be guaranteed by Atlantia through to September 2025, include negative pledge provisions, in line with international practice. Under these provisions, it is not possible to create or maintain (unless required to do so by law) collateral guarantees on all or a part of any proprietary assets, with the exception of project debt.

The key commitments assumed gives creditors a claim on all the Company’s assets and receivables.
SHORT-TERM FINANCIAL LIABILITIES

€1,601,707 thousand (€326 thousand)

This item primarily regards short-term bank borrowings of €1,600,000 thousand, obtained in December 2016 and maturing between March and June 2017, to fund the Group’s restructuring.

The balance also includes non-hedge accounting derivatives with fair value losses of €1,120 thousand, as described in note 7.2, “Financial risk management”.

NET DEBT IN COMPLIANCE WITH ESMA RECOMMENDATION OF 20 MARCH 2013

An analysis of total net debt is shown below with amounts payable to and receivable from related parties, as required by CONSOB Ruling DEM/6064293 of 28 July 2006, in accordance with European Securities and Markets Authority - ESMA Recommendation of 20 March 2013 (which does not entail the deduction of non-current financial assets from debt).

<table>
<thead>
<tr>
<th>€000</th>
<th>NOTE</th>
<th>31 December 2016</th>
<th>of which related party transactions</th>
<th>31 December 2015</th>
<th>of which related party transactions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td></td>
<td>-13,959</td>
<td></td>
<td>-4,151</td>
<td></td>
</tr>
<tr>
<td>Cash equivalents and intercompany current account receivables due from related parties</td>
<td></td>
<td>-205,539</td>
<td></td>
<td>-413,329</td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents (A)</td>
<td>5.7</td>
<td>-219,498</td>
<td></td>
<td>-417,480</td>
<td></td>
</tr>
<tr>
<td>Current financial assets (B)</td>
<td>5.4</td>
<td>-12,872</td>
<td>-12,212</td>
<td>-1,109,271</td>
<td>-1,083,929</td>
</tr>
<tr>
<td>Current portion of medium/long-term financial liabilities</td>
<td></td>
<td>5.134</td>
<td></td>
<td>1,091,550</td>
<td></td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td></td>
<td>587</td>
<td></td>
<td>326</td>
<td></td>
</tr>
<tr>
<td>Current financial assets (C)</td>
<td>5.721</td>
<td>-226,849</td>
<td></td>
<td>-434,875</td>
<td></td>
</tr>
<tr>
<td>Current net debt (D=A+B+C)</td>
<td></td>
<td>-226,849</td>
<td></td>
<td>-434,875</td>
<td></td>
</tr>
<tr>
<td>Bond issues</td>
<td></td>
<td>989,224</td>
<td></td>
<td>6,418,136</td>
<td></td>
</tr>
<tr>
<td>Non-current derivative liabilities</td>
<td></td>
<td>-209,018</td>
<td></td>
<td>-209,018</td>
<td></td>
</tr>
<tr>
<td>Non-current financial liabilities (E)</td>
<td>5.12</td>
<td>989,224</td>
<td></td>
<td>6,627,154</td>
<td></td>
</tr>
<tr>
<td>(Net funds) / Net debt as defined by ESMA recommendation F= (D+E)</td>
<td></td>
<td>762,575</td>
<td></td>
<td>6,192,279</td>
<td></td>
</tr>
<tr>
<td>Non-current financial assets (G)</td>
<td>5.4</td>
<td>-1,332,892</td>
<td>-1,289,634</td>
<td>-7,078,407</td>
<td>-7,076,988</td>
</tr>
<tr>
<td>Net debt H= (F+G)</td>
<td></td>
<td>-570,317</td>
<td></td>
<td>-886,128</td>
<td></td>
</tr>
</tbody>
</table>

5.13 Net deferred tax liabilities

€12,695 thousand (€35,549 thousand)

The following tables show deferred tax liabilities, after offsetting against deferred tax assets.
The nature of the temporary differences giving rise to deferred tax assets and liabilities and changes during the year are summarised in the following table.

<table>
<thead>
<tr>
<th>€000</th>
<th>31 December 2016</th>
<th>31 December 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred tax liabilities (IRES)</td>
<td>12,872</td>
<td>66,512</td>
</tr>
<tr>
<td>Deferred tax liabilities (IRAP)</td>
<td>358</td>
<td>12,602</td>
</tr>
<tr>
<td><strong>Deferred tax liabilities</strong></td>
<td><strong>13,230</strong></td>
<td><strong>79,014</strong></td>
</tr>
<tr>
<td>Deferred tax assets eligible for offset (IRES)</td>
<td>531</td>
<td>36,459</td>
</tr>
<tr>
<td>Deferred tax assets eligible for offset (IRAP)</td>
<td>4</td>
<td>8,006</td>
</tr>
<tr>
<td><strong>Deferred tax assets eligible for offset</strong></td>
<td><strong>535</strong></td>
<td><strong>43,465</strong></td>
</tr>
<tr>
<td><strong>Net deferred tax liabilities</strong></td>
<td><strong>12,695</strong></td>
<td><strong>35,549</strong></td>
</tr>
</tbody>
</table>

The reduction in net deferred tax liabilities, totalling €22,854 thousand, is essentially due to the extinguishment of the cash flow hedge reserves (€71,418 thousand) recognised in relation to cash flow hedges included in the issuer substitution described in note 4.3.

5.14 Other non-current liabilities

€2,445 thousand (€3,889 thousand)

Other non-current liabilities are down €1,444 thousand compared with 31 December 2015, primarily due to reclassification of the accrued portion, payable in 2017, of the liabilities due to staff in relation to the three-year incentive plans for certain of the Company’s employees and Directors.

5.15 Trading liabilities

€8,540 thousand (€4,660 thousand)

Trade payables primarily regard amounts due to Group companies (€4,159 thousand, essentially due to Autostrade per l’Italia) and amounts due to the providers of professional services (€4,381 thousand). The increase of €3,880 thousand compared with 31 December 2015 reflects professional services.

The carrying amount of trade payables approximates to fair value.
5.16 Other current liabilities

€25,337 thousand (€19,834 thousand)

The composition of this item is shown in the following table.

<table>
<thead>
<tr>
<th></th>
<th>€000</th>
<th>31 December 2016</th>
<th>31 December 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payable to staff</td>
<td>10,626</td>
<td>3,509</td>
<td></td>
</tr>
<tr>
<td>Sundry amounts due to subsidiaries</td>
<td>7,777</td>
<td>11,153</td>
<td></td>
</tr>
<tr>
<td>Social security contributions payable</td>
<td>3,047</td>
<td>1,418</td>
<td></td>
</tr>
<tr>
<td>Taxation other than income taxes</td>
<td>1,298</td>
<td>1,758</td>
<td></td>
</tr>
<tr>
<td>Other payables</td>
<td>2,589</td>
<td>1,996</td>
<td></td>
</tr>
<tr>
<td><strong>Other current liabilities</strong></td>
<td><strong>25,337</strong></td>
<td><strong>19,834</strong></td>
<td></td>
</tr>
</tbody>
</table>

Other current liabilities are up €5,503 thousand on 31 December 2015, primarily as a result of amounts payable to staff, which are up €7,117 thousand. This is mainly reflects reclassification of the accrued portion, payable in 2017, of the liabilities due to staff in relation to the three-year incentive plans for certain of the Company’s employees and Directors.

Amounts due to subsidiaries as at 31 December 2016 include €7,470 thousand as the remaining balance payable under the tax consolidation agreement with Gemina prior to the merger in 2013, consisting of a contra entry for current tax assets deriving from application for an IRES refund following the failure to deduct IRAP paid on staff costs during the five-year period 2007-2011, as described in the note on “Current tax assets and liabilities”. Amounts payable to subsidiaries are down €3,528 thousand compared with 31 December 2015, reflecting payment of amounts due under the Group VAT arrangement.
6. NOTES TO THE INCOME STATEMENT

This section contains analyses income statement items. Negative components of the income statement are indicated with a minus sign in the headings and tables in the notes, whilst amounts for 2015 are shown in brackets. Details of amounts in the income statement deriving from related party transactions are provided in note 8.2. “Related party transactions”.

6.1 Operating income

€2,170 thousand (€2,100 thousand)

Operating income, which is substantially in line with the figure for 2015, primarily regards cost recoveries and rental income from subsidiaries.

6.2 Raw and consumable materials

-€61 thousand (-€66 thousand)

These costs relate primarily to purchases of office materials.

6.3 Service costs

-€12,326 thousand (-€11,765 thousand)

An analysis of service costs is provided below.

<table>
<thead>
<tr>
<th>€000</th>
<th>2016</th>
<th>2015</th>
<th>INCREASE/ (DECREASE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional services</td>
<td>-8,980</td>
<td>-9,578</td>
<td>598</td>
</tr>
<tr>
<td>Advertising and promotions</td>
<td>-799</td>
<td>-807</td>
<td>8</td>
</tr>
<tr>
<td>Remuneration of Statutory Auditors</td>
<td>-329</td>
<td>-326</td>
<td>3</td>
</tr>
<tr>
<td>Insurance</td>
<td>-293</td>
<td>-190</td>
<td>103</td>
</tr>
<tr>
<td>Other services</td>
<td>-1,925</td>
<td>-864</td>
<td>-1,061</td>
</tr>
<tr>
<td><strong>Service costs</strong></td>
<td><strong>-12,326</strong></td>
<td><strong>-11,765</strong></td>
<td><strong>-561</strong></td>
</tr>
</tbody>
</table>

6.4 Staff costs

-€21,429 thousand (-€15,449 thousand)

An analysis of staff costs is provided below.
The increase of €5,980 thousand compared with 2015 reflects increases in the average cost and the one-off cost of early retirement incentives. Details of share-based incentive plans or those payable in shares or cash, involving a number of the Company’s Directors and employees, are provided in note 8.3, “Disclosures regarding share-based payments”.

Actuarial losses on provisions for employee benefits, which are subject to actuarial valuation in that they are considered a defined benefit plan, amount to €15 thousand for 2016, as recognised in other comprehensive income.

The average workforce breaks down as follows by category:

### Workforce 2016 2015 INCREASE/DECREASE

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior managers</td>
<td>23</td>
<td>20</td>
<td>3</td>
</tr>
<tr>
<td>Middle managers and administrative staff</td>
<td>42</td>
<td>39</td>
<td>3</td>
</tr>
<tr>
<td><strong>Average workforce</strong></td>
<td><strong>65</strong></td>
<td><strong>59</strong></td>
<td><strong>6</strong></td>
</tr>
</tbody>
</table>

### 6.5 Other operating costs

-€4,406 thousand (-€4,699 thousand)

The composition of this item and details of changes between the two comparative periods are shown in the following table.

### €000 2016 2015 INCREASE/DECREASE

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Lease expense</strong></td>
<td><strong>-1,006</strong></td>
<td><strong>-1,045</strong></td>
<td><strong>39</strong></td>
</tr>
<tr>
<td>Indirect taxes and duties</td>
<td>-2,991</td>
<td>-3,180</td>
<td>189</td>
</tr>
<tr>
<td>Grants and donations</td>
<td>-286</td>
<td>-315</td>
<td>29</td>
</tr>
<tr>
<td>Other</td>
<td>-123</td>
<td>-159</td>
<td>36</td>
</tr>
<tr>
<td><strong>Other costs</strong></td>
<td><strong>-3,400</strong></td>
<td><strong>-3,654</strong></td>
<td><strong>254</strong></td>
</tr>
<tr>
<td><strong>Other operating costs</strong></td>
<td><strong>-4,406</strong></td>
<td><strong>-4,699</strong></td>
<td><strong>293</strong></td>
</tr>
</tbody>
</table>

The balance, broadly in line with the comparative period, primarily includes non-deductible VAT of €2,124 thousand (€2,559 thousand in 2015) and rental expense of €1,001 thousand (€1,041 thousand in 2015).
6.6 Financial income/(expenses)

€954,487 thousand (€766,257 thousand)

Financial income €1,440,007 thousand (€1,397,658 thousand)
Finance expenses -€485,740 thousand (-€631,871 thousand)
Foreign exchange gains/(losses) €220 thousand (€470 thousand)

An analysis of financial income and expenses and details of changes between the two comparative periods are shown below.

<table>
<thead>
<tr>
<th>€000</th>
<th>2016</th>
<th>2015</th>
<th>INCREASE/ (DECREASE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividends received from investees</td>
<td>979,791</td>
<td>794,023</td>
<td>185,768</td>
</tr>
<tr>
<td>Interest income</td>
<td>294,673</td>
<td>358,865</td>
<td>-64,192</td>
</tr>
<tr>
<td>Income from derivative financial instruments</td>
<td>135,442</td>
<td>98,838</td>
<td>36,604</td>
</tr>
<tr>
<td>Income from measurement of financial instruments at amortised cost</td>
<td>5,819</td>
<td>15,330</td>
<td>-9,511</td>
</tr>
<tr>
<td>Other</td>
<td>24,282</td>
<td>130,802</td>
<td>-106,520</td>
</tr>
<tr>
<td>of which non-recurring (1)</td>
<td>-</td>
<td>125,486</td>
<td>-125,486</td>
</tr>
<tr>
<td>Other financial income</td>
<td>460,216</td>
<td>603,635</td>
<td>-143,419</td>
</tr>
<tr>
<td>Total financial income (a)</td>
<td>1,440,007</td>
<td>1,397,658</td>
<td>42,349</td>
</tr>
<tr>
<td>Financial expenses from discounting of provisions</td>
<td>-11</td>
<td>-8</td>
<td>-3</td>
</tr>
<tr>
<td>Financial expenses payable to related parties</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest expense</td>
<td>-289,903</td>
<td>-358,660</td>
<td>68,757</td>
</tr>
<tr>
<td>Losses on derivative financial instruments</td>
<td>-112,792</td>
<td>-73,662</td>
<td>39,130</td>
</tr>
<tr>
<td>Losses from measurement of financial instruments at amortised cost</td>
<td>-16,944</td>
<td>-26,985</td>
<td>10,041</td>
</tr>
<tr>
<td>Financial expenses accounted for as an increase in financial liabilities</td>
<td>-3,007</td>
<td>-2,932</td>
<td>-75</td>
</tr>
<tr>
<td>Other</td>
<td>-31,574</td>
<td>-133,375</td>
<td>101,801</td>
</tr>
<tr>
<td>of which non-recurring (1)</td>
<td>-</td>
<td>-120,677</td>
<td>120,677</td>
</tr>
<tr>
<td>Other financial expenses</td>
<td>-454,220</td>
<td>-595,614</td>
<td>141,394</td>
</tr>
<tr>
<td>Total financial expenses (b)</td>
<td>-485,740</td>
<td>-631,871</td>
<td>146,131</td>
</tr>
<tr>
<td>Foreign exchange gains/(losses)(c)</td>
<td>220</td>
<td>470</td>
<td>-250</td>
</tr>
<tr>
<td>Financial income/(expenses) (a+b+c)</td>
<td>954,487</td>
<td>766,257</td>
<td>188,230</td>
</tr>
</tbody>
</table>

1) Details of non-recurring financial transactions are provided in note 6.9, "Material non-recurring transactions".

Net financial income is up €188,230 thousand, essentially due to an increase in the dividends received from Autostrade per l’Italia (€104,501 thousand) and Aeroporti di Roma (€70,426 thousand).
6.7 Income tax (expense)/benefit

€1,263 thousand (-€2,499 thousand)

A comparison of the income tax expense and benefit for 2016 and the comparative period is shown in the following table.

<table>
<thead>
<tr>
<th>€000</th>
<th>2016</th>
<th>2015</th>
<th>INCREASE/ (DECREASE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>IRES</td>
<td>-5,702</td>
<td>-4,966</td>
<td>-736</td>
</tr>
<tr>
<td>IRAP</td>
<td>-</td>
<td>-225</td>
<td>225</td>
</tr>
<tr>
<td>Current tax expense (a)</td>
<td>-5,702</td>
<td>-5,191</td>
<td>-511</td>
</tr>
<tr>
<td>Recovery of previous years’ income taxes</td>
<td>6,746</td>
<td>1,846</td>
<td>4,900</td>
</tr>
<tr>
<td>Previous years’ income taxes</td>
<td>-</td>
<td>-707</td>
<td>707</td>
</tr>
<tr>
<td>Differences on current tax expense for previous years (b)</td>
<td>6,746</td>
<td>1,139</td>
<td>5,607</td>
</tr>
<tr>
<td>Provisions</td>
<td>337</td>
<td>275</td>
<td>62</td>
</tr>
<tr>
<td>Releases</td>
<td>-191</td>
<td>-232</td>
<td>41</td>
</tr>
<tr>
<td>Changes in prior year estimates</td>
<td>-3</td>
<td>-11</td>
<td>8</td>
</tr>
<tr>
<td>Deferred tax income</td>
<td>143</td>
<td>32</td>
<td>111</td>
</tr>
<tr>
<td>Provisions</td>
<td>-57</td>
<td>-136</td>
<td>79</td>
</tr>
<tr>
<td>Releases</td>
<td>147</td>
<td>-</td>
<td>147</td>
</tr>
<tr>
<td>Changes in prior year estimates</td>
<td>-14</td>
<td>1,657</td>
<td>-1,671</td>
</tr>
<tr>
<td>Deferred tax expense</td>
<td>76</td>
<td>1,521</td>
<td>-1,445</td>
</tr>
<tr>
<td>Deferred tax income/(expense) (c)</td>
<td>219</td>
<td>1,553</td>
<td>-1,334</td>
</tr>
<tr>
<td>Income tax (expense)/benefit (a+b+c)</td>
<td>1,263</td>
<td>-2,499</td>
<td>3,762</td>
</tr>
</tbody>
</table>

The tax benefit amounts to €1,263 thousand, compared with tax expense of €2,499 thousand in 2015. The change essentially reflects a combination of the following:

a) an increase in the positive impact of taxation for previous years, recognised in the Company’s tax return, primarily as a result of recognition, in 2016, of the tax deductibility (€4,689 thousand) of impairment losses on loans recognised in the financial statements for the year ended 31 December 2014;

b) the positive impact, recognised in 2015, of the reassessment of net deferred tax income and expense, amounting to €1,642 thousand, following the reduction in the IRES (corporation tax) rate from 2017, introduced by the 2016 Stability Law (Law 208/2015).

The following table shows a reconciliation of the statutory rates of taxation and the effective charge for the year.
6.8 Earnings per share

The following table shows the calculation of basic and diluted earnings per share with comparative amounts.

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weighted average number of shares outstanding</td>
<td>825,783,990</td>
<td>825,783,990</td>
</tr>
<tr>
<td>Weighted average number of treasury shares in portfolio</td>
<td>-2,360,179</td>
<td>-4,456,170</td>
</tr>
<tr>
<td>Weighted average number of shares outstanding for the calculation of basic earnings per share</td>
<td>823,423,811</td>
<td>821,327,820</td>
</tr>
<tr>
<td>Weighted average number of diluted shares held under share-based incentive plans</td>
<td>1,064,682</td>
<td>1,381,762</td>
</tr>
<tr>
<td>Weighted average number of all shares outstanding for the calculation of diluted earnings per share</td>
<td>824,488,493</td>
<td>822,709,582</td>
</tr>
<tr>
<td>Profit for the year (€000)</td>
<td>919,230</td>
<td>733,409</td>
</tr>
<tr>
<td>Basic earnings per share (€)</td>
<td>1.12</td>
<td>0.89</td>
</tr>
<tr>
<td>Diluted earnings per share (€)</td>
<td>1.11</td>
<td>0.89</td>
</tr>
<tr>
<td>Profit from continuing operations</td>
<td>919,230</td>
<td>733,409</td>
</tr>
<tr>
<td>Basic earnings per share from continuing operations (€)</td>
<td>1.12</td>
<td>0.89</td>
</tr>
<tr>
<td>Diluted earnings per share from continuing operations (€)</td>
<td>1.11</td>
<td>0.89</td>
</tr>
</tbody>
</table>

The average number of treasury shares in portfolio in 2016 benefitted only marginally from purchases in the market, as these were carried out in December 2016.

6.9 Material non-recurring transactions

The issuer substitution described in note 4.3 did not result in the recognition of components of income. This reflects the fact that the net cost of unwinding cash flow hedges (€71,418 thousand) was fully offset by and income generated by the release of the related cash flow hedges (€71,418 thousand, before the related taxation).

In two separate transactions in February and December 2015, Atlantia proceeded with early redemption of a portion of bonds with a par value of €1,351,250 thousand, maturing in 2016, 2017, 2019 and 2020 (the total par value of the bonds in the issues amounts to €4,250,000 thousand). At the same time, Autostrade per l’Italia repaid matching loans with the same face value granted to this subsidiary.

As a result, the Company recognised the following in its accounts:

a) non-recurring financial expenses of €120,677 thousand, corresponding to the premium paid to the bondholders, before tax of €39,639 thousand;

b) non-recurring income of €125,486 thousand, corresponding to the premium received from Autostrade per l’Italia, before tax of €41,498 thousand.
7. OTHER FINANCIAL INFORMATION

7.1 Notes to the statement of cash flows

Cash flows during 2016 resulted in a decrease of €197,982 thousand in cash and cash equivalents, versus a net cash outflow of €47,842 thousand in 2015.

Cash generated from operating activities amounts to €989,396 thousand, up €238,394 thousand on the figure for 2015 (€751,002 thousand). This essentially reflects dividends declared by investees, totalling €185,768 thousand, and the settlement of net amounts due as a result of the Group VAT arrangement, totalling €23,391 thousand, as described in note 5.9, “Other current assets”.

Cash used in investing activities, totalling €680,044 thousand, primarily reflects the combined effect of the following:

a) purchases of investments, totalling €1,998,487 thousand, as described in detail in note 5.3;
b) the reduction of €215,184 thousand in accrued income, primarily on loans to Autostrade per l’Italia and on cash flow hedges, linked to the issuer substitution;
c) repayment of the remaining amount due on the loan granted to Autostrade per l’Italia in 2009, totalling €880,472 thousand, and partial early repayment of certain other loans to the same subsidiary, amounting to €220,100 thousand.

Cash generated from investing activities in 2015, totalling €1,053,152 thousand, primarily reflected the combined effect of the following:

a) the receipt of cash, totalling €1,351,250 thousand, following the early repayment of loans to Autostrade per l’Italia;
b) the investment of cash, totalling €346,885 thousand, in notes issued by Romulus Finance, later transferred to Aeroporti di Roma.

Cash used in financing activities, totalling €507,334 thousand, essentially reflects a combination of the following:

a) the redemption of bonds issued in 2009, totalling €880,472 thousand, and the partial buyback of certain other bonds, amounting to €220,100 thousand;
b) payment to shareholders of the final dividend for 2015 (€395,065 thousand) and the interim dividend for 2016 (€362,442 thousand);
c) a reduction in accrued expenses on bond issues and cash flow hedges, amounting to €203,927 thousand, due to the above issuer substitution;
d) the purchase of treasury shares, totalling €77,202 thousand;
e) the addition, in December 2016, of new short-term bank borrowings of €1,600,000 thousand.

Cash used in financing activities in 2015, totalling €1,851,996 thousand, essentially reflected a combination of the following:

a) the partial early redemption of certain bonds, totalling €1,351,250 thousand;
b) payment to shareholders of the final dividend for 2014 (€366,300 thousand) and the interim dividend for 2015 (€329,339 thousand);
c) proceeds from the sale of treasury shares, totalling €227,952 thousand.
7.2 Financial risk management

Financial risk management objectives and policies

In the normal course of business, the Company is exposed to:

a) market risk, principally linked to the effect of movements in interest and foreign exchange rates on financial assets acquired and financial liabilities assumed;
b) liquidity risk, with regard to ensuring the availability of sufficient financial resources to fund the Group’s operating activities and repayment of the liabilities assumed;
c) credit risk, linked to both ordinary trading relations and the likelihood of defaults by financial counterparties.

The Company’s financial risk management strategy is derived from and consistent with the business goals set by the Board of Directors, as contained in the various long-term plans prepared each year.

Market risk

The adopted strategy for each type of risk aims, wherever possible, to eliminate interest rate and currency risks and minimise borrowing costs, whilst taking account of stakeholders’ interests, as defined in the Financial Policy as approved by the Board of Directors.

Management of these risks is based on prudence and best market practice. The main objectives set out in this policy are as follows:

a) to protect the scenario forming the basis of the long-term plan from the effect of exposure to currency and interest rate risks, identifying the best combination of fixed and floating rates;
b) to pursue a potential reduction of the Group’s borrowing costs within the risk limits determined by the Board of Directors;
c) to manage derivative financial instruments taking account of their potential impact on the results of operations and financial position in relation to their classification and presentation.

The Company’s derivative hedging instruments as at 31 December 2016 are classified as cash flow hedges and as non-hedge accounting in accordance with IAS 39. The non-hedge accounting transactions include the derivatives embedded in certain short-term, floating rate borrowings, with a notional value of €1,000,000 thousand and fair value losses of €1,120 thousand. Fair value measurement of derivative financial instruments is dealt with in note 3, “Accounting standards and policies applied”.

Amounts in foreign currencies other than the euro are translated at closing exchange rates communicated by the European Central Bank. The residual average term to maturity of debt as at 31 December 2016 is approximately 2 years.

The average cost of medium to long-term debt for 2016 was 4.5%.

Monitoring is, moreover, intended to assess, on a continuing basis, counterparty creditworthiness and the degree of risk concentration.
**Interest rate risk**

Interest rate risk is linked to uncertainty regarding the performance of interest rates, and takes two forms:

a) **cash flow risk**: this is linked to financial assets and liabilities with cash flows indexed to a market interest rate.

b) **fair value risk**: this represents the risk of losses deriving from an unexpected change in the value a financial asset or liability following an unfavourable shift in the market interest rate curve. As at 31 December 2016, the Company has not entered into derivatives classified as fair value hedges.

In terms of type of interest rate, 38% of the Company’s debt is fixed rate, reflecting the use of short-term floating rate lines of credit with a total face value of €1,600,000 thousand, maturing essentially in February and March 2017.

**Currency risk**

Currency risk is mainly incurred through the assumption of financial liabilities denominated in a currency other than the Company’s currency of account. As at 31 December 2016, all of the Company’s medium/long-term debt is denominated in euros, partly as a result of the issuer substitution described in note 4.3.

Following the Company’s repurchase of 99.87% of the sterling-denominated notes issued by Romulus Finance in 2015, and transferred by Aeroporti di Roma in 2016, the Company entered into Cross currency swaps (CCIRS) with notional amounts and maturities matching those of the underlying financial liabilities, specifically to eliminate the interest and currency risk to which the sterling and yen denominated bonds are exposed.

These swaps qualify as cash flow hedges. Following tests of the effectiveness of these hedges, changes in fair value were primarily recognised in other comprehensive income.

The following table summarises outstanding derivative financial instruments at 31 December 2016 (compared with 31 December 2015) and shows the corresponding market value.

<table>
<thead>
<tr>
<th>€000</th>
<th>Type</th>
<th>Purpose of hedge</th>
<th>31 December 2016</th>
<th>31 December 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Fair value asset/(liability)</td>
<td>Notional amount</td>
<td>Fair value asset/(liability)</td>
</tr>
<tr>
<td></td>
<td>Cash flow hedges (1)</td>
<td>Currency and interest rate risk</td>
<td>42,320</td>
<td>286,682</td>
</tr>
<tr>
<td></td>
<td>Cross Currency Swaps</td>
<td>Interest rate risk</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Interest Rate Swaps</td>
<td>Interest rate risk</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cash flow hedges</td>
<td></td>
<td>42,320</td>
<td>286,682</td>
</tr>
<tr>
<td></td>
<td>Non-hedge accounting derivatives (2)</td>
<td>Interest rate risk</td>
<td>-1,120</td>
<td>1,000,000</td>
</tr>
<tr>
<td></td>
<td>Cash flow hedges</td>
<td></td>
<td>-1,120</td>
<td>1,000,000</td>
</tr>
<tr>
<td></td>
<td>Total derivatives</td>
<td></td>
<td>41,200</td>
<td>1,286,682</td>
</tr>
<tr>
<td></td>
<td>of which</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>fair value (asset)</td>
<td></td>
<td>42,320</td>
<td>216,886</td>
</tr>
<tr>
<td></td>
<td>fair value (liability)</td>
<td></td>
<td>-1,120</td>
<td>-209,018</td>
</tr>
</tbody>
</table>

(1) The fair value of cash flow hedges excludes accruals at the measurement date.

(2) Fair value liabilities include non-hedge accounting transactions linked to derivatives embedded in certain of Atlantia’s short-term borrowings, having a total notional value of €1,000,000 thousand.
Sensitivity analysis

Sensitivity analysis describes the impact that the interest rate and foreign exchange movements to which the Company is exposed would have had on the income statement for 2016 and on equity as at 31 December 2016.

The interest rate sensitivity analysis is based on the exposure of derivative and non-derivative financial instruments at the end of the reporting period, assuming, in terms of the impact on the income statement, a 0.10% (10 bps) shift in the interest rate curve at the beginning of the year, whilst, with regard to the impact of changes in fair value on other comprehensive income, the 10 bps shift in the curve was assumed to have occurred at the measurement date. The following outcomes resulted from the analysis carried out:

a) in terms of interest rate risk, an unexpected and unfavourable 10 bps shift in market interest rates would have resulted in a negative impact on the income statement, totalling €338 thousand, and on other comprehensive income, totalling €230 thousand, before the related taxation;

b) in terms of currency risk, an unexpected and unfavourable 10 bps shift in the exchange rate would have had no impact on the income statement.

Liquidity risk

Liquidity risk relates to the risk that cash resources may be insufficient to fund the payment of liabilities as they fall due. The Company believes that its ability to generate cash, the ample diversification of its sources of funding and the availability of uncommitted lines of credit provides access to sufficient sources of finance to meet its projected financial needs.

The following tables show the time distributions of medium/long-term financial liabilities by term to maturity as at 31 December 2016 and comparable figures as at 31 December 2015, excluding accrued expenses at these dates.
The amounts in the above tables include interest payments and exclude the impact of any offset agreements.

The time distribution of terms to maturity is based on the residual contract term or on the earliest date on which repayment of the liability may be required, unless a better estimate is available.

The distribution for transactions with amortisation schedules is based on the date on which each instalment falls due.

The following table shows the time distribution of expected cash flows from cash flow hedges, and the periods in which they will be recognised in profit or loss.
Credit risk

The Company manages credit risk essentially through recourse to counterparties with high credit ratings and does not report significant credit risk concentrations in accordance with the Financial Policy. Credit risk deriving from outstanding derivative financial instruments can also be considered marginal in that the counterparties involved are major financial institutions.

Provisions for impairment losses on individually material items are established when there is objective evidence that the Group will not be able to collect all or any of the amount due. The amount of the provisions takes account of estimated future cash flows and the date of collection, any future recovery costs and expenses, and the value of any security and guarantee deposits received from customers. General provisions, based on the available historical and statistical data, are established for items for which specific provisions have not been made.
8. OTHER INFORMATION

8.1 Guarantees

As at 31 December 2016, the Company reports the following outstanding personal and collateral guarantees in issue, which include the following material items:

a) with regard to the bond issues involved in the issuer substitution (€6,470,825 thousand, equal to 120% of the underlying liability), the guarantee issued on behalf of Autostrade per l’Italia in favour of the bond holders, valid through to maturity for the public bonds and until September 2025 for the private bonds;

b) guarantees issued on behalf of Autostrade per l’Italia in favour of the European Investment Bank, as security for loans granted to the subsidiary (€2,077,747 thousand, equal to 120% of the underlying liability);

c) counter-indemnities issued on behalf of the subsidiary, Electronic Transaction Consultants Corporation, to the insurance companies (a “surety”) that have issued performance bonds totalling €106,323 thousand (at the euro/US dollar exchange rate as at 31 December 2016), for free-flow tolling projects being carried out by the subsidiary;

d) the guarantee issued in favour of credit institutions on behalf of Strada dei Parchi as a safeguard against the impact on cash flow hedges of movements in interest rates. The amount of the guarantee, based on the fair value of the hedges, has been capped at €40,000 thousand, which corresponds to the value as at 31 December 2016. This guarantee was renewed for a further 12 months in February 2017. The guarantee can only be enforced if the concession held by Strada dei Parchi is terminated, whilst Atlantia has received a counter-indemnity from Toto Holding (the company’s majority shareholder), which has undertaken to assume Atlantia’s guarantee obligations by 31 October 2017;

e) assumption of Aeroporti di Roma’s obligation to the tax authorities (€11,365 thousand) as part of the procedure for settling Group VAT for 2015, following the transfer of refundable VAT from Aeroporti di Roma to Atlanta;

f) a portion of the Company’s holding of shares in Pune Solapur Expressways pledged to credit institutions.

8.2 Related party transactions

The principal related party transactions between the Company and its related parties are described below. The transactions have been identified based on the criteria set out in the Procedure for Related Party Transactions adopted by the Company in implementation of the provisions of art. 2391-bis of the Italian Civil Code, the Regulations adopted by the Commissione Nazionale per le Società e la Borsa (the CONSOB) in Resolution 17221 of 12 March 2010, as amended. This procedure, published in the section, “Articles of Association, codes and procedures” on the Company’s website at www.atlantia.it, establishes the criteria to be used in identifying related parties, in distinguishing between transactions of greater and lesser significance and in applying the rules governing the above transactions of greater and lesser significance, and in fulfilling the related reporting requirements.
<table>
<thead>
<tr>
<th>Assets</th>
<th>Liabilities</th>
<th>Income</th>
<th>Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Trading and other assets</strong></td>
<td><strong>Current tax assets</strong></td>
<td><strong>Other current assets</strong></td>
<td><strong>Total</strong></td>
</tr>
<tr>
<td><strong>Trade receivables</strong></td>
<td><strong>Current tax liabilities</strong></td>
<td><strong>Other current liabilities</strong></td>
<td><strong>Total</strong></td>
</tr>
<tr>
<td>Trading and other assets</td>
<td>Trading and other liabilities</td>
<td>Trading and other income</td>
<td>Trading and other expenses</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Accounts</th>
<th>2018</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Trade receivables</strong></td>
<td>5,220</td>
<td>9,246</td>
</tr>
<tr>
<td><strong>Current tax assets</strong></td>
<td>3,200</td>
<td>1,158</td>
</tr>
<tr>
<td><strong>Other current assets</strong></td>
<td>2,297</td>
<td>1,588</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,297</td>
<td>1,588</td>
</tr>
<tr>
<td><strong>Other non-current liabilities</strong></td>
<td>2,297</td>
<td>1,588</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,297</td>
<td>1,588</td>
</tr>
<tr>
<td><strong>Trading and other income</strong></td>
<td>7,074</td>
<td>48,874</td>
</tr>
<tr>
<td><strong>Staff costs</strong></td>
<td>5,404</td>
<td>1,500</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>7,074</td>
<td>48,874</td>
</tr>
<tr>
<td><strong>Trading and other expenses</strong></td>
<td>1,158</td>
<td>572</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>7,074</td>
<td>48,874</td>
</tr>
</tbody>
</table>

Footnotes:
1) This item is considered as a tax for income from financial transactions. For income from operations, consider the net tax impact as a result of the tax amount and income from operations.
2) The tax impact on the result of operations is calculated based on the income statement.
3) The tax impact on the result of operations is calculated based on the income statement.

Key management personnel:
- **CAPIDI pension fund**
- **Associates**
- **Other subsidiaries**

The following table shows amounts in the income statement and statement of financial position generated by related party transactions, broken down by nature of the transaction (trading on financial and including those with Directors, Statutory Auditors and the Company’s key management personnel).
### Principal financial transactions with related parties

<table>
<thead>
<tr>
<th>6000</th>
<th>Financial assets</th>
<th>Income</th>
<th>Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Other non-current financial assets</td>
<td>Non-current derivative assets</td>
<td>Cash equivalents</td>
</tr>
<tr>
<td></td>
<td>31 December 2016</td>
<td>2016</td>
<td>2018</td>
</tr>
<tr>
<td>Autostrade per l’Italia</td>
<td>992,921</td>
<td>-</td>
<td>201,930</td>
</tr>
<tr>
<td>Avance Aerporti</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Elettroni Techconsultants Co</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Aeroporte di Roma group</td>
<td>297,13</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other subsidiaries (2)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL SUBSIDIARIES</strong></td>
<td>1,289,934</td>
<td>-</td>
<td>201,930</td>
</tr>
<tr>
<td>31 December 2015</td>
<td>2018</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Autostrade per l’Italia</td>
<td>6,514,903</td>
<td>216,123</td>
<td>400,000</td>
</tr>
<tr>
<td>Autostrade Tech</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Ecomouv</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Elettroni Techconsultants Co</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Aeroporte di Roma group</td>
<td>346,262</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other subsidiaries (2)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL SUBSIDIARIES</strong></td>
<td>6,860,865</td>
<td>216,123</td>
<td>400,000</td>
</tr>
</tbody>
</table>

(1) The table does not include dividends from investees, reversals of impairment losses on financial assets and investments or impairment losses on financial assets and investments.

(2) This item includes balances for companies where the relevant amount is not material.
An issuer substitution was completed in 2016. This has resulted in Autostrade per l’Italia taking Atlantia’s place as the issuer of certain bonds entered into by the latter, with a significant impact on the Company’s operating results, as described in note 6.9, “Material non-recurring transactions”, in which the transactions that took place in 2015 are also described.

No atypical or unusual transactions, having a material impact on the Company’s income statement and statement of financial position, were entered into with related parties.

The principal transactions entered into with related parties are described below.

**Atlantia SpA’s relations with its subsidiaries**

The Company primarily engages in transactions of a trading and financial nature with the subsidiary, Autostrade per l’Italia, over which it exercises management and coordination.

With regard to transactions of a trading nature, Autostrade per l’Italia provides administrative, financial and tax services to the Company.

With regard to transactions of a financial nature with Autostrade per l’Italia, as reported in note 5.4, “Financial assets”, as at 31 December 2016 the Company has granted medium/long-term loans with a total face value of €1,000,000 thousand to Autostrade per l’Italia on the same terms as those applied to Atlantia’s borrowings, increased by a spread that takes account of the cost of managing the loans. Compared with 31 December 2015, these the current and non-current portions of these loans are down €6,405,014 thousand, essentially as a result of the issuer substitution, in addition to the repayments received from Autostrade per l’Italia of loans either reaching maturity or repaid early, as described in note 5.12, “Financial liabilities”.

The Company also has an intercompany current account with Autostrade per l’Italia, which provides centralised treasury services for the Group. The account has a credit balance of €205,539 thousand as at 31 December 2016, as described in note 5.7, “Cash and cash equivalents”.

As regards transactions with other Group companies, the Company holds notes issued by Romulus Finance, transferred by Aeroporti di Roma, amounting to €297,313 thousand as at 31 December 2016, as described in note 5.4, “Financial assets”.

With regard, on the other hand, to other liabilities, the Company owes the sum of €7,470 thousand to Aeroporti di Roma and its subsidiaries, essentially in relation to the tax consolidation arrangement in force between these companies and Gemina prior to this company’s merger with the Company, as described in note 5.16, “Other current liabilities”.

As at 31 December 2016, the Company has issued a number of guarantees in favour of direct or indirect subsidiaries, as described in note 8.1, “Guarantees”.

Finally, as a result of the tax consolidation arrangement headed by the Company, the statement of financial position as at 31 December 2016 includes current tax assets due from Group companies of €16,084 thousand, and current tax liabilities payable to Group companies of €80,966 thousand, which mirror matching amounts due to and from the tax authorities. The arrangement is described in note 5.8, “Current tax assets and liabilities”.

322 Atlantia
8.3 Disclosures regarding share-based payments

There were no changes, during 2016, in the share-based incentive plans already adopted by the Group as at 31 December 2015 and originally approved by the Annual General Meetings of shareholders held on 20 April 2011 (later amended by subsequent Annual General Meetings) and 16 April 2014. Details of each plan are contained in specific information circulars prepared pursuant to art. 84-bis of CONSOB Regulation 11971/1999, as amended, and in the Remuneration Report prepared pursuant to art. 123 ter of the Consolidated Finance Act. These documents, to which reference should be made, are published in the “Remuneration” section of the Company’s website at www.atlantia.it.

The following table shows the main aspects of existing incentive plans as at 31 December 2016, including the options and units awarded to directors and employees of the Group and changes during 2016 (in terms of new awards and the exercise, conversion or lapse of rights). The table also shows the fair value (at the grant date) of each option or unit awarded, as determined by a specially appointed expert, using the Monte Carlo model and other assumptions. The amounts have been adjusted for the amendments to the plans originally approved by Atlantia’s shareholders, which were required to ensure plan benefits remained substantially unchanged despite the dilution caused by the bonus issues approved by Atlantia’s shareholders on 20 April 2011 and 24 April 2012.
(3x29) These are phantom share options granted in place of certain conditional rights included in the grants of 2011 and 2012, and which, therefore, do not represent the award of new benefits.

(3x65) Units outstanding as at 31 December 2016
- units converted into shares on 9 May 2016
- units converted into shares on 3 May 2016
- units converted into shares on 16 June 2016
- units converted into shares on 16 May 2016

Changes in units in 2016
- units lapsed
- units converted into shares on 16 May 2016
- units converted into shares on 3 May 2016

Total
- units outstanding as at 31 December 2016

2011 SHARE OPTION PLAN
Options outstanding as at 1 January 2016
- 13 May 2011 grant
- 14 October 2011 grant
- 14 June 2012 grant
- 8 November 2013 grant
- 13 May 2014 grant
- 14 June 2015 grant

Options exercised
- 539,085
- 312,172
- 55,181

Options lapsed
- 539,085
- 312,172
- 55,181

Changes in options in 2016
- 8 November 2015 grant
- 8 November 2016 grant
- 14 June 2015 grant
- 13 May 2014 grant
- 8 November 2013 grant
- 14 June 2012 grant

Total
- 1,798,314

2011 SHARE GRANT PLAN
Units outstanding as at 1 January 2016
- 13 May 2011 grant
- 14 October 2011 grant
- 14 June 2012 grant
- 96,282
- 49,446

Units converted into shares on 3 May 2016
- 90,077
- 49,446

Units outstanding as at 31 December 2016
- 406,576

MBO SHARE GRANT PLAN
Units outstanding as at 1 January 2016
- 14 May 2011 grant
- 14 June 2012 grant
- 2 May 2013 grant
- 8 November 2013 grant
- 12 May 2014 grant

Units converted into shares on 3 May 2016
- 47,993
- 15,738

Units outstanding as at 31 December 2016
- 408,976

2011 Share Option Plan
Description
As approved by the Annual General Meeting of shareholders on 20 April 2011, and amended by the Annual General Meeting of shareholders on 30 April 2013 and 16 April 2014, the 2011 Share Option Plan entails the award of up to 2,500,000 options free of charge in three annual award cycles (2011, 2012 and 2013). Each option will grant beneficiaries the right to purchase one ordinary Atlantia share held in treasury, with settlement involving either physical delivery or, at the beneficiary’s option, a cash payment equivalent to the proceeds from the sale of the shares on the stock exchange organised and managed by Borsa Italiana SpA, after deduction of the full exercise price. The exercise price is equivalent to the average of the official prices of Atlantia’s ordinary shares in the month prior to the date on which Atlantia’s Board of Directors announces the beneficiary and the number of options to be awarded.

The options granted will vest in accordance with the Plan terms and conditions and, in particular, only if, on expiration of the vesting period (three years from the date of award of the options to beneficiaries by the Board of Directors), cumulative FFO for the three annual reporting periods preceding expiration of the vesting period, adjusted for a number of specific items (total operating cash flow of the Group, Atlantia or of certain of its subsidiaries – depending on the role held by the various beneficiaries of the Plan), is higher than a pre-established target, unless otherwise decided by the Board of Directors, which has the authority to assign...
beneficiaries further targets. Vested options may be exercised, in part, from the first day following expiration of the vesting period and, in part, from the end of the first year following expiration of the vesting period and, in any event, in the three years following expiration of the vesting period (subject to the clause in the Plan terms and conditions requiring executive Directors and key management personnel to retain a minimum holding). The maximum number of exercisable options will be calculated on the basis of a mathematical algorithm that takes account, among other things, of the current value and the exercise price, plus any dividends paid, so as to cap the realisable gain.

Changes in options in 2016
The vesting period for the third award cycle expired on 8 November 2016. In accordance with the Terms and Conditions of this plan, following confirmation of effective achievement of the related performance hurdles, the final value of the shares (the arithmetic mean of the share price in the fifteen days prior to the vesting date) was determined as well as the additional options resulting from dividends paid during the vesting period. On 4 March 2016, Atlantia’s Board of Directors, exercising the authority provided for in the Plan Terms and Conditions, awarded the plan beneficiaries, in place of these additional options, a matching amount of phantom options in such a way that, on exercising the awarded options, the beneficiaries receive a gross amount in cash, determined with a calculation method which allow the beneficiaries to receive a net amount equal to what would have been received if they had exercised the additional options (resulting in the award of shares in Atlantia and payment of the exercise price) and sold the underlying shares in the market. On expiry of the vesting period, this resulted in the award of a total of 526,965 phantom options for the third cycle of the plan. For the reasons given above, the options awarded do not constitute an additional benefit with respect to the benefits established in the Plan Terms and Conditions.

During 2016, a number of beneficiaries exercised vested options and paid established exercise price. This entailed the allocation to them of Atlantia’s ordinary shares held by the Company as treasury shares. This resulted in the transfer of:

a) 83,507 of Atlantia’s ordinary shares to beneficiaries in connection with the second cycle, the vesting period for which expired on 14 June 2015, accompanied by the exercise of 30,639 phantom options awarded in 2015;
b) 198,026 of Atlantia’s ordinary shares to beneficiaries in connection with the third cycle, the vesting period for which expired on 8 November 2016, whilst no phantom options awarded in 2016 were exercised.

Thus, as at 31 December 2016, taking into account lapsed options at that date, the remaining options outstanding total 1,739,314, including 548,685 phantom options awarded under the second cycle and third cycle (the unit fair values of which, as at 31 December 2016, was measured as €16.93 and €7.87 respectively, in place of the unit fair values at the grant date).

2011 Share Grant Plan

Description
As approved by the Annual General Meeting of shareholders on 20 April 2011, and amended by the Annual General Meeting of shareholders on 30 April 2013, the 2011 Share Grant Plan entails the grant of up to 920,000 units free of charge in three annual award cycles (2011, 2012 and 2013). Each unit will grant beneficiaries the right to receive one Atlantia ordinary share held in treasury, with settlement involving either physical delivery or, at the beneficiary’s option, a cash payment equivalent to the proceeds from the sale of the shares on the stock exchange organised and managed by Borsa Italiana SpA.

The units granted will vest in accordance with the Plan terms and conditions and, in particular, only if, on expiration of the vesting period (three years from the date the units are granted to beneficiaries by the Board of Directors), cumulative FFO for the three annual reporting periods preceding expiration of the vesting period, adjusted for a number of specific items (total operating cash flow of the Group, Atlantia or of certain of its subsidiaries – depending on the role held by the various beneficiaries of the Plan) is higher than a pre-established target, unless otherwise decided by the Board of Directors. Vested units may be converted into
shares, in part, after one year from the date of expiration of the vesting period and, in part, after two years from the date of expiration of the vesting period (subject to the clause in the Plan terms and conditions requiring executive Directors and key management personnel to maintain a minimum holding). The number of convertible units will be calculated on the basis of a mathematical algorithm that takes account, among other things, of the current value and initial value of the shares so as to cap the realisable gain.

Changes in units in 2016
The vesting period for the third award cycle expired on 8 November 2016. In accordance with the Terms and Conditions of this plan, following confirmation of effective achievement of the related performance hurdles, the units previously awarded vested; these units may be converted into Atlantia’s ordinary shares from 8 November 2017.
In addition, with regard to the first award cycle, the vesting period for which expired on 13 May 2014, on 16 May 2016 vested units were converted, in accordance with the Plan Terms and Conditions, into Atlantia’s ordinary shares. As a result, Plan beneficiaries received 103,197 shares held by the Company as treasury shares. The first award cycle for this Plan has thus expired.
In addition, in accordance with the Plan Terms and Conditions, on 16 June 2016 a portion of the vested units granted to the beneficiaries of the second award cycle (the vesting period for which expired on 14 June 2015) was converted into Atlantia’s ordinary shares, with beneficiaries receiving 98,582 shares held by the Company as treasury shares. The remaining units will be converted into Atlantia’s ordinary shares from 15 June 2017. As at 31 December 2016, taking into account lapsed units at that date, the remaining units outstanding total 406,576.

MBO Share Grant Plan

Description
As approved by the Annual General Meetings of shareholders on 20 April 2011 and amended by the Annual General Meetings of 30 April 2013 and 16 April 2014, the MBO Share Grant Plan, serving as part payment of the annual bonus for the achievement of objectives assigned to each beneficiary under the Management by Objectives (MBO) plan adopted by the Atlantia Group in 2011, 2012 and 2013, entails the grant of up to 340,000 units free of charge annually for three years (2012, 2013 and 2014). Each unit will grant beneficiaries the right to receive one ordinary share in Atlantia SpA held in treasury.
The units granted (the number of which is based on the unit price of the company’s shares at the time of payment of the bonus, and on the size of the bonus effectively awarded on the basis of achievement of the assigned objectives) will vest in accordance with the Plan terms and conditions, on expiration of the vesting period (three years from the date of payment of the annual bonus to beneficiaries, following confirmation that the objectives assigned have been achieved). Vested units will be converted into a maximum number of shares on expiration of the vesting period (subject to the clause in the Plan terms and conditions requiring executive Directors and key management personnel to maintain a minimum holding), on the basis of a mathematical algorithm that takes account, among other things, of the current value and initial value of the shares, plus any dividends paid during the vesting period, so as to cap the realisable gain.

Changes in the units in 2016
The vesting period for the MBO Plan units awarded in relation to the objectives for 2012 expired on 2 and 8 May 2016. In accordance with the Terms and Conditions of this plan, all the units awarded thus vested, resulting in their conversion into Atlantia’s ordinary shares and the allocation to beneficiaries of 90,523 shares held by the Company as treasury shares.
In addition, on 4 March 2016, Atlantia’s Board of Directors, exercising the authority provided for in the Plan Terms and Conditions, awarded the plan beneficiaries a gross amount in cash in place of the additional units to be awarded as a result of the payment of dividends during the vesting period. This amount is computed in
such a way as to enable beneficiaries to receive a net amount equal to what they would have received in case they had been awarded a number of Atlantia shares equal to the additional units and sold these shares in the market. As at 31 December 2016, the remaining units outstanding total 61,627.

The following table shows the main aspects of the “2014 Phantom Share Option Plan”, unlike the other plans settled entirely in cash. The table shows the options awarded to directors and employees of the Company and changes (in terms of new awards and the exercise, conversion or lapse of rights, and transfers or secondments to other Atlantis Group companies) during 2016. The table also shows the fair value (at the grant date) of each option awarded, as determined by a specially appointed expert, using the Monte Carlo model and other assumptions.

<table>
<thead>
<tr>
<th>2014 PHANTOM SHARE OPTION PLAN</th>
<th>Number of options/units awarded</th>
<th>Vesting date</th>
<th>Exercise / Grant date</th>
<th>Fair value of each option or unit at grant date (€)</th>
<th>Expected expiration at grant date (years)</th>
<th>Risk free interest rate used</th>
<th>Expected volatility (based on historical mean)</th>
<th>Expected dividends at grant date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Options outstanding as at 1 January 2016</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- 9 May 2014 grant</td>
<td>385,426</td>
<td>9 May 2017</td>
<td>9 May 2020</td>
<td>N/A(*)</td>
<td>2.88</td>
<td>0.0</td>
<td>1.10%</td>
<td>28.9%</td>
</tr>
<tr>
<td>- 8 May 2015 grant</td>
<td>642,541</td>
<td>8 May 2016</td>
<td>8 May 2021</td>
<td>N/A(*)</td>
<td>2.59</td>
<td>0.0</td>
<td>1.01%</td>
<td>25.8%</td>
</tr>
<tr>
<td>- options lapsed</td>
<td>64,201</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Options outstanding as at 31 December 2016</td>
<td>1,721,094</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(*) Given that this is a cash bonus plan, involving payment of a gross amount in cash, the 2014 Phantom Share Option Plan does not require an exercise price. However, the Terms and Conditions if this specific plan indicate an “Exercise price” (equal to the arithmetic mean of Atlantia’s share price in a determinate period) as the basis on which to calculate the gross amount to be paid to beneficiaries.

2014 Phantom Share Option Plan

Description

On 16 April 2014, the Annual General Meeting of Atlantis’s shareholders approved the new incentive plan named the “2014 Phantom Share Option Plan”, subsequently approved, within the scope of their responsibilities, by the boards of directors of the subsidiaries employing the beneficiaries. The plan entails the award of phantom share options free of charge in three annual award cycles (2014, 2015 and 2016), being options that give beneficiaries the right to payment of a gross amount in cash, computed on the basis of the increase in the value of Atlantis’s ordinary shares in the relevant three-year period.

In accordance with the Terms and Conditions of the plan, the options granted will only vest if, at the end of the vesting period (equal to three years from the date on which the options were awarded to the beneficiaries by the Board of Directors), a minimum operating/financial performance target for (alternatively) the Group, the Company or for one or more of Autostrade per l’Italia’s subsidiaries, as indicated for each Plan beneficiary (the “hurdle”), has been met or exceeded. The vested options may be exercised from, in part, the first day immediately following the vesting period, with the remaining part exercisable from the end of the first year after the end of the vesting period and, in any event, in the three years after the end of the vesting period (without prejudice to the Terms and Conditions of the plan as regards minimum holding requirements for executive directors and key management personnel). The number of exercisable options is to be computed in application of a mathematical algorithm, taking into account, among other things, the current value, the target value and the exercise price, in order to cap the realisable gain.

Changes in options in 2016

On 10 June 2016, the Board of Directors selected the beneficiaries for the third cycle of the plan in question, awarding a total of 659,762 phantom options with a vesting period that expires on 10 June 2019 and an exercise period, on achievement of the relevant hurdles, from 11 June 2019 to June 10 2022. Thus, as at 31 December 2016, taking into account lapsed options at that date, and transfers and secondments to other Atlantis Group companies, the remaining options outstanding total 1,721,094, including 434,265 phantom options awarded under the first cycle, 619,683 phantom options awarded under the second cycle and 667,146 phantom options awarded the third cycle (the unit fair values of which as at 31 December 2016 were measured as €4.39, €1.99 and €1.99, respectively, in place of the unit fair values at the grant date).
The prices of Atlantia’s ordinary shares in the various periods covered by the above plans are shown below:

a) price as at 31 December 2016: €22.31;
b) price as at 10 June 2016 (the grant date for new options or units, as described): €23.00;
c) the weighted average price for the period 2016: €22.70;
d) the weighted average price for the period 10 June 2016 – 31 December 2016: €21.96;

In accordance with the requirements of IFRS 2, as a result of existing plans, in 2016 the Company has recognised staff costs, as indicated in note 6.4, of €2,310 thousand, based on the accrued fair value of the options and units awarded at that date, including €309 thousand accounted for as an increase in equity reserves. In contrast, the liabilities represented by phantom share options outstanding as at 31 December 2016 have been recognised in other current and non-current liabilities, based on the assumed exercise date. In addition, the Company has recognised the accrued portion of share-based incentive plans, with regard to the benefits awarded to certain directors and employees at its subsidiaries, in “Investments”, as described in note 5.3.

Finally, following the exercise, by Atlantia’s Board of Directors, of its authority to award phantom options in place of any additional options due, on closure of the second cycle of the “2011 Share Option Plan”, the amount of €1,506 thousand was reclassified from equity reserves to other current liabilities, corresponding to the initial estimate of the fair value of the additional options.
8.4 Events after 31 December 2016

€750 million bond issue by Atlantia, maturing in 2025

On 26 January 2017, Atlantia carried out the first bond issue forming part of its €3bn Euro Medium Term Note Programme launched in October 2016. The transaction involved the issue of a series with a value of €750 million, maturing in 2025. The bonds were placed with institutional investors. Moody’s, Standard & Poor’s and Fitch Ratings have assigned the Programme ratings of “Baa2”/negative, “BBB”/stable and “A-” in negative watch.

Distribution of a special dividend in kind

On 1 March 2017, Atlantia carried out the distribution of a special dividend in kind, using Autostrade per l’Italia’s available reserves. This took the form of the transfer of the entire interest in Autostrade dell’Atlantico (the holding company that controls the Group’s Chilean and Brazilian motorway businesses and ETC in the USA). Distribution of the dividend, via the transfer of investments, is part of the Group restructuring that, via the demerger of Autostrade per l’Italia’s overseas assets, together with the intragroup transfers completed at the end of 2016, aims to confer on Autostrade per l’Italia the role of operating parent that controls a group focusing on motorway concessions in Italy.
9. Proposed resolutions for the Annual General Meeting of Atlantia SpA’s shareholders

Dear Shareholders,

In conclusion, we invite you:

a) to discuss and approve the Board of Directors’ report on operations and the financial statements as at and for the year ended 31 December 2016, which report profit of €919,229,996.21;

b) to appropriate the remaining €556,778,538.21 in profit for the year, after payment of the interim dividend of €362,451,458.00 (equal to €0.440 per share) in 2016, to:
   1) pay a final dividend of €0.530 per share, payable to holders of each of the shares with a par value of €1.00. The total value of the final dividend, based on the number of shares outstanding as at 28 February 2017 (816,488,877), is estimated at €432,739,104.81;
   2) take the remaining profit for the year to retained earnings. This amount, based on the number of shares outstanding as at 31 December 2016, is estimated at €124,039,433.40;

c) to establish the dividend payment date as 24 May 2017, the ex-dividend date for coupon 30 as 22 May 2017 and the record date as 23 May 2017.

For the Board of Directors

The Chairman
ANNEXES TO THE FINANCIAL STATEMENTS

ANNEX 1

DISCLOSURES PURSUANT TO ART. 149- 
DUODECIES OF THE CONSOB 
REGULATIONS FOR ISSUERS 11971/1999

The above annex has not been audited.
Annex I

Disclosures pursuant to art. 149- *duodecies* of the CONSOB Regulations for Issuers 11971/1999

Atlantia SpA

<table>
<thead>
<tr>
<th>Type of service</th>
<th>Provider of service</th>
<th>Note</th>
<th>Fees (€000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit</td>
<td>Parent Company's auditor</td>
<td></td>
<td>27</td>
</tr>
<tr>
<td>Certification</td>
<td>Parent Company's auditor</td>
<td>(1)</td>
<td>23</td>
</tr>
<tr>
<td>Other services</td>
<td>Parent Company's auditor</td>
<td>(2)</td>
<td>88</td>
</tr>
<tr>
<td>Other services</td>
<td>Associate of Parent Company's auditor</td>
<td>(3)</td>
<td>198</td>
</tr>
<tr>
<td><strong>Total Parent Company</strong></td>
<td></td>
<td></td>
<td><strong>336</strong></td>
</tr>
</tbody>
</table>

(1) Opinion on payment of interim dividends.
(2) Signature of consolidated and 770 tax forms, agreed upon procedures for data and accounting information and comfort letters for the tenders in which the Group has participated, review of the Sustainability Report and comfort letter for offering circulars.
(3) Financial, accounting and tax due diligence.
Bilancio di esercizio al 31 December 2016
Proposed resolutions for the Annual General Meeting of Atlantia SpA’s shareholders

Reports
Attestations of the consolidated and separate financial statements

Attestation of the consolidated financial statements pursuant to art. 81-ter of CONSOB Regulation 11971 of 14 May 1999, as amended

1. We, the undersigned, Giovanni Castellucci and Giancarlo Guenzi, as Chief Executive Officer and as the manager responsible for Atlantia SpA’s financial reporting, having taken account of the provisions of art. 154-bis, paragraphs 3 and 4 of Legislative Decree 58 of 24 February 1998, attest to:
   • the adequacy with regard to the nature of the Company and
   • the effective application of the administrative and accounting procedures adopted in preparation of the consolidated financial statements during 2016.

2. The administrative and accounting procedures adopted in preparation of the consolidated financial statements as at and for the year ended 31 December 2016 were drawn up, and their adequacy assessed, on the basis of the regulations and methods drawn up by Atlantia SpA in accordance with the Internal Control–Integrated Framework model issued by the Committee of Sponsoring Organizations of the Treadway Commission. This Commission has established a body of general principles providing a standard for internal control systems that is generally accepted at international level.

3. We also attest that
   3.1 the consolidated financial statements:
      a) have been prepared in compliance with international accounting standards approved for application in the European Community by EC Regulation 1606/2002, passed by the European Parliament and by the Council on 19 July 2002;
      b) are consistent with the underlying accounting books and records;
      c) present a true and fair view of the financial position and results of operations of the issuer and the consolidated companies;

   3.2 the report on operations contains a reliable analysis of operating trends and results, in addition to the state of affairs of the issuer and the consolidated companies, together with a description of the principal risks and uncertainties to which they are exposed.

10 March 2017

Giovanni Castellucci
Chief Executive Officer

Giancarlo Guenzi
Manager responsible for financial reporting
Attestation of the separate financial statements pursuant to art. 81-ter of CONSOB Regulation 11971 of 14 May 1999, as amended

1. We, the undersigned, Giovanni Castellucci and Giancarlo Guenzi, as Chief Executive Officer and as the manager responsible for Atlantia SpA’s financial reporting, having taken account of the provisions of art. 154-bis, paragraphs 3 and 4 of Legislative Decree 58 of 24 February 1998, attest to:

- the adequacy with regard to the nature of the Company and
- the effective application

of the administrative and accounting procedures adopted in preparation of the separate financial statements during 2016.

2. The administrative and accounting procedures adopted in preparation of the separate financial statements as at and for the year ended 31 December 2016 were drawn up, and their adequacy assessed, on the basis of the regulations and methods drawn up by Atlantia SpA in accordance with the Internal Control–Integrated Framework model issued by the Committee of Sponsoring Organizations of the Treadway Commission. This Commission has established a body of general principles providing a standard for internal control systems that is generally accepted at international level.

3. We also attest that

3.1 the separate financial statements:

d) have been prepared in compliance with international accounting standards approved for application in the European Community by EC Regulation 1606/2002, passed by the European Parliament and by the Council on 19 July 2002;

e) are consistent with the underlying accounting books and records;
f) present a true and fair view of the financial position and results of operations of the issuer;

3.2 the report on operations contains a reliable analysis of operating trends and results, in addition to the state of affairs of the issuer, together with a description of the principal risks and uncertainties to which it is exposed.

10 March 2017

Giovanni Castellucci
Chief Executive Officer

Giancarlo Guenzi
Manager responsible for financial reporting
REPORT OF THE BOARD OF STATUTORY AUDITORS TO THE ANNUAL GENERAL MEETING
(pursuant to art 153 of Legislative Decree 58/1998 and
art. 2429, para. 2 of the Italian Civil Code)

Dear Shareholders,

The Board of Statutory Auditors of Atlantia SpA (“Atlantia” or the “Company”), pursuant to art. 153 of Legislative Decree 58/1998 (the “Consolidated Finance Act” or “CFA”) and art. 2429, paragraph 2 of the Italian Civil Code, is required to report to the Annual General Meeting, called to approve the financial statements, on the audit activities conducted during the financial year within the scope of our responsibilities, on any omissions and irregularities observed and on the results for the Company’s financial year. The Board of Statutory Auditors is also required to make proposals regarding the financial statements and its approval.

This report regards the Board of Statutory Auditors’ activities during the year ended 31 December 2016.

Preamble and relevant legislation, regulations and ethical guidelines

The Board of Statutory Auditors in office at the date of this report was elected by the Annual General Meeting of 24 April 2015 and its members are Corrado Gatti (Chairman), Alberto di Nigro (standing Auditor), Lelio Fornabaio (standing Auditor), Silvia Olivotto (standing Auditor) and Livia Salvini (standing Auditor).

During the annual reporting period ended 31 December 2016, we performed the audit procedures required by law (and, in particular by art. 149 of the CFA and art. 19 of Legislative Decree 39/2010), adopting the Standards recommended by the Italian accounting profession and in compliance with CONSOB requirements regarding corporate controls, and the recommendations in the Corporate Governance Code.

* * *

Audit of compliance with the law and the articles of association

The Board of Statutory Auditors obtained the information needed in order to conduct its assigned audit activities by participating in meetings of the Board of Directors and of the various board committees, during discussions with the management of the Company and the Group, during meetings with the independent auditors and with the boards of statutory auditors of Group companies, through examination of the information obtained by the relevant company departments and through further audit activities.

The above audit procedures were carried out during 16 meetings of the Board of Statutory Auditors, by taking part in 14 meetings of the Board of Directors, and through the participation of the Chairman of the Board of Statutory Auditors, or another Auditor, in meetings of the Internal Control, Risk and Corporate Governance Committee and the Human Resources and Remuneration Committee, and participation in the Annual General Meeting of shareholders held on 21 April 2016. In addition, as a result of the audit procedures carried out and on the basis of the information obtained from the independent auditors, we are not aware of any negligence, fraud, irregularities or any other material events, that would require a report to be made to regulatory bodies.
Moreover, the Board of Statutory Auditors:

- pursuant to art. 150, paragraphs 1 and 2 of the CFA:
  (i) obtained reports from the Directors, on at least a quarterly basis, providing adequate information on the Company’s activities and on transactions carried out by the Company and its subsidiaries with a major impact on the Company’s results of operations, financial position and cash flow, ensuring that the actions decided on and carried out were in compliance with the law and the articles of association, were not subject to any potential conflict of interest or contrary to the resolutions adopted by the General Meeting, and were not clearly imprudent or risky or such as to compromise the value of the Company. There were a number of particularly significant events and transactions in 2016, described in full in the notes to Atlantia SpA’s financial statements in the section “Corporate actions and financial transactions during the year” (restructuring of the Group, Azzurra Aeroporti’s issue of new shares, the acquisition of indirect control of Aéroports de la Côte d’Azur and the issuer substitution) and in the section “Events after 31 December 2016” (Atlantia SpA’s €750 million bond issue as part of its €3 billion Euro Medium Term Note Programme established in October 2016 and the distribution of a special dividend in kind);
  (ii) held meetings with representatives of the independent auditors and no significant information that should be included in this report has come to light;

- pursuant to art. 151, paragraphs 1 and 2 of the CFA, exchanged information with the board of statutory auditors of Atlantia’s direct subsidiaries (ASPI, Aeroporti di Roma, Pavimental, Spea Engineering and Fiumicino Energia) regarding activities carried out during the year;

- received information from the Supervisory Board on its activities, which did not find any problems or significant irregularities;

- oversaw compliance with the requirements relating to “Market abuse” and “Protections for savers”, as they relate to financial reporting, and those relating to “Internal dealing”, with particular regard to the processing of confidential information and the procedure for publishing news releases and announcements. The Board of Statutory Auditors monitored compliance with the provisions of art. 115-bis of the CFA and the Regulations governing updates of the register of persons with access to confidential information;

- notes that the Atlantia Group has revised its security policies with a view to ensuring adequate levels of data protection, which are managed in application of the Data Protection Code (Legislative Decree 196/2003) and the directives issued by the Information Commissioner.

Audit of compliance with the principles of corporate governance and of the adequacy of the organisational structure

The Board of Statutory Auditors:

- within the scope of our responsibilities, obtained information on and checked the adequacy of the Company’s organisational structure and on observance of the principles of good governance, by means of direct observation, the gathering of information from the heads of the various departments and through meetings with the independent auditors with a view to exchanging the relevant data and information; in this regard we have no particular observations to make;

- assessed and verified the adequacy of the administrative/accounting system and its ability to correctly represent operating activities, by gathering information from the respective heads of department, examining corporate documents and analysing the results of the work carried out by the independent; in this regard we have no particular observations to make.

The Board of Statutory Auditors observed that adequate supporting documentation on matters to be discussed at Board of Directors’ meetings was made available to the Directors and Statutory Auditors with reasonably in advance by publication in a specific internal database. In addition,
during the year, the Company organises induction sessions for Directors and Statutory Auditors (3 were held in 2016), focusing on issues relating to Atlantia’s operations, its business and the strategies of its key subsidiaries.

Based on the information obtained, the Board of Statutory Auditors notes that strategic decisions are correctly informed and reasonable and that Directors are aware of the risks involved and the impact of the transactions carried out.

The Board of Statutory Auditors did not find evidence of material atypical and/or unusual transactions, including intra-group or intra-group and other related party transactions

The Board has also assessed the adequacy of the information provided in the management report on operations, regarding the absence of atypical and/or unusual transactions, including intra-group or intra-group and other related party transactions.

Oversight pursuant to the Consolidated Act on Statutory Audits
The Consolidated Act on External Audits (Legislative Decree 39/2010) requires the Board of Statutory Auditors (identified in the Consolidated Act as the “Internal and Statutory Audit Committee”) to oversee:

(i) the financial reporting process;
(ii) the effectiveness of internal control, internal audit and risk management systems;
(iii) the statutory audit of the annual and consolidated accounts;
(iv) the independence of the independent auditors, checking any services other than auditing provided.

The Board examined the amendments to Legislative Decree 39/2010 introduced by Legislative Decree 135/2016, which has implemented EU Directive 2014/56/EU, which amended Directive 2006/43/EU regarding the statutory audit of annual accounts and consolidated accounts and European Regulation 537/2014. The Board has already adopted the procedure for selecting independent auditors and the recommendation for independent auditors pursuant to article 16 of the European Regulation.

The Board of Statutory Auditors interacted with the Internal Control, Risk and Corporate Governance Committee, a Board committee, with the aim of coordinating expertise, exchanging information, engaging in ongoing consultation and avoiding any overlap between their activities.

With specific reference to the Consolidated Act on Statutory Audits, the following should be noted.

Oversight of the financial reporting process
The Board of Statutory Auditors has verified the existence of regulations and procedures governing the process of preparing and publishing financial information. In this regard, the Annual Report on Corporate Governance and the Ownership Structure defines guidelines for the establishment and management of administrative and accounting procedures. The Board of Statutory Auditors, with the assistance of the manager responsible for financial reporting, examined the procedures involved in preparing the Company’s financial statements and the consolidated financial statements, in addition to periodic financial reports. The Board of Statutory Auditors also received information on the process that enables the manager responsible for financial reporting and the Chief Executive Officer to issue the attestations required by art. 154-bis of the CFA. The Board of Statutory Auditors was informed that the administrative/accounting procedures applied in preparation of the financial statements and of all other financial reports are the responsibility of the manager responsible for financial reporting, who together with the Chief Executive Officer attests to their adequacy and effective application in the preparation of the
On 22 April 2016, the Board approved the appointment of Giancarlo Guenzi as the manager responsible for financial reporting.

With reference to the oversight required by art. 19 of Legislative Decree 39/2010, relating to financial reporting, the Board of Statutory Auditors has verified that the administrative and accounting aspects of the internal control system, as they relate to the attestations to be issued by the Chief Executive Officer and the manager responsible for financial reporting, were revised in 2015. The process entailed Group-level analyses of significant entities and the related significant processes, through the mapping of activities carried out to verify the existence of controls (at entity and process level) designed to oversee compliance risk in respect of the law and accounting regulations and standards relating to periodic financial reporting. Effective application of the administrative and accounting procedures was verified by the manager responsible for financial reporting, with the assistance of the relevant internal departments (including the Internal Audit department) and leading firm of consultants.

The Board of Statutory Auditors also verified the adequacy of the guidelines communicated by the Company to its subsidiaries pursuant to article 114, paragraph 2 of the CFA and, with regard to art. 36 of the CONSOB Regulation on Markets, adopted with resolution 16191 of 29 October 2007 (which has introduced requirements for subsidiaries incorporated under, or regulated by, the laws of non-EU states and of material significance for the purposes of the consolidated financial statements), verified that the Group companies to which the regulations are applicable have adopted procedures enabling them to submit reporting packages, for use during preparation of the consolidated financial statements, on a regular basis to the Company’s management and the Parent Company’s independent auditors.

On 10 March 2017, the Chief Executive Officer and the manager responsible for financial reporting issued the attestations of the consolidated and separate financial statements required by art. 81-ter of the CONSOB Regulations of 14 May 1999, as amended.

The Board of Statutory Auditors thus believes the financial reporting process to be adequate and deems that there is nothing to report to the General Meeting.

Oversight of the effectiveness of the internal control, internal audit and risk management systems and the statutory audit of the annual and consolidated accounts

The Board of Statutory Auditors has assessed and verified the adequacy of the internal control system and the effectiveness of internal control and risk management systems. You will recall that, in order to assess the correct functioning of the internal control system, in 2015 the Board of Directors made use of the Internal Control, Risk and Corporate Governance Committee, the Head of the Internal Audit department (operating with an adequate level of independence and suitably equipped to carry out the assigned role, and reporting on her activities to the Chairman, Chief Executive Officer, the Internal Control, Risk and Corporate Governance Committee and the Board of Statutory Auditors), the Group Controller, the Supervisory Board and the Ethics Officer.

As reported in the Annual Report on Corporate Governance and the Ownership Structure, in the fourth quarter of 2016, the Group Compliance and Security office was set up.

In particular, during our periodic meetings with the Head of Internal Audit and the Group Controller (whose department includes Risk Management), the Board of Statutory Auditors was kept fully informed regarding internal auditing activities (with a view to assessing the adequacy and functionality of the internal control system, and compliance with the law and with internal procedures and regulations), and the activities of the Risk Management unit, which is responsible for overseeing the management of risk via correct implementation and development of the COSO Enterprise Risk Management (ERM), a methodological framework that Atlantia has adopted to identify, measure, manage and monitor the risks inherent in the Company’s current Business Risk Model (compliance, regulatory and operational risks).

It should be remembered that, on 11 December 2014, the Board of Directors, at the recommendation of the Director Responsible for the Internal Control and Risk Management System, with the prior agreement of the Internal Control, Risk and Corporate Governance
Committee and having consulted with the Board of Statutory Auditors, established an Internal Audit department (later named “Group Internal Audit”), effective from 1 January 2015, and appointed, with effect from the same date, the Group’s Head of Internal Audit. In accordance with art. 11.3 of Atlantia’s Corporate Governance Code, “the Head of Internal Audit is responsible for verifying that the internal control and risk management system is properly functioning and fit for purpose”. The same person is required to prepare “periodic reports containing sufficient information on audit activities, the method of risk management and compliance with plans developed for risk mitigation. The periodic reports must contain an assessment of the internal control and risk management system”. On 16 February 2017, the Head of Group Internal Audit issued her report on the fitness of the internal control and risk management system, which supplements the reports prepared periodically and submitted to the Internal Control, Risk and Corporate Governance Committee and the Board of Statutory Auditors, and contains an assessment of whether or not the internal control and risk management system is fit for purpose (to the extent of her responsibilities). This assessment then forms the basis for the overall assessment of the internal control system that Atlantia’s Internal Control, Risk and Corporate Governance Committee submits annually to the Company’s Board of Directors. The report for 2016, issued on 16 February 2017, states that the internal control and risk management system is fit to ensure that the Company is managed in a way that is sound, proper and consistent with pre-established objectives.

Subsequently, at its meeting of 8 May 2015, the Board of Directors set out the Risk Appetite level for the Group as a whole, as well as the strategies and objectives to be pursued. At its meeting of 11 December 2015, the Board of Directors heard a presentation on the results of the risk review carried out from the boards of directors of the most important Group companies. In 2016, at its meetings of 4 March and 10 June 2016 – on the recommendation of the Director Responsible for the Internal Control and Risk Management System, with the agreement of the Internal Control, Risk and Corporate Governance Committee – the Board of Directors set out the guidelines for the internal control and risk management system.

At the Board of Directors’ meeting of 15 December 2016, art. 1.3 of the Corporate Governance Code was implemented. This requires the Board of Directors to establish the nature and degree of risk compatible with the issuer’s strategic goals, specifying that the Directors must include an assessment of all the risks that may affect the medium/long-term sustainability of the company’s operations.

Moreover, at the meeting of 10 March 2016, after noting the conclusions of the analysis by the Control, Risk and Corporate Governance Committee of the detailed information provided by staff responsible for the internal control and risk management system, the Board of Directors concluded that the internal control and risk management system, as a whole, may be deemed adequate, efficacious and in good working order.

In addition, the Board of Statutory Auditors also notes that, during 2016, Atlantia’s Supervisory Board continued its review of the organisational, management and control model (“OMCM”) adopted by Atlantia, pursuant to Legislative Decree 231/2001, in order to ensure that the model had kept pace with changes in legislation and in the Company’s organisational structure during the year. During the first half of 2016, the Supervisory Board, proceeding with the initiative begun during the previous year, completed its revision of the OMCM required by Legislative Decree 231/2001, revising both the general part and the special parts. The Supervisory Board also implemented the plan of action for monitoring and assessing the adequacy and effective implementation of the OMCM.

The Board of Statutory Auditors examined the Supervisory Board’s reports on their activities in the first and second halves of 2016 and do not have anything to mention in this regard in this report. Finally, we declare that:

- the accounts have been submitted to the required controls by the independent auditors, Deloitte & Touche, appointed by the Annual General Meeting of 24 April 2012 for the
annual reporting periods 2012-2020. During their periodic meetings with the Board of Statutory Auditors, the independent auditors had nothing to report on this matter;

■ on 14 October 2016, Deloitte & Touche SpA issued the opinion required by article 2433-bis of the Italian Civil Code on payment of an interim dividend for 2016, as approved on the same date by the Board of Directors;

■ on 31 March 2017, Deloitte & Touche issued the report required by art. 19, paragraph 3 of Legislative Decree 39/2010, confirming that no fundamental issues arose during their audit and that no significant shortfalls were identified in the system of internal controls over financial reporting;

■ with regard to the provisions of art. 19 of Legislative Decree 39/2010, the Board of Statutory Auditors oversaw the audit of the annual and consolidated accounts, obtaining detailed information, during meetings with the independent auditors, on the audit plan, significant aspects of the financial statements and the potential impact of the significant risks highlighted in the financial statements;

■ as noted above, we held periodic meetings during the year with the manager responsible for financial reporting and the head of Internal Audit;

■ the Board of Statutory Auditors, on occasion in the person of its Chairman, participated in the meetings of the Internal Control, Risk and Corporate Governance Committee and of the Human Resources and Remuneration Committee.

Independence of the independent auditors, checking any services other than auditing provided

■ the Board of Statutory Auditors verified, also with reference to the provisions of art. 19 of Legislative Decree 39/2010, the independence of the independent auditors, Deloitte & Touche, checking the nature and entity of any services other than auditing provided to Atlantia, its subsidiaries, Sintonia and entities under common control by the auditors and by their associates. The fees paid by the Atlantia Group to the independent auditors, Deloitte & Touche or associates of Deloitte & Touche, are as follows:

<table>
<thead>
<tr>
<th>Service</th>
<th>€000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit</td>
<td>989</td>
</tr>
<tr>
<td>Certification (audit-related)</td>
<td>46</td>
</tr>
<tr>
<td>Other services</td>
<td>709</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,744</td>
</tr>
</tbody>
</table>

It should be noted that the category “Other services” (those other than audit or certification) includes €184 thousand for services relating to signature of the Company’s tax return and Form 770, agreed-upon procedures on accounting data and information, audit procedures relating to tenders in which the Group participated, a review of the sustainability report, comfort letters for offering circulars and services relating to the internal control system, and €198 thousand for financial, accounting and tax due diligence, whilst €327 thousand regards agreed-upon procedures on accounting data and information and checks on the income tax applied to employees and obligations as a withholding agent.

“Other Services” accounted for 68.50% of the total fees paid for “Audit” and “Certification (audit-related)” services.

In the light of the above, Board of Statutory Auditors therefore deems that certain accounting and tax due diligence services are of an exceptional and non-recurring nature, and that the independent auditors, Deloitte & Touche, meet the requirements for independence. On 31 March 2017, Deloitte & Touche provided their annual confirmation of independence pursuant to art. 17, paragraph 9.a) of Legislative Decree 39/2010.
Methods for effectively implementing corporate governance rules

With regard to the provisions of art. 149, paragraph 1.c-bis of the CFA relating to the Board of Statutory Auditors’ supervision “of the methods of actually implementing the corporate governance rules laid down in the corporate governance codes prepared by stock exchange companies and the related trade associations, with which the Company has publicly declared it will comply”, the Board of Statutory Auditors reports that:

■ we oversaw the methods for implementing the governance rules laid down in Atlantia’s Corporate Governance Code, the latest version of which was approved by the Board of Directors at its meeting on 15 December 2016;

■ notes that the Annual Report on Corporate Governance and the Ownership Structure, in compliance with the related legal and regulatory obligations, contains information on the ownership structure, application of the codes of conduct and fulfilment of the resulting commitments, highlighting the choices made by the Company in applying corporate governance standards;

■ with regard to the periodic assessment to be conducted in accordance with the Corporate Governance Code, the Directors issued the necessary representations confirming their compliance with the relevant independence requirements, as established by art. 148, paragraph 3 of Legislative Decree 58/1998 (referred to in art. 147-ter, paragraph 4 of Legislative Decree 58/1998) and art. 3.1 of Atlantia’s Corporate Governance Code.

■ taking account of the fact that art. 15, paragraph 2 of the Corporate Governance Code in effect until 15 December 2016 requires that “Statutory Auditors shall be chosen from people who may be qualified as independent also on the basis of the criteria contained in this Code with reference to Directors” and that “the Board of Statutory Auditors shall check compliance with the above criteria after election and every year thereafter, including the outcome of their checks in the corporate governance report”, at the meeting of 8 May 2015 the Board of Statutory Auditors checked that all the Statutory Auditors meet the independence requirements.

Audit of relations with subsidiaries and parents and related party transactions

The Board of Statutory Auditors has verified ordinary or recurring related party and/or intercompany transactions, with regard to which we report the following:

■ intercompany transactions, whether of a trading or financial nature, between subsidiaries and parents are conducted on an arm’s length basis. Such transactions are adequately described in the Annual Report. In particular, note 10.5 to the consolidated financial statements, “Related party transactions”, provides details of the impact on the income statement and financial position of trading and financial transactions between the Group and related parties, including Atlantia’s Directors, Statutory Auditors and key management personnel. Related party transactions did not include atypical and/or unusual transactions and, during 2015, the Atlantia Group did not engage in material trading or financial relations with Atlantia’s direct or indirect parents. We believe it is necessary to state that material non-recurring transactions were entered into with the subsidiary, Autostrade per l’Italia, already named with regard to important transactions in 2016. These primarily include the issuer substitution, described in detail in note 4.3 in the separate financial statements, and through which medium/long-term bonds issued by Atlantia between 2004 and 2014 to fund ASPI’s growth, amounting to €5.3 billion, have been transferred to ASPI. Following this transaction, ASPI has become the principal debtor and the related intercompany loans and the upstream guarantee provided by ASPI to Atlantia have been extinguished;

■ with reference to the Atlantia Group’s transactions with other related parties, note 10.5 to the consolidated financial statements states that, for the purposes of the CONSOB Regulations adopted in Resolution 17221 of 12 March 2012, as amended, on 11 November
2010 Atlantia’s Board of Directors, with the prior agreement of the Committee of Independent Directors with responsibility for Related Party Transactions, approved the Procedure for Related Party Transactions entered into directly by the Company and/or indirectly through one of its subsidiaries. The Procedure was subsequently revised by the Board of Directors on 20 February 2014, with the prior agreement of the Committee of Independent Directors with responsibility for Related Party Transactions communicated on 19 February 2014. On 11 December 2015, following the resolution approved by the Board of Directors and with the agreement of the Committee of Independent Directors with responsibility for Related Party Transactions, an amended version of the Procedure was approved in order to reflect organisational changes within Atlantia and the Group and to ensure correct flows of information between the various parties involved in the process;

- with reference to Atlantia’s related party transactions, note 8.2 to the separate financial statements, “Related party transactions”, shows the principal items in the income statement for 2016 and statement of financial position as at 31 December 2016 resulting from related party transactions and states that the Company primarily engages in transactions with its wholly-owned subsidiary, ASPI, over which it exercises management and coordination;

- the “Remuneration Report 2016”, published on the Company’s website and prepared pursuant to art. 123-ter of the CFA, provides details of the remuneration paid to Directors, Statutory Auditors and key management personnel for 2016. Disclosures regarding the remuneration policy are included in the Remuneration Report, which was examined by the Board of Statutory Auditors and agreed on with the Human Resources and Remuneration Committee and the Internal Control, Risk and Corporate Governance Committee.

At the request of the Board of Statutory Auditors, the Group Internal Audit department has conducted checks on application of the procedure and on the adequacy and effectiveness of the internal control system in overseeing the entire process involved in identifying and correctly reporting the Atlantia Group’s related party transactions in its annual and half-year reports. The controls conducted did not identify any shortcomings or critical issues to be noted and the internal control system was judged to be adequate.

Negligence, irregularities, other opinions provided, initiatives undertaken

The Board of Statutory Auditors states that:

- we issued a favourable opinion, pursuant to art. 2389, paragraph 3 of the Italian Civil Code, regarding the remuneration of executive Directors;
- we did not issue further opinions during the year, other than those referred to above;
- no complaints have been lodged under art. 2408 of the Italian Civil Code, and no petitions of any kind have been presented.

Separate and consolidated financial statements and the report on operations

With specific regard to our examination of the financial statements as at and for the year ended 31 December 2016, the consolidated financial statements (prepared in accordance with the IAS/IFRS issued by the International Accounting Standards Board (IASB) and endorsed by the European Union, and in compliance with the measures introduced by the CONSOB in application of paragraph 3 of art. 9 of Legislative Decree 38/2005) and the report on operations, the Board of Statutory Auditors states the following:

- the Annual Report was delivered to the Board of Statutory Auditors in sufficient time to ensure that it will be filed at the Company’s registered office accompanied by this report;
- we have checked the overall basis of presentation of the separate and consolidated financial statements and their general compliance with the laws relating to their preparation and structure, and that they are accompanied by the documents required by the civil code and the CFA;
- we have checked the reasonableness of the valuation procedures applied and their compliance with the requirements of IFRS; Atlantia’s Board of Directors, in keeping with the
recommendations in the joint document issued by the Bank of Italy/CONSOB/ISVAP on 3 March 2010, has approved the impairment testing procedure and results independently and prior to approval of the financial statements;

- we have verified that the financial statements are consistent with the information in our possession, as a result of carrying out our duties, and have no particular observations to make in this regard;

- to the best of the Board of Statutory Auditors’ knowledge, in preparing the financial statements, the Directors did not elect to apply any of the exemptions permitted by art. 2423, paragraph 4 of the Italian Civil Code;

- we verified compliance with the laws governing preparation of the management report on operations and have no particular observations to make in this regard;

- we note that, as described in the Introduction to the section “Financial review for Atlantia SpA” in the report on operations, the Company has presented the reclassified consolidated income statement, the consolidated statement of comprehensive income, the statement of changes in consolidated equity and the statement of changes in consolidated net debt for the year ended 31 December 2016, and the reclassified consolidated statement of financial position as at 31 December 2016, which include comparative amounts for the previous year. In the Introduction to the “Group financial review”, it is reported that the scope of consolidation at 31 December 2016 differs from that used in the consolidated financial statements for the year ended 31 December 2015, following the acquisition of control of Aeroports de la Cote D’Azur and its subsidiaries following completion, at the end of 2016, of the acquisition of a 64% interest in this company through the acquisition vehicle, Azzurra Aeroporti. The assets and liabilities of the acquired company as at 31 December 2016 have been consolidated on a line-by-line basis in the financial statements. In addition, 2016 will benefit from the full-year contribution of Autostrada Tirrenica (SAT), consolidated from September 2015. Finally, it is stated that the reclassified financial statements analysed in the “Group financial review” have not been independently audited.

- On 31 March 2017, Deloitte & Touche issued their report containing their opinion on the fact that the separate and consolidated financial statements comply with the International Financial Reporting Standards adopted by the European Union and with the measures introduced in application of art. 9 of Legislative Decree 38/2005, and their opinion on the consistency of the report on operations and the information in the report on corporate governance and the ownership structure with the financial statements. The report does not contain any qualification or emphasis of matter.
Proposal to the Annual General Meeting
The Board of Statutory Auditors is in favour of approval of the financial statements for the year ended 31 December 2016 and has no objections regarding the Board of Directors’ proposal for the appropriation of profit for the year.

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Pursuant to art. 144 quinquiesdecies of the Regulations for Issuers, approved by the CONSOB with Resolution 11971/99, as amended, the list of positions held by members of the Board of Statutory Auditors at the companies in Book V, Section V, Chapters V, VI and VII of the Italian Civil Code is published by the CONSOB on its website (www.consob.it).

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Rome, 31 March 2017

Board of Statutory Auditors
The Chairman
Corrado Gatti
Independent Auditors’ Report

Deloitte & Touche S.p.A.
Via della Certaluna, 88B
00135 Roma
Italia
Tel: +39 06 2674991
Fax: +39 06 36249582
www.deloitte.it

INDEPENDENT AUDITORS’ REPORT
PURSUANT TO ART. 14 AND 16 OF
LEGISLATIVE DECRETE NO. 39 OF JANUARY 27, 2010

To the Shareholders of
Atlantia S.p.A.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Atlantia Group, which comprise the consolidated statement of financial position as at December 31, 2016, and the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Consolidated Financial Statements

The Company’s Directors are responsible for the preparation of these consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n° 38/05.

Auditor’s Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA Italia) issued pursuant to art. 11 of Italian Legislative Decree 39/10. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation that give a true and fair view of consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Atlantia Group as at December 31, 2016, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n° 38/05.

Alessandro Bari Barghetti Sforza Cuglieta Ferrari Genovev Mioni Nepote Polli Porto Pugiallo Ranieri Roma Tonno Trivella Verona

Certificato di Registrazione delle Imprese Italiane n. 199055016 - REA: Roma n. 1702222 | Tribunale di Roma, N. 199065016 - I° Corte d'Appello di Roma

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Report on Other Legal and Regulatory Requirements

We have performed the procedures indicated in the Auditing Standard (SA Italia) n° 720B in order to express, as required by law, an opinion on the consistency of the report on operations and of certain information included in the report on corporate governance required by art. 123-bis, n° 4, of Italian Legislative Decree n° 58/98, which are the responsibility of the Directors of Atlantia S.p.A., with the consolidated financial statements of the Atlantia Group as at December 31, 2016. In our opinion the report on operations and the information included in the report on corporate governance referred to above are consistent with the consolidated financial statements of S.p.A. the Atlantia Group as at December 31, 2016.

DELOITTE & TOUCHE S.p.A.

Signed by
Fabio Pompei
Partner

Roma, Italy
March 31, 2017

This report has been translated into the English language solely for the convenience of International readers.
INDEPENDENT AUDITORS' REPORT
PURSUANT TO ART. 14 AND 16 OF
LEGISLATIVE DEGREE NO. 39 OF JANUARY 27, 2010

To the Shareholders of
Atlantia S.p.A.

Report on the Financial Statements

We have audited the accompanying financial statements of Atlantia S.p.A., which comprise the statement of financial position as at December 31, 2016, and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Financial Statements

The Company’s Directors are responsible for the preparation of these financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n° 38/05.

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISAs) issued by the International Auditing and Accounting Standards Board. Our audit included the examination of the accompanying financial statements in accordance with such standards.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Atlantia S.p.A. as at December 31, 2016, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n° 38/05.
Report on Other Legal and Regulatory Requirements

We have performed the procedures indicated in the Auditing Standard (SA Italia) n° 7208 in order to express, as required by law, an opinion on the consistency of the report on operations and of certain information included in the report on corporate governance required by art. 123-bis, n° 4, of Italian Legislative Decree n° 58/98, which are the responsibility of the Directors of Atlantia S.p.A., with the financial statements of Atlantia S.p.A. as at December 31, 2016. In our opinion the report on operations and the information included in the report on corporate governance referred to above are consistent with the financial statements of Atlantia S.p.A. as at December 31, 2016.

DELOITTE & TOUCHE S.p.A.

Signed by
Fabio Pompei
Partner

Roma, Italy
March 31, 2017

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Key performance indicators for subsidiaries, associates and joint ventures pursuant to article 2429, paragraphs 3 and 4 of the Italian Civil Code
Key indicators extracted from the financial statements of subsidiaries, associates and joint ventures, as defined by paragraphs 3 and 4 of art. 2429 of the Italian Civil Code

The figures provided below were extracted from the companies’ most recent financial statements, as approved by their respective boards of directors. The companies’ reporting date is 31 December of each year, unless otherwise indicated.

The companies prepare their financial statements in accordance with international financial reporting standards, with the exception of Azzurra Aeroporti, Fiumicino Energia, Pavimental, Spea Engineering and Pune Solapur Expressways Private, which prepare their financial statements in accordance with accounting principles generally accepted in the respective countries.
### Subsidiaries

**Autostrade per l'Italia SpA**

<table>
<thead>
<tr>
<th>(€000)</th>
<th>FINANCIAL POSITION</th>
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<th>31 December 2014</th>
</tr>
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<td>19,779,305</td>
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<td>22,039,037</td>
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<tr>
<td>Equity</td>
<td></td>
<td>2,566,608</td>
<td>2,268,554</td>
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<tr>
<td>of which issued capital</td>
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<td>622,027</td>
<td>622,027</td>
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<td>Liabilities</td>
<td></td>
<td>20,610,950</td>
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<td><strong>Total equity and liabilities</strong></td>
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<td>23,176,558</td>
<td>22,039,037</td>
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</table>

<table>
<thead>
<tr>
<th>(€000)</th>
<th>RESULTS OF OPERATIONS</th>
<th>2015</th>
<th>2014</th>
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<tbody>
<tr>
<td>Operating revenue</td>
<td></td>
<td>3,778,650</td>
<td>3,646,013</td>
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<tr>
<td>Operating costs</td>
<td></td>
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<td>Operating profit/(loss)</td>
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<td>1,676,522</td>
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<tr>
<td>Profit/(Loss) for the period</td>
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**Aeroporti di Roma SpA**

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<th>31 December 2014</th>
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<td></td>
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<td>2,773,520</td>
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<tr>
<td>Equity</td>
<td></td>
<td>1,128,704</td>
<td>1,126,311</td>
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<tr>
<td>of which issued capital</td>
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<td>62,225</td>
<td>62,225</td>
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<tr>
<td>Liabilities</td>
<td></td>
<td>1,657,378</td>
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<td><strong>Total equity and liabilities</strong></td>
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<td>2,773,520</td>
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<table>
<thead>
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**Azzurra Aeroporti SpA**

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<th>31 December 2014</th>
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</thead>
<tbody>
<tr>
<td>Non-current assets</td>
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<td>-</td>
<td>-</td>
</tr>
<tr>
<td>of which non-current investments</td>
<td></td>
<td>-</td>
<td>-</td>
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<tr>
<td>Current assets</td>
<td></td>
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<td>15</td>
</tr>
<tr>
<td>Other assets</td>
<td></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
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<td>14</td>
<td>15</td>
</tr>
<tr>
<td>Equity</td>
<td></td>
<td>14</td>
<td>15</td>
</tr>
<tr>
<td>of which issued capital</td>
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<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Provisions and post-employment benefits</td>
<td></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Payables</td>
<td></td>
<td>-</td>
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</tr>
<tr>
<td>Other liabilities</td>
<td></td>
<td>-</td>
<td>-</td>
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<tr>
<td><strong>Total equity and liabilities</strong></td>
<td></td>
<td>14</td>
<td>15</td>
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<table>
<thead>
<tr>
<th>(€000)</th>
<th>RESULTS OF OPERATIONS</th>
<th>2015</th>
<th>2014</th>
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<tbody>
<tr>
<td>Value of production</td>
<td></td>
<td>-</td>
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</tr>
<tr>
<td>Cost of production</td>
<td></td>
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<td>-1</td>
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<tr>
<td>Operating profit/(loss)</td>
<td></td>
<td>-1</td>
<td>-1</td>
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<tr>
<td>Profit/(Loss) for the period</td>
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<td>-1</td>
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### Stalexport Autostrady group (consolidated amounts)

(Thousands of zloty)

<table>
<thead>
<tr>
<th></th>
<th>31 December 2015</th>
<th>31 December 2014</th>
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<tbody>
<tr>
<td><strong>FINANCIAL POSITION</strong></td>
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<tr>
<td>Non-current assets</td>
<td>1,170,249</td>
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<td>185,447</td>
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<tr>
<td>Liabilities</td>
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<td>1,010,951</td>
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<tr>
<td><strong>Total equity and liabilities</strong></td>
<td>1,375,297</td>
<td>1,315,875</td>
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(Thousands of zloty)

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
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<tbody>
<tr>
<td><strong>RESULTS OF OPERATIONS</strong></td>
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</tr>
<tr>
<td>Operating revenue</td>
<td>269,829</td>
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<td>-119,886</td>
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### Telepass SpA

(€000)

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<td><strong>FINANCIAL POSITION</strong></td>
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<tr>
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<td>Current assets</td>
<td>577,757</td>
<td>487,901</td>
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<td><strong>Total assets</strong></td>
<td>618,895</td>
<td>516,279</td>
</tr>
<tr>
<td>Equity</td>
<td>108,734</td>
<td>106,623</td>
</tr>
<tr>
<td>of which issued capital</td>
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<td>26,000</td>
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<tr>
<td>Liabilities</td>
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<td>409,656</td>
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<tr>
<td><strong>Total equity and liabilities</strong></td>
<td>618,895</td>
<td>516,279</td>
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</table>

(€000)

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RESULTS OF OPERATIONS</strong></td>
<td></td>
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<tr>
<td>Operating revenue</td>
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<td>150,652</td>
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### Fiumicino Energia Srl

(€000)

<table>
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<tr>
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<th>31 December 2015 (*)</th>
</tr>
</thead>
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<td><strong>FINANCIAL POSITION</strong></td>
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<tr>
<td>Equity</td>
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<td>9,343</td>
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<tr>
<td>of which issued capital</td>
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<td>742</td>
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<td>Provisions and post-employment benefits</td>
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<td>13</td>
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<td>617</td>
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<tr>
<td>Other liabilities</td>
<td>-</td>
<td>-</td>
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<tr>
<td><strong>Total equity and liabilities</strong></td>
<td>10,186</td>
<td>9,973</td>
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(€000)

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015 (*)</th>
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<tbody>
<tr>
<td><strong>RESULTS OF OPERATIONS</strong></td>
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<tr>
<td>Value of production</td>
<td>5,380</td>
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<td>Cost of production</td>
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<td>Operating profit/(loss)</td>
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<td>Profit/(Loss) for the period</td>
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<td>1,228</td>
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(*) Amounts amended in application of Legislative Decree 139/2015
### Pavimental SpA

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<th>FINANCIAL POSITION</th>
<th>31 December 2016</th>
<th>31 December 2015 (*)</th>
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<td>of which non-current investments</td>
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<tr>
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<td>Provisions and post-employment benefits</td>
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<tr>
<td><strong>Total equity and liabilities</strong></td>
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<table>
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<th>(€000)</th>
<th>RESULTS OF OPERATIONS</th>
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<th>2015 (*)</th>
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</thead>
<tbody>
<tr>
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<td>512,189</td>
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(*) Amounts amended in application of Legislative Decree 139/2015

### SPEA Engineering SpA

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<th>FINANCIAL POSITION</th>
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<td>Current assets</td>
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<tr>
<td>Equity</td>
<td>93,628</td>
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<tr>
<td>of which issued capital</td>
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<td>Provisions and post-employment benefits</td>
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<td>Payables</td>
<td>81,092</td>
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<td>Other liabilities</td>
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<td>-</td>
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<tr>
<td><strong>Total equity and liabilities</strong></td>
<td>194,245</td>
<td>172,506</td>
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<table>
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<th>(€000)</th>
<th>RESULTS OF OPERATIONS</th>
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<th>2015 (*)</th>
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<tr>
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<td><strong>Profit/(Loss) for the period</strong></td>
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<td>16,408</td>
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</table>

(*) Amounts amended in application of Legislative Decree 139/2015
## Associates and joint ventures

**SAVE SpA**

<table>
<thead>
<tr>
<th>(£000)</th>
<th>FINANCIAL POSITION</th>
<th>30 December 2015</th>
<th>31 December 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-current assets</td>
<td>422,882</td>
<td>328,150</td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td>120,826</td>
<td>145,719</td>
<td></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>543,708</strong></td>
<td><strong>473,869</strong></td>
<td></td>
</tr>
<tr>
<td>Equity</td>
<td>165,139</td>
<td>165,536</td>
<td></td>
</tr>
<tr>
<td>of which issued capital</td>
<td>35,971</td>
<td>35,971</td>
<td></td>
</tr>
<tr>
<td>Liabilities</td>
<td>378,569</td>
<td>308,333</td>
<td></td>
</tr>
<tr>
<td><strong>Total equity and liabilities</strong></td>
<td><strong>543,708</strong></td>
<td><strong>473,869</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(£000)</th>
<th>RESULTS OF OPERATIONS</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenue</td>
<td>139,996</td>
<td>125,439</td>
<td></td>
</tr>
<tr>
<td>Operating costs</td>
<td>-91,079</td>
<td>-84,578</td>
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</tr>
<tr>
<td>Operating profit/(loss)</td>
<td>48,917</td>
<td>40,861</td>
<td></td>
</tr>
<tr>
<td><strong>Profit/(Loss) for the period</strong></td>
<td><strong>30,296</strong></td>
<td><strong>37,401</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Pune Solapur Expressways Private Ltd**

<table>
<thead>
<tr>
<th>(thousands of rupees)</th>
<th>FINANCIAL POSITION</th>
<th>31 March 2016</th>
<th>31 March 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-current assets</td>
<td>12,801,099</td>
<td>13,421,264</td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td>392,415</td>
<td>270,162</td>
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</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>13,193,514</strong></td>
<td><strong>13,691,426</strong></td>
<td></td>
</tr>
<tr>
<td>Equity</td>
<td>3,330,020</td>
<td>3,698,483</td>
<td></td>
</tr>
<tr>
<td>of which issued capital</td>
<td>47,334</td>
<td>47,734</td>
<td></td>
</tr>
<tr>
<td>Liabilities</td>
<td>9,863,494</td>
<td>9,992,943</td>
<td></td>
</tr>
<tr>
<td><strong>Total equity and liabilities</strong></td>
<td><strong>13,193,514</strong></td>
<td><strong>13,691,426</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(thousands of rupees)</th>
<th>RESULTS OF OPERATIONS</th>
<th>1 April 2015 - 31 March 2015</th>
<th>1 April 2014 - 31 March 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenue</td>
<td>1,563,236</td>
<td>1,231,619</td>
<td></td>
</tr>
<tr>
<td>Operating costs</td>
<td>-298,443</td>
<td>-422,228</td>
<td></td>
</tr>
<tr>
<td>Operating profit/(loss)</td>
<td>1,264,793</td>
<td>809,391</td>
<td></td>
</tr>
<tr>
<td><strong>Profit/(Loss) for the period</strong></td>
<td><strong>-398,763</strong></td>
<td><strong>-187,994</strong></td>
<td></td>
</tr>
</tbody>
</table>
Legal information and contacts

Registered office

Via Antonio Nibby 20 - 00161 Roma
Tel. +39 06 44172652
www.atlantia.it

Legal information

Issued capital: €825,783,990.00, fully paid-up.
Tax code, VAT number and Rome Companies’
Register no. 03731380261
REA no. 1023691

Investor Relations

e-mail: investor.relations@atlantia.it

Media relations

e-mail: media.relations@atlantia.it