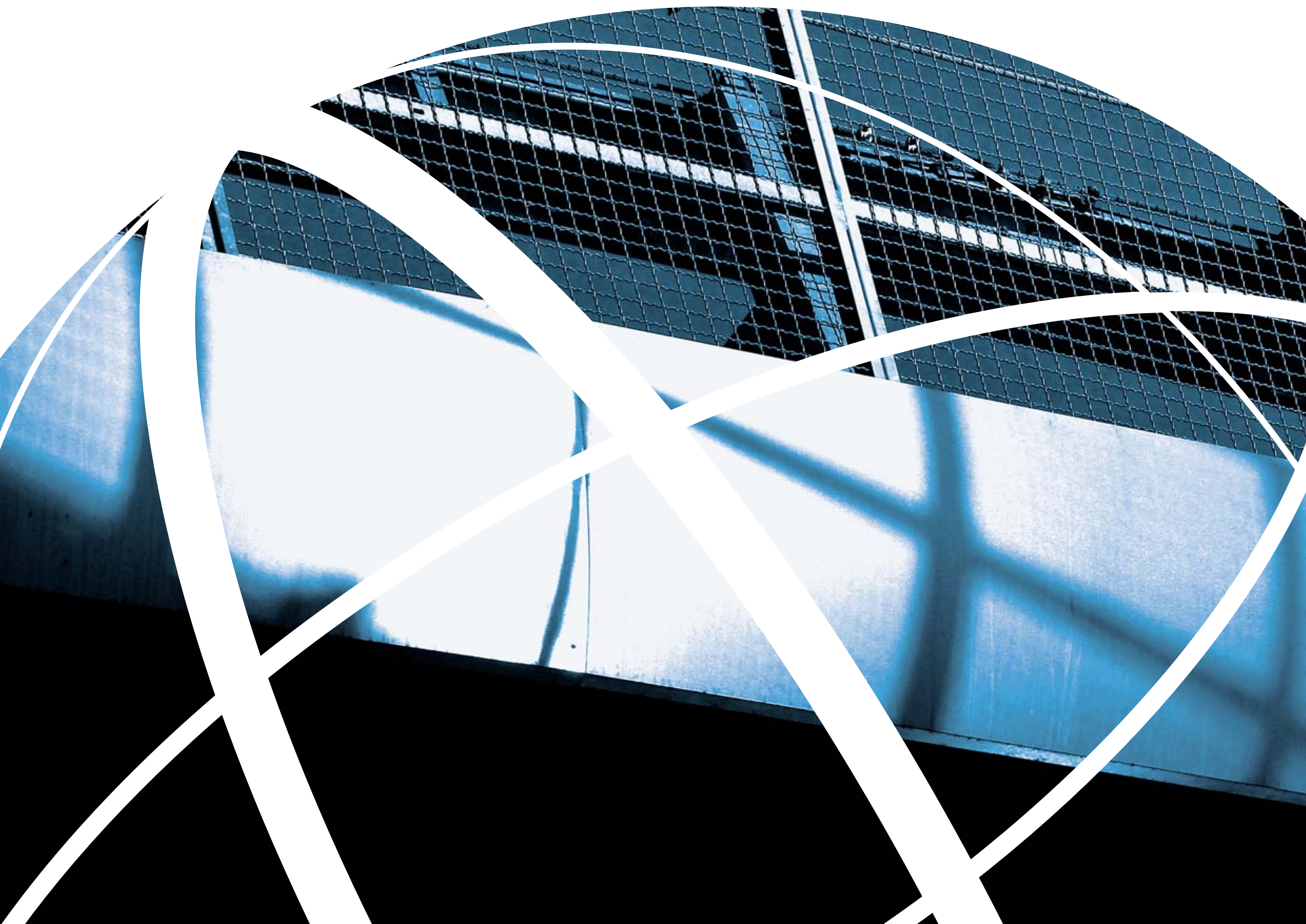
Atlantia

Annual Report 2010



Atlantia

Annual Report 2010

Contents

I

Introduction

Milestones

The Italian government establishes Autostrade-Concessioni e Costruzioni Autostrade SpA in **1950**

Autostrade is privatised in **1999** and the place of the State is taken by a stable core of shareholders

Autostrade per l'Italia SpA, a wholly owned subsidiary of Autostrade SpA, is incorporated in **2003**, following the demerger of the motorway concession business

Autostrade SpA becomes Atlantia SpA in **2007**

1999
Autostrade privatisation the world's biggest in the motorway sector

1995
Construction of the Dulles Greenway, the first ever privately-owned toll motorway in the USA

1990
Telepass, the world's first free-flow toll collection system, enters service

1963
First Eurobond issue in the history of the capital markets

1958/64
Construction and opening of the 800-km long Autostrade del Sole motorway

1956
Autostrade enters into agreement with ANAS to co-finance, build and operate the Autostrada del Sole between Milan and Naples

1924/25
World's first ever toll motorway between Milan and Varese opens, and is later transferred to the Group in 1962

2004
World's first free-flow toll collection system enters service on over 2,000 km of motorway network in Austria

2003
Opening of the M6 Toll, the UK's first ever toll motorway

2006
Acquisition of the 61 km Katowice-Krakow motorway (Poland)

2005
Acquisition of Costanera Norte (Chile), the operator 43 km of motorway in Santiago in Chile

2011
Autostrade per l'Italia is chosen to implement and operate a satellite-based toll system for heavy vehicles using France's 15,000 km road network

2009
Acquisition of investments in motorway operators responsible for 700 km of network in Chile and Brazil

Award of the concession, in partnership with the Tata group, to operate the 110-km motorway linking Pune and Solapur in India

Who we are

4,100 km of motorways in Italy, Brazil, Chile, India and Poland

More than **5** million customers a day

Turnover of €**3.8** billion, EBITDA of €**2.3** billion and annual capital expenditure of €**1.5** billion

Market capitalisation of €**9,2** billion

Europe's biggest investor, with €**20** billion currently being invested

World **number one** in free-flow toll systems

Leader in motorway design and widening, toll collection, safety and energy saving technologies

Excellent credit ratings from **S&P: A-, Moody's: A3, Fitch: A-**

A member of the **Dow Jones Sustainability World Index**

Consolidated financial highlights

(€m)	2010	2009 [(a)(b)]
Revenue	**3,750**	**3,488**
Toll revenue	3,119	2,845
Contract revenue and other operating income	631	643
Gross operating profit (EBITDA)	**2,285**	**2,139**
EBITDA margin	*60.9%*	*61.3%*
Operating profit (EBIT)	**1,767**	**1,667**
EBITDA margin	*47.1%*	*47.8%*
Profit/(loss) from continuing operations	**708**	**582**
EBITDA margin	*18.8%*	*16.7%*
Profit for the year (including non–controlling interests)	**701**	**562**
Profit for the year attributable to owners of the parent	**683**	**563**
Operating Cash Flow (FFO) [(c)]	**1,428**	**1,300**
Capital expenditure	**1,525**	**1,275**
Equity (attributable to owners of the parent and non–controlling interests) [(d)]	**3,587**	**3,197**
Net debt [(d)]	**9,657**	**9,755**

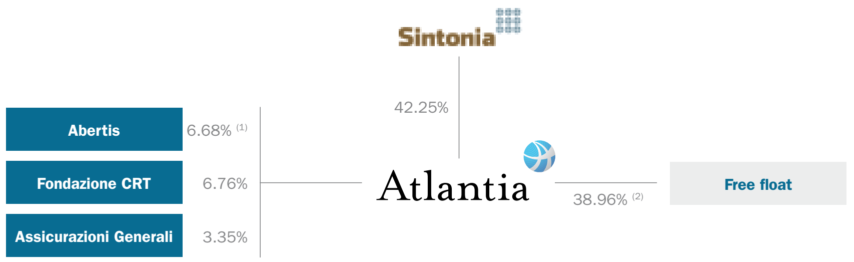
(a) Compared with previously published amounts, figures in the consolidated statement of financial position and income statement as at and for the year ended 31 December 2009 have been restated to take account of the impact of adoption of IFRIC 12.

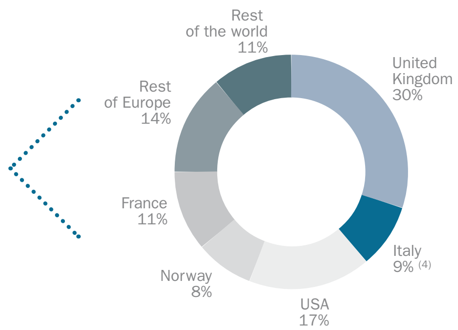
(b) In view of the fact that consolidation of Strada dei Parchi's contribution to the income statement for 2010 was conducted in accordance with IFRS 5, thus recognising the contribution to profit for the year in "Profit/(Loss) from discontinued operations/assets held for sale", Strada dei Parchi's contribution to the comparative consolidated income statement for 2009 has also been reclassified. Income statement amounts for 2009 are therefore also different from those published in the annual report as at and for the year ended 31 December 2009 due to this reason, as well as due to the adoption of IFRIC 12.

(c) Operating cash flow is calculated as profit + amortisation/depreciation + provisions + financial expenses from discounting of provisions +/– impairment losses/reversals of impairment losses on assets +/– share of profit/(loss) of investments accounted for using equity method +/– (losses)/gains on sale of assets +/– other non–cash items +/– portion of deferred tax assets/liabilities recognised in the income statement.
Partly due to the impact of application of IFRIC 12, as described below, the composition of the components of operating cash flow has been modified. As a result, the figure for 2009 has also been restated compared with previously published amounts.

(d) As at 31 December.

Shareholder structure and share price performance

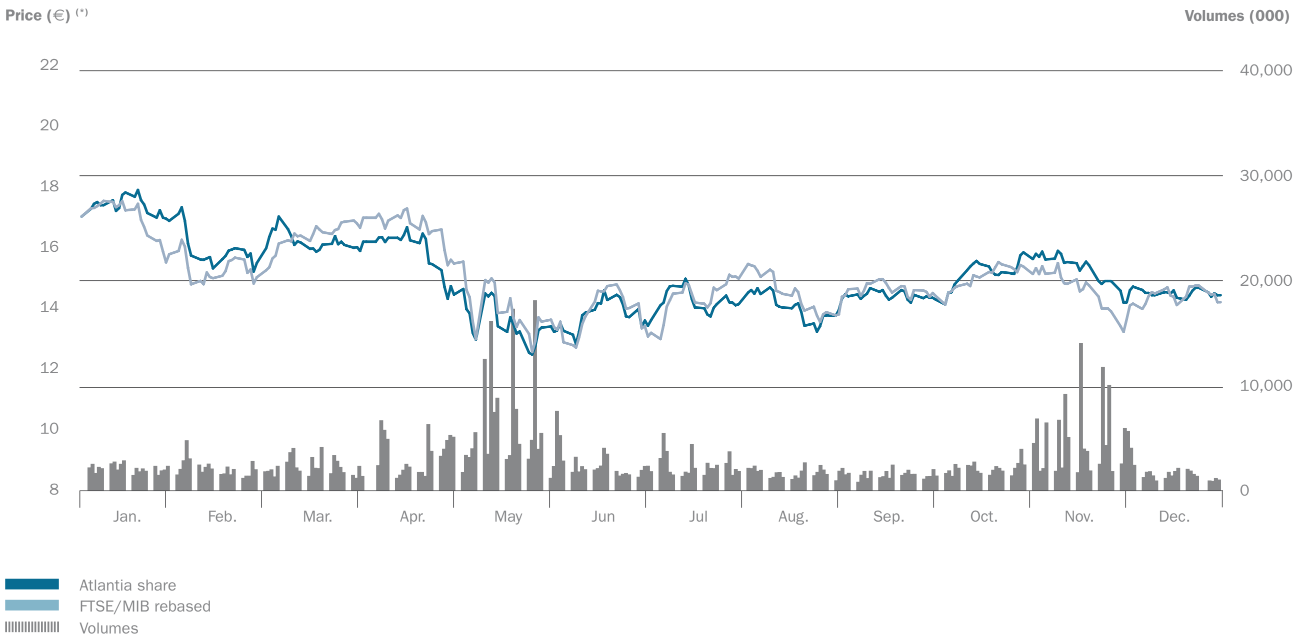




Geographical breakdown of institutional investors [3]

(1) Investment dismissed on 14 January 2011.
(2) Excludes Atlantia SpA's treasury shares.
(3) Source: Consob. Thomson Reuters (figures at 31 December 2010).
(4) Includes retail investors.

Atlantia share — 2010



(*) Prices per share adjusted to take account of bonus issue carried out on 7 June 2010.

Key market data

	2010	2009 [a]
Issued capital (at 31 December) (€)	600,297,135 [b]	571,711,557
Number of shares (unit par value €1)	600,297,135 [b]	571,711,557
Market capitalisation (€m) [c]	9,167	10,434
Earnings per share (€)	1.16	0.96
Operating cash flow per share (€)	2.43	2.21
Dividend per share (€)	0.746	0.746
Interim	0.355	0.355
Final	0.391	0.391
Payout ratio (%)	31%	34%
Dividend yield [c]	4.9%	4.1%
Year–end price (€)	15.27	18.25
High (€)	18.10	18.25
Low (€)	13.68	9.35
Share price/Earnings per share (P/E) [c]	13.2	19.0
Share price/Cash flow per share [c]	6.3	8.3
Market to book value [c]	2.6	3.3
Atlantia as % of FTSE Italia All Share index [c]	2.29%	2.26%
Atlantia as % of FTSE/MIB index [c]	1.69%	2.68%

Group's ratings		
Standard&Poor's	A– (negative outlook)	A– (stable outlook)
Moody's	A3 (stable outlook)	A3 (stable outlook)
Fitch Ratings	A– (stable outlook)	A– (stable outlook)

(a) Compared with previously published amounts, figures in the consolidated statement of financial position and income statement as at and for the year ended 31 December 2009 have been restated to take account of the impact of adoption of IFRIC 12, as described below.
(b) The bonus issue approved by the shareholders at their Extraordinary General Meeting of 14 April 2010, pursuant to art. 2442 of the Italian Civil Code, was completed on 7 June 2010 via the issue of one new share for every 20 held. Share prices have been adjusted to take account of the bonus issue carried out on 7 June 2010.
(c) The figures have been calculated on the basis of the year–end price.

Group structure

Group structure at 31 December 2010

Atlantia

- TowerCo SpA 100%
- Pune–Solapur Expressways Private Ltd. 50% [3]
- Alitalia – Compagnia Aerea Italiana SpA 8.85% [3]

100%

autostrade per l'italia

Italian motorway activities

- Tangenziale di Napoli SpA 100%
- Autostrada Torino–Savona SpA 99.98%
- Società Autostrada Tirrenica pA 94%
- Strada dei Parchi SpA 60%
- Autostrade Meridionali SpA 58.98%
- Società Italiana pA Traforo del Monte Bianco 51%
  - Raccordo Autostradale Valle d'Aosta SpA 58% [1]

Service companies

- EsseDiEsse Società di Servizi SpA 100%
- Pavimental SpA 71.67%
  - Pavimental Polska Spzoo 100%
- Spea Ingegneria Europea SpA 100%
- AD Moving SpA 75%
- Port Mobility SpA 70%
- Newpass SpA 51%
- Giove Clear Srl 100%
- Tirreno Clear Srl 100%
- Autostrade Tech SpA 100%
- Telepass SpA 96.15% [2]
- Autostrade Service SpA 100%
- Infoblu SpA 75%
- IGLI SpA 33.3% [3]
  - Impregilo SpA 29.96% [1][3]

International expansion

- Autostrade Participations SA 100%
- Autostrade International US Holdings Inc. 75% [4]
  - Autostrade International of Virginia O&M Inc. 100%
  - Electronic Transaction Consultants Co. 45%
- Stalexport Autostrady SA 56.24%
  - Biuro Centrum Spzoo 74.38%
  - Stalexport Autostrada Dolnoslaska SA 100%
  - Stalexport Autoroute Sàrl 100%
    - Stalexport Autostrada Malopolska SA 100%
    - Stalexport Transroute Autostrada SA 55%
- Autostrade dell'Atlantico Srl 100%
  - Autostrade Holding do Sur SA 100%
    - Sociedad Concesionaria de Los Lagos SA 100%
  - Autostrade Portugal SA 100%
    - Autostrade Brasil Limitada 100%
      - Triangulo do Sol SA 50% [3]
- Autostrade Sud America Srl 45.76% [3]
  - Autopista do Pacifico SA 100% [3]
    - Costanera Norte SA 100% [3]
    - Sociedad Concesionaria AMB SA 100% [3]
  - Inversiones Autostrade Chile Limitada 100% [3]
    - Nororiente SA 100% [3]
    - Gestion Vial SA 100% [3]
    - Litoral SA 50% [3]
    - Operalia SA 50% [3]
    - Autostrade Urbane de Chile SA 100% [3]
      - Vespucio Sur SA 50% [3]
- Autostrade Indian Infrastructure Development Private Ltd. 100%

(1) The percentage refers to ordinary shares representing the issued capital.
(2) The remaining 3.85% is held by Autostrade Tech SpA.
(3) Unconsolidated company.
(4) The remaining 25% is held by Autostrade Participations SA.

Geographical presence

Network under concession in Italy

Network operated by Autostrade per l'Italia and its subsidiaries
Other motorway operators/ANAS

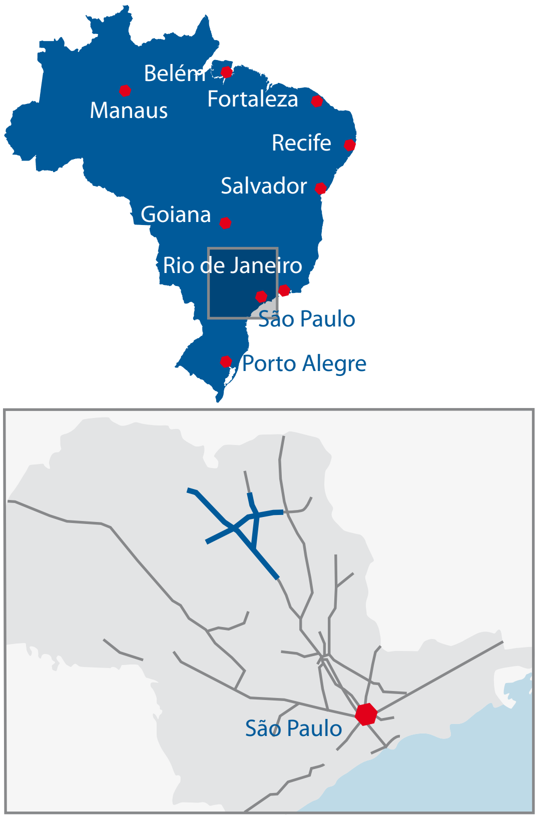
	Autostrade per l'Italia	Value of project €/bn (*)	Km
(dark red line)	Agreement of 1997	6.2	237
(light blue line)	IV Addendum of 2002	5.6	266
(green line)	Single Agreement of 2007	5.0	326
O	Junctions and further works	2.0	–
	Total	**18.8**	**829**
(grey-blue line)	**Italian subsidiaries**	**1.3**	**56**
	Total major works	**20.1**	**885**

(*) Cost estimates at 31 December 2010.

Network under concession overseas

Brazil

Triangulo do Sol (442 km)
Shareholder: Autostrade per l'Italia (50%)(1)

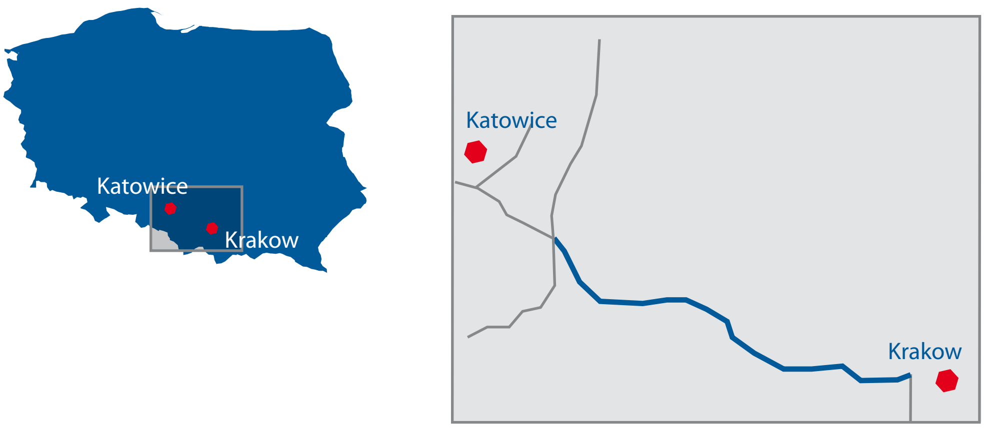


India

Pune–Solapur Expressways (110 km)
Shareholder: Atlantia (50%)

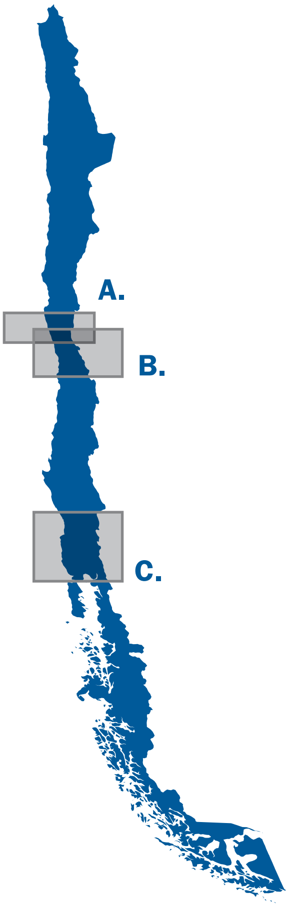
Poland

Stalexport Autostrady Malopolska (61 km)
Shareholder: Autostrade per l'Italia (56.2%)

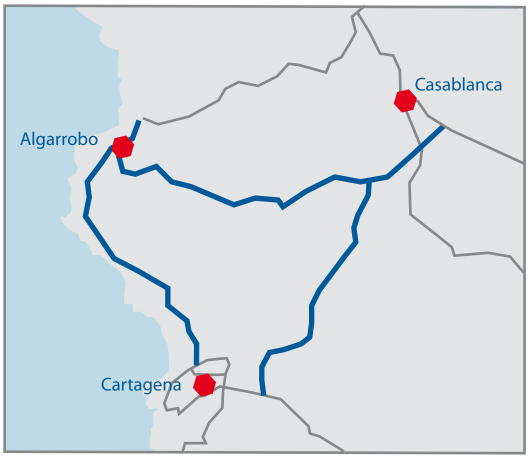


(1) Agreement has been reached for the acquisition of a further 10% of the company (subject to approval from the authorities and lending banks).

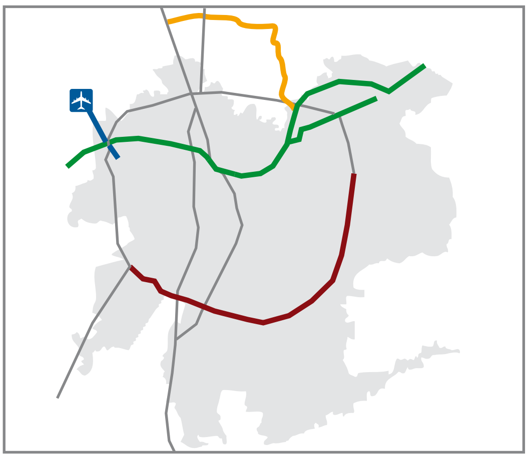
Chile



A.
Red Vial Litoral Central (79 km)
Shareholder: Autostrade Sud America (50%)



B. Santiago



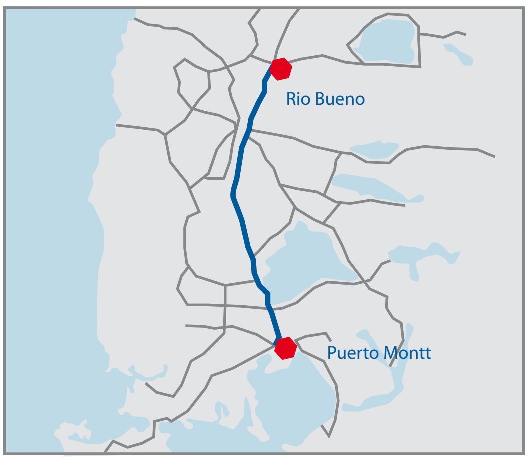
Acceso Nororiente (22 km)
Shareholder: Autostrade Sud America (100%)

Acceso Vial Aeropuerto (10 km)
Shareholder: Autostrade Sud America (100%)

Costanera Norte (43 km)
Shareholder: Autostrade Sud America (100%)

Vespucio Sur (24 km)
Shareholder: Autostrade Sud America (50%)

C.
Los Lagos (135 km)
Shareholder: Autostrade per l'Italia (100%)



Investments held directly or indirectly through subsidiaries.

Statement to shareholders

Shareholders,

Despite lingering uncertainties, the world economy appears to be on the way to recovery, with growth being driven primarily by the developing economies, thanks in part to the emergence of a growing and increasingly well-off "middle class" looking to imitate western models of consumption.

Although the macroeconomic environment remains challenging, 2010 saw the Group firmly committed to pursuing the key objectives in our growth strategy: to implement our investment programme, improve service quality, optimise the use of resources, strengthen our financial structure, and expand our global footprint by entering the fastest growing countries.

We are rapidly progressing with implementation of an unprecedented upgrade programme for Italy's motorway network, which will see us invest approximately €20 billion over the next ten years, including works with a value of €6 billion that have already been carried out. This makes Atlantia the country's biggest private investor. The programme covers around 900 km of road, used by almost 45% of all traffic on the network.

The Group's determination to press ahead with expenditure on upgrading the network saw us further boost investment in 2010, spending more than €1.5 billion (up 20% on 2009).

Excavation of the Base Tunnel, which has two separate carriageways approximately 8.6 km in length, was completed at the end of 2010. This tunnel, linking the regions of Emilia Romagna and Tuscany, is emblematic of the Variante di Valico section of the A1 motorway from Milan to Naples. Excavation of the Base Tunnel was completed in record time for Italy, despite particularly challenging geological and geotechnical conditions and severe restrictions regarding the route. The tunnel is one of the biggest works ever built or being built in Europe, and may be compared to the San Gottardo Tunnel or the tunnel built for the high-speed railway line between Florence and Bologna.
Work on construction of the third lane for the Florence Interchange between Florence North and Florence South is proceeding to plan and work has begun on widening the Barberino-Florence North section following the conclusion of the Services Conference. The Services Conference for the Florence South-Incisa section has, however, yet to be concluded.
Work was speeded up on the addition of a third lane for the A14, on the A9 between Lainate and Como, on the A1 between Fiano and Settebagni, thanks to the fact that the relevant contracts were awarded to the Group company, Pavimental. In Genoa, thanks to innovative use of a public consultation process, we have been able to

reach agreement on the route for the bypass with the surrounding community and local authorities, as well as with the Grantor. Work on the final design is currently underway.

The Group has obtained further financing to fund the motorway upgrade programme. A total of approximately €1.8 billion was raised on the international financial markets through the issue of bonds and the use of alternative sources of funding at competitive rates. In total, the Group currently has cash reserves of over €6 billion to meet its capital expenditure and refinancing needs through to 2014.

The Group has achieved further improvements in its operating performance. In the 10 years since privatisation, the death rate on the motorway network operated under concession has fallen by more than 70%, the time wasted in traffic queues and due to delays has been halved, draining pavement now covers Autostrade per l'Italia's entire network (except where it was not possible to lay it) and annual investment in the upgrade of the network has more than quadrupled. Over the same period tolls on Autostrade per l'Italia's network have risen more or less in line with inflation.

Thanks to our extensive experience and leveraging our use of the most advanced technologies available to the sector, the Group is today the preferred partner for European countries and emerging nations in the construction and operation of infrastructure works and in the installation of toll collection systems. The Group's emerging country presence now covers approximately 900 km of toll motorway in: Brazil (442 km of motorway operated in the state of São Paulo); Chile (300 km of motorway operated in the Santiago area); India (having been awarded the contract to upgrade and operate a 110-km section under concession); and Poland (61 km of motorway).

In Brazil we have reached agreement to increase the Group's stake in the operator, Triangulo do Sol, acquired in 2009, from 50% to 60%. The transaction is currently awaiting approval by the local authorities. In Chile, the merger of Autostrade per il Cile into Autostrade Sud America has brought the activities of the two sub-holding companies, which operate motorways under concession in the metropolitan area of Santiago through subsidiaries or investee companies, under the control of a single parent.

Thanks to our leadership and the Group's world-beating expertise in tolling systems, we have pulled off a major success in France, where Autostrade per l'Italia was chosen in January 2011 to implement and operate a satellite-based tolling system for heavy vehicles using France's 15,000-km public road network.

In addition, Autostrade per l'Italia has agreed to sell the Group's 60% interest in Strada dei Parchi. The transfer of the shares is subject to receipt of the necessary approvals. The transaction will give Atlantia greater financial flexibility in pursuing its international expansion strategy.

Our ability to meet our objectives makes us confident that, thanks to our continuing commitment to making the best use of our resources and acceleration of our investment programme, we will be in a position to create sustainable value for all our stakeholders in future years, contributing to the country's economic and social development and expanding our global footprint in the fastest growing areas of the world.

Fabio Cerchiai	Giovanni Castellucci
Chairman	Chief Executive Officer

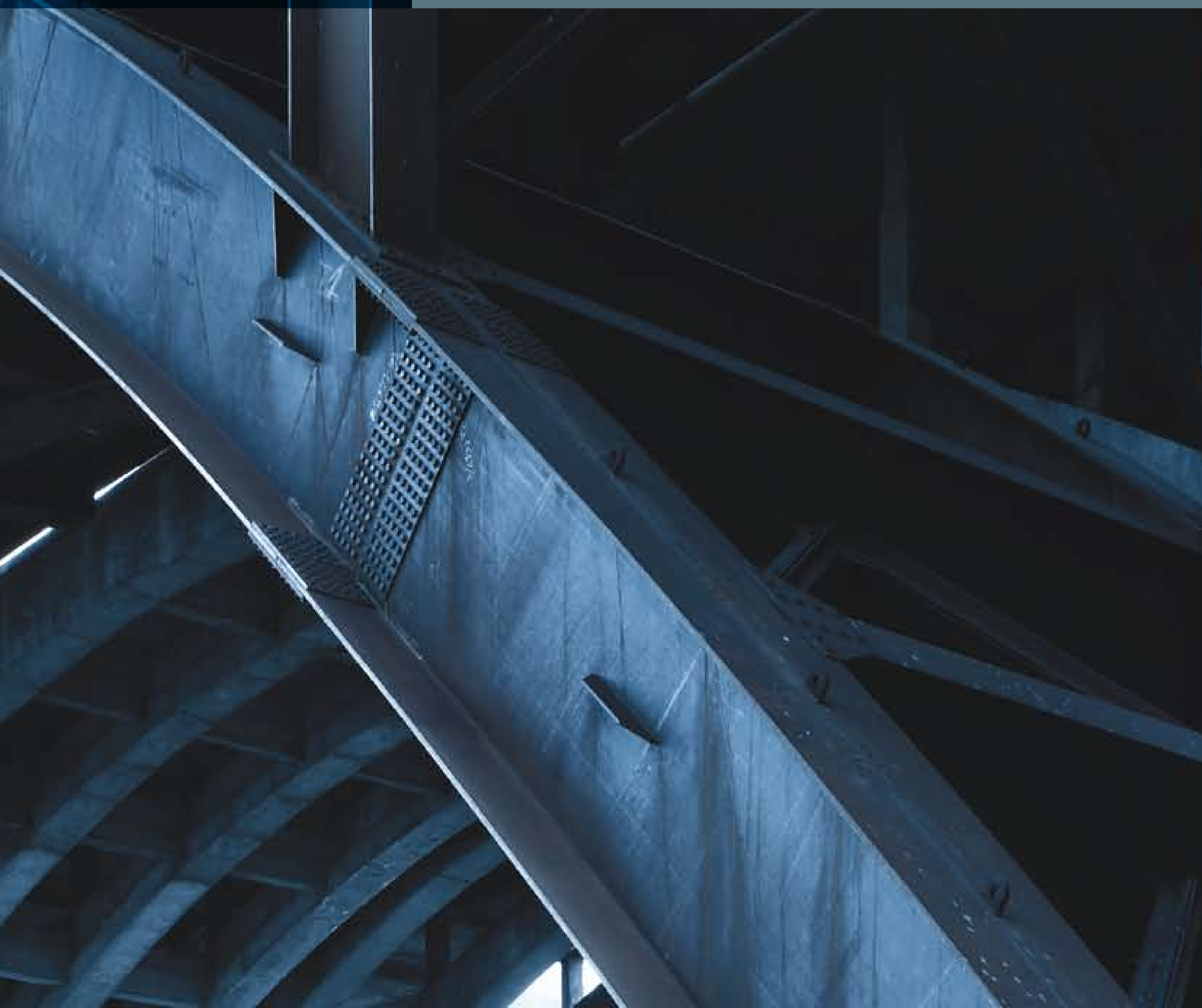
Corporate bodies

Board of Directors in office for 2010-2012	Chairman	Fabio CERCHIAI
	Chief Executive Officer	Giovanni CASTELLUCCI
	Directors	Gilberto BENETTON
		Alessandro BERTANI
		Alberto BOMBASSEI (*independent*)
		Stefano CAO
		Roberto CERA
		Alberto CLÔ (*independent*)
		Antonio FASSONE
		Carlo MALINCONICO (*independent*)
		Giuliano MARI (*independent*)
		Gianni MION
		Giuseppe PIAGGIO
		Antonino TURICCHI (*independent*)
		Paolo ZANNONI
	Secretary	Andrea GRILLO
Internal Control and Corporate Governance Committee	Chairman	Giuseppe PIAGGIO
	Members	Giuliano MARI (*independent*)
		Antonino TURICCHI (*independent*)

Human Resources Committee	Chairman	Alberto BOMBASSEI (*independent*)
	Members	Stefano CAO
		Alberto CLÔ (*independent*)
		Giuseppe PIAGGIO
		Paolo ZANNONI
Supervisory Board	Chairman	Renato GRANATA
	Members	Simone BONTEMPO
		Pietro FRATTA
Board of Statutory Auditors for three-year period 2009-2011	Chairman	Marco SPADACINI
	Auditors	Tommaso DI TANNO
		Raffaello LUPI
		Angelo MIGLIETTA
		Alessandro TROTTER
	Alternate Auditors	Giuseppe Maria CIPOLLA
		Giandomenico GENTA
Independent Auditors for the period 2006-2011	KPMG SpA	

2

Report on operations



Consolidated financial review

Introduction

The financial review contained in this section includes and analyses 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 2010, in which amounts are compared with those of the previous year. The review also includes and analyses the reclassified statement of financial position, compared with comparative amounts as at 31 December 2009, and the reconciliation of the Parent's equity and profit for the year with the corresponding consolidated figures.
These consolidated financial statements have been prepared under the international financial reporting standards (IFRS) issued by the International Accounting Standards Board, endorsed by the European Commission, and in force at 31 December 2010.
Compared with the accounting standards applied in preparing the consolidated financial statements as at and for the year ended 31 December 2009, the Group has adopted the new interpretation IFRIC 12 "Service Concession Arrangements". The Group has, therefore, calculated the impact of adoption of the new interpretation with effect from the beginning of the comparative financial year (1 January 2009) and in respect of all comparative amounts included in the financial statements as at and for the year ended 31 December 2010.
Reference should be made to note 4 "Impact of IFRIC 12 adoption on the Group's consolidated financial statements" in the consolidated financial statements as at and for the year ended 31 December 2010 for details of the impact of IFRIC 12 adoption on the consolidated financial statements for prior periods, and for comparisons of amounts in the consolidated financial statements before and after IFRIC 12 adoption as at 1 January 2009 and 31 December 2009 and for the year ended 31 December 2009.

The basis of consolidation as at 31 December 2010 is the same as the one used in preparing the consolidated financial statements as at and for the year ended 31 December 2009. However, the contributions to the income statement and statement of cash flows for the comparative period of the companies acquired from the Itinere group at the end of June 2009 are limited to just the second half of 2009, as opposed to the full year in 2010. Where material, the review of the consolidated results of operations shows the impact of the different period of contribution to changes in amounts in the financial statements.

Following the start-up of talks that have led to an agreement for the sale of the Group's 60% interest in the operator, Strada dei Parchi, this company's contribution to the consolidated income statement for the year ended 31 December 2010 is accounted for in "Profit/(Loss) from discontinued operations/assets held for sale", as required by IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", rather than included in each component of the consolidated income statement for continuing operations. As a result, in accordance

with IFRS 5, Strada dei Parchi's contribution to the comparative consolidated income statement for 2009 has also been reclassified with respect to the statement published in the annual report as at and for the year ended 31 December 2009.
The consolidated assets and liabilities of Strada dei Parchi as at 31 December 2010 have been accounted for in the statement of financial position in assets and liabilities included in disposal groups, again in accordance with IFRS 5. The comparative information as at 31 December 2009 remains unchanged.

The investment in Triangulo do Sol, the Brazilian company in which the Group holds a 50% interest, has not been consolidated on a line-by-line basis in the annual report as at and for the year ended 31 December 2010 as, despite the fact that the Group agreed to acquire a further 10% of the company on 11 June 2010, the transaction has yet to close, as the parties are awaiting approval from the local authorities.

The Group did not enter into material transactions, either with third or related parties, of a non-recurring, atypical or unusual nature during 2010.

The reclassified consolidated financial statements have not been independently audited and there are certain differences with respect to classification compared with the statutory consolidated financial statements presented in the section "Consolidated financial statements". Above all:

a) the "Reclassified consolidated income statement" includes "Gross operating profit (EBITDA)", which is not reported in the income statement in the consolidated financial statements. This profit margin is calculated by taking the figure for total revenue reported in the income statement and deducting all operating costs, with the exception of amortisation, depreciation, impairment losses on assets and reversals of impairment losses, provisions and other adjustments. In addition, revenue reported in the reclassified income statement differs from revenue reported in the income statement, as construction service revenue, recognised on the basis of the capitalised service costs, personnel expense and financial expenses incurred in providing the construction services, are presented in the reclassified statement as a reduction of the respective components of operating costs and financial expenses. As a result, "Operating profit (EBIT)" in the two statements, resulting from the deduction from EBITDA of the above components, differs in terms of the component regarding capitalised financial expenses relating to construction services, which is included in revenue in the income statement in the consolidated financial statements and in financial income and expenses in the reclassified income statement. Finally, the two income statements also differ in that the reclassified consolidated income statement is more condensed;
b) the "Reclassified consolidated statement of financial position" adopts a different classification of assets and liabilities compared with the statement of financial position in the consolidated financial statements, showing

working capital (as the balance of current non-financial assets and liabilities), net invested capital (as the balance of non-current non-financial assets and the sum of negative working capital and non-current non-financial liabilities), and, as sources of funds, equity and net debt (representing the balance of all financial liabilities and assets). In addition, the reclassified consolidated statement of financial position is a more condensed version than the statement of financial position in the consolidated financial statements, as it excludes the sub-items below each main entry and shows assets and liabilities related to discontinued operations in the various sections of the reclassified statement based on their nature (financial or non-financial);

c) "Consolidated net debt" reported in the reclassified consolidated statement of financial position takes account of non-current financial assets, unlike the "Analysis of consolidated net debt" in the notes to the consolidated financial statements that is prepared as required by the Committee of European Securities Regulators (CESR) recommendation of 10 February 2005, which does not permit non-current financial assets to be deducted from debt;

d) the "Statement of changes in consolidated net debt" differs from the statement of cash flows in the consolidated financial statements insofar as it presents the impact of cash flows generated or used during the year on consolidated net debt, as defined above, rather than on net cash and cash equivalents. The main differences between the two statements regard:
   1) cash flows from/(used in) operating activities, which in the statement of changes in consolidated net debt include, in the change in working capital presented in the statement of cash flows, the change in operating capital, consisting of trade-related items directly linked to the ordinary activities of the business concerned;
   2) cash generated from/(used in) investing activities, which in the "Statement of changes in consolidated net debt" does not include movements in current and non-current financial assets. Moreover, the statement shows investments in newly consolidated companies and proceeds from the sale of previously consolidated companies after deducting the net debt on the books of these companies, whilst in the statement of cash flows in the consolidated financial statements these figures are reported less any net cash on the books of the newly consolidated or recently sold companies;
   3) net equity cash inflows/(outflows) reported in the "Statement of changes in consolidated net debt" differ from cash generated from/(used in) financing activities in the statement of cash flows in the consolidated financial statements, as the former do not include movements in current and non-current financial liabilities. Moreover, the dividends reported are those approved during the reporting period, whilst the statement of cash flows reports dividends paid in the reporting period;
   4) changes to the fair value of hedging instruments recognised in the statement of comprehensive income are reported in the "Statement of changes in consolidated net debt", whilst they are not reported in the statement of cash flows in the consolidated financial statements, as they have no impact on net cash.

Consolidated results of operations

"Total revenue" for 2010 amounts to €3,750.0 million, marking an increase of €261.7 million (7.5%) on 2009 (€3,488.3 million).

In order to aid the reader's understanding of certain changes in the operating results, it should be noted that, following the entry into effect of Law Decree 78/2009, converted into Law 102/2009, from 5 August 2009 an increase in the concession fee payable to ANAS is included in operating costs (equal to 3 thousandths of a euro per km for classes A and B and to 9 thousandths of a euro per km for classes 3, 4 and 5), whilst a matching toll increase is recognised in toll revenue, without having any impact on the Group's results. In implementation of Law Decree 78/2010, converted into Law 122/2010, from 1 July 2010 a further toll increase has been applied by Italian motorway operators to match a further rise in the concession fee payable to ANAS (1 thousandth of a euro per kilometre for toll classes A and B and 3 thousandths of a euro per kilometre for classes 3, 4 and 5). The total amount for the above toll increases recognised in revenue for 2010 stands at €227.7 million, compared with the €79.1 million recognised in revenue for the period 5 August-31 December 2009.

It should be noted, with regard to toll revenue for 2009, that the annual toll charge increase for that year was applied from 1 May, unlike 2010 when the annual increase was applied from 1 January. The difference between the two dates for application of the annual toll increases has boosted toll revenue for 2010 by approximately €20.4 million.

Revenue for 2010 also includes non-recurring income of €4.4 million generated by the handover, free of charge, of buildings located at a number of service areas. This compares with income of €33.4 million from the same source recognised in 2009.

Based on a like-for-like period of contribution to the Group's results from the companies acquired from the Itinere group at the end of June 2009, and after stripping out the above toll increases, the benefit deriving from the different period of application of the annual toll charge increase and non-recurring income for the two comparative periods, total like-for-like revenue is up €114.8 million (3.4%).

Reclassified consolidated income statement

(€m)	2010	2009	Increase/(Decrease) Total	%	% of revenue 2010	2009
Toll revenue	3,118.9	2,845.2	273.7	9.6	83.2	81.6
Contract revenue	60.8	50.2	10.6	21.1	1.6	1.4
Other operating income	570.3	592.9	–22.6	–3.8	15.2	17.0
Total revenue	**3,750.0**	**3,488.3**	**261.7**	**7.5**	**100.0**	**100.0**
Cost of materials and external services (1)	–586.4	–618.4	32.0	–5.2	–15.6	–17.7
Concession fees	–309.6	–158.1	–151.5	95.8	–8.3	–4.5
Staff costs	–637.4	–614.2	–23.2	3.8	–17.0	–17.7
Capitalised staff costs	67.9	41.8	26.1	62.4	1.8	1.2
Total net operating costs	**–1,465.5**	**–1,348.9**	**–116.6**	**8.6**	**–39.1**	**–38.7**
Gross operating profit (EBITDA)	**2,284.5**	**2,139.4**	**145.1**	**6.8**	**60.9**	**61.3**
Amortisation, depreciation, impairment losses and reversals of impairment losses	–469.3	–431.0	–38.3	8.9	–12.5	–12.4
Provisions and other adjustments	–47.9	–41.1	–6.8	16.5	–1.3	–1.1
Operating profit (EBIT)	**1,767.3**	**1,667.3**	**100.0**	**6.0**	**47.1**	**47.8**
Financial income/(expenses)	–495.1	–468.2	–26.9	5.7	–13.2	–13.4
Financial expenses from discounting of provisions and for construction services required by contract	–176.4	–192.3	15.9	–8.3	–4.7	–5.5
Capitalised financial expenses	14.6	7.0	7.6	–	0.4	0.2
Share of profit/(loss) of associates and joint ventures accounted for using the equity method	–2.1	–51.1	49.0	–95.9	–0.1	–1.5
Profit/(Loss) before tax from continuing operations	**1,108.3**	**962.7**	**145.6**	**15.1**	**29.5**	**27.6**
Income tax (expense)/benefit	–400.3	–380.7	–19.6	5.1	–10.7	–10.9
Profit/(Loss) from continuing operations	**708.0**	**582.0**	**126.0**	**21.6**	**18.8**	**16.7**
Profit/(Loss) from discontinued operations	–7.0	–20.5	13.5	–65.9	–0.2	–0.6
Profit/(Loss) for the year	**701.0**	**561.5**	**139.5**	**24.8**	**18.6**	**16.1**
(Profit)/Loss attributable to non–controlling interests	–18.1	1.0	–19.1	–	–0.5	–
Profit/(Loss) for the year attributable to owners of the parent	**682.9**	**562.5**	**120.4**	**21.4**	**18.1**	**16.1**

(1) After deducting the margin recognised on construction services provided by the Group's own technical units.

	2010	2009	Increase/ (Decrease)
Basic earnings per share (€)	**1.16**	**0.96**	**0.20**
of which:			
continuing operations	1.17	0.99	0.18
discontinued operations	–0.01	–0.03	0.02
Diluted earnings per share (€)	**1.16**	**0.96**	**0.20**
of which:			
continuing operations	1.17	0.99	0.18
discontinued operations	–0.01	–0.03	0.02
Operating cash flow (€m)	**1,428.1**	**1,300.1**	**128.0**
of which:			
continuing operations	1,412.0	1,278.8	133.2
discontinued operations	16.1	21.3	–5.2
Operating cash flow per share (€)	**2.43**	**2.21**	**0.22**
of which:			
continuing operations	2.40	2.17	0.23
discontinued operations	0.03	0.04	–0.01

"Toll revenue" of €3,118.9 million is up €273.7 million (9.6%) on the figure for 2009 (€2,845.2 million). This performance primarily reflects:

a) the application of annual toll increases by the Group's Italian operators from 1 January in 2010, rather than from 1 May, as in 2009 (a 3.1% increase);
b) an improved traffic mix thanks to a significant recovery in heavy traffic with 3 or more axles (up 3.2% on Autostrade per l'Italia's network), whilst the total volume of traffic was substantially unchanged, boosting toll revenue by an estimated 0.5%;
c) an increase in toll revenue (up €9.0 million) reported by the Polish operator, Stalexport Autostrada Malopolska, primarily as a result of tariff increases applied from December 2009 (average increases of 17.0%), traffic growth (up 5.0%) and the stronger Polish zloty (up 10.0%), boosting toll revenue by 0.3%;
d) the toll revenue of the Chilean operator, Sociedad Concesionaria de Los Lagos, amounting to €13.1 million for 2010 (up €7.6 million on 2009, having been consolidated from 1 July 2009), boosting toll revenue by 0.3%;
e) an increase in toll revenue reported by Autostrade Meridionali which, following the signature of the relevant Single Concession Arrangement, as of its financial statements as at and for the year ended 31 December 2009 no longer defers a portion of the "X variable" of tariffs, partially releasing provisions made in previous years (a total benefit of €3.0 million or 0.1%), and
f) the above-mentioned inclusion in toll revenue, from 5 August 2009, of the toll increase matching the rise in the concession fee introduced by the above Law 102/2009, and the increase introduced from 1 July 2010 in implementation of Law 122/2010 (a benefit of 5.2%).

Like-for-like toll revenue is up €98.4 million (3.6%).

"Contract revenue" of €60.8 million is up €10.6 million (21.1%) on 2009 (€50.2 million). The increase is substantially due to an increase in work carried out by Pavimental for external customers (above all for Raccordo di Montichiari).

"Other operating income" of €570.3 million is down €22.6 million (3.8%) on 2009 (€592.9 million), reflecting:

a) a reduction in non-recurring income deriving from the handover, free of charge, of buildings located at service areas by sub-operators (€4.4 million in 2010, compared with €33.4 million in 2009);
b) an increase in income from service areas and payment systems (amounting to €20.8 million), essentially reflecting increases in service area royalties and in customers (the number of Telepass

devices in circulation is up approximately 447 thousand, whilst subscribers of the Premium option are up 256 thousand);

c) a reduction in other income (down €14.4 million), essentially reflecting a decrease in sales (above all at Pavimental) and the fact that the figure for 2009 benefitted from the release of provisions considered excess to requirements.

"Total net operating costs" of €1,465.5 million are up €116.6 million (8.6%) on 2009 (€1,348.9 million). Based on a like-for-like period of contribution to the Group's results from the companies acquired from the Itinere group, and after stripping out the rise in the concession fee, like-for-like net operating costs are down €35.8 million (2.8%).
The "Cost of materials and external services" amounts to €586.4 million, marking a reduction of €32.0 million on 2009 (€618.4 million). This reflects the greater contribution from activities linked to construction work carried out by the Group's own technical units and the optimisation of the road resurfacing programme, slightly offset by an increase in the external costs incurred on contract work (above all for Raccordo di Montichiari).
"Concession fees", totalling €309.6 million, are up €151.5 million on 2009 (€158.1 million), essentially due to the above increases in the concession fees payable by Italian operators from August 2009 and July 2010.
"Staff expense", before deducting capitalised expenses, of €637.4 million is up €23.2 million (3.8%) on 2009 (€614.2 million). The increase reflects the combined impact of an increase in the average unit cost (up 2.1%), primarily due to salary increases deriving from renewal of the contract applied by operators (up 2.0%), the presence of an additional two Sundays (up 0.4%), the INPS national insurance contributions holiday benefitting a number of Group companies (down 0.6%) and provisions for charges attributable to 2010 regarding the France Project (up 0.3%). The performance was also influenced by an increase of 158 in the average workforce (up 1.7%), resulting from the greater volume of construction work carried out by staff employed by Spea and Pavimental on behalf of the Group's operators.
"Capitalised staff expense" is up from €41.8 million to €67.9 million (up €26.1 million), primarily due to an increase in infrastructure construction work carried out by Spea and Pavimental personnel.

"Gross operating profit" (EBITDA) of €2,284.5 million is up €145.1 million (6.8%) compared with 2009 (€2,139.4 million).
On a like-for-like basis, the increase in gross operating profit is €150.6 million (up 7.2%).

"Operating profit" (EBIT) of €1,767.3 million is up €100.0 million (6.0%) compared with 2009 (€1,667.3 million).

The improvement in operating profit for 2010 reflects the increase in gross operating profit, despite increased charges for depreciation and amortisation (up €39.5 million), relating primarily to concession rights, and greater provisions and impairments (up €6.8 million), including provisions for repair and replacement obligations and the allowance for impairment. Moreover, based on the impairment tests conducted, previous impairment losses on the carrying amount of the infrastructure operated by Raccordo Autostradale Valle d'Aosta have been reversed, with €16.1 million reversed in 2010 and €29.0 million in 2009, whilst 2009 included the impairment loss on the carrying amount of the concession held by Stalexport Autostrada Malopolska (€16.4 million).

"Financial expenses", after deducting financial income, total €495.1 million and are up €26.9 million (5.7%) on 2009 (€468.2 million).

The increase reflects the following changes:

a) an increase in interest payable, essentially as a result of the differential (up €21.7 million) between the cost of borrowing incurred in order to provide the financial resources to be used to repay the bond issue maturing in 2011 and returns on the investment of liquidity, following an increase in average liquidity partially invested, offset by an increase in the average return on its investment;
b) an increase in interest payable and other costs (up €4.0 million), reflecting the Group's greater average exposure in 2010;
c) the recognition, in 2009, of non-recurring financial income (€20.5 million) following the purchase by S.I.A.S. - Società Iniziative Autostradali e Servizi SpA of 50% of Autostrade per il Cile;
d) the different contribution of the Autostrade dell'Atlantico group in the two comparative periods (resulting in an increase of €19.3 million, including €10.1 million relating to the first half of 2010), which include financial income recognised as a result of the guaranteed minimum toll revenue attributable to the Chilean operator, Sociedad Concesionaria de Los Lagos.

"Financial expenses from discounting of provisions and of provisions for construction services required by contract" total €176.4 million, marking a decline of €15.9 million compared with 2009 (down 8.3%). This primarily reflects favourable interest rate trends.
"Capitalised financial expenses", amounting to €14.6 million, are up €7.6 million on 2009, reflecting the progressive increase in accumulated payments made for investments in the Group's network for which it will receive additional economic benefits.

The "Share of the profit/(loss) of associates and joint ventures accounted for using the equity method" has resulted in a net loss of €2.1 million for the period, compared with a net loss of €51.1 million for 2009. This item includes the following:

a) the impairment loss on the investment in IGLI of €24.2 million (€67.0 million in 2009), of which €15.2 million (€67.7 million in 2009) based on a comparison between the carrying amount of the Impregilo shares held by IGLI and their market value (the stock market price of the Impregilo shares held);
b) recognition of the Group's share of the profits, totalling €17.3 million (€12.2 million in 2009), reported by the Autostrade Sud America group, which absorbed Autostrade per il Cile with effect from 1 January 2010, by Triangulo do Sol, (€3.2 million, compared with €3.8 million in 2009) and the overall profit reported by other associates, amounting to €1.6 million (a loss of €0.1 million in 2009).

"Income tax expense" of €400.3 million is up €19.6 million (5.1%) on 2009 (€380.7 million), which benefitted from non-recurring income (€13.1 million) in the form of a rebate of IRES as a result of deductible IRAP. The less than proportional increase in income tax expense in 2010, compared with the pre-tax profit, is essentially due to reduced impairment losses on investments and other non-current assets, and to the tax effect linked to the above non-recurring items.
"Profit from continuing operations" thus amounts to €708.0 million, marking an increase of €126.0 million (21.6%) on 2009 (€582.0 million).

"Profit/(Loss) from discontinued operations" essentially regards the operating results for the period of Strada dei Parchi which, as noted above, are recognised in this item, according to IFRS 5, instead of being included in each component of the consolidated income statement. As a result, Strada dei Parchi's contribution to the comparative consolidated income statement for 2009 has also been reclassified with respect to the statement published in the annual report as at and for the year ended 31 December 2009. The improvement of €13.5 million substantially reflects the cessation of depreciation and amortisation of Strada dei Parchi's non-current assets, after the related taxation, from 30 June 2010, the date on which the investment was reclassified in accordance with IFRS 5.

"Profit for the year" for 2010, amounting to €701.0 million, is up €139.5 million (24.8%) on 2009 (€561.5 million). After stripping out the above non-recurring items, the different contribution to the two periods of consolidation of the companies acquired from the Itinere group, and the above impairment losses and reversals of impairment losses, after the related taxation, like-for-like profit is up 14.7%. "Profit for the year attributable to owners of the parent", amounting to €682.9 million, is up €120.4 million (+21.4%; +13.2 like for like) on 2009 (€562.5 million), whilst the profit attributable to non-controlling interests amounts to €18.1 million (a loss of €1.0 million in 2009). This essentially reflects the cessation of depreciation and amortisation of Strada dei Parchi's assets in the second half of 2010 and the above impairment loss on the concession right held by the Polish company, Stalexport Autostrada Malopolska, in 2009, in addition to the different reversals of impairment losses on Raccordo Autostradale Valle d'Aosta in the two comparable periods.

"Operating cash flow" for 2010, as defined in the section "Consolidated financial highlights", to which reference should be made, amounts to €1,428.1 million, up €128.0 million (9.8%) on 2009. This amount was primarily used to fund the Group's capital expenditure during 2010.

Consolidated statement of comprehensive income

(€m)	2010	2009
Profit for the year (A)	**701.0**	**561.5**
Fair value gains/(losses) on cash flow hedges	50.0	–50.1
Actuarial gains/(losses) (IAS 19)	5.5	4.8
Gains/(losses) from translation of financial statements of foreign operations	21.3	1.7
Gains/(losses) from measurement of associates and joint ventures using the equity method	42.7	22.4
Other fair value gains/(losses)	–0.1	–0.4
Other comprehensive income for the year, after related taxation (B)	**119.4**	**–21.6**
of which from discontinued operations	*0.5*	*0.3*
Comprehensive income for the year (A + B)	**820.4**	**539.9**
of which:		
attributable to owners of the parent	800.1	539.2
attributable to non–controlling interests	20.3	0.7

The consolidated statement of comprehensive income for 2010 reports comprehensive income for the year of €820.4 million (€539.9 million in 2009). The positive effect, after the related taxation, of other comprehensive income amounts to €119.4 million and reflects the benefits deriving from an increase in the fair value of cash flow hedges (€50.0 million), the measurement of investments using the equity method (€42.7 million) and the profit deriving from translation of the financial statements of foreign operations into the functional currency (€21.3 million). In 2009 other components of comprehensive income resulted in a loss of €21.6 million, primarily deriving from measurement of cash flow hedges after the related taxation (losses of €50.1 million), partially offset by the measurement of investments using the equity method (€22.4 million).

Consolidated financial position

As at 31 December 2010 "Non-current non-financial assets" of €18,942.8 million are down €639.9 million on the figure for 31 December 2009 (€19,582.7 million). This essentially reflects the reclassification of the subsidiary, Strada dei Parchi, whose assets and liabilities as at 31 December 2010 have been classified in current assets and liabilities related to discontinued operations.
"Property, plant and equipment", amounting to €216.4 million, has not undergone significant changes during the year.
"Intangible assets" total €16,187.6 million (€16,781.6 million at 31 December 2009). In addition to the goodwill (€4,382.9 million) recognised at 31 December 2003, following acquisition of the majority shareholding in the former Autostrade - Concessioni e Costruzioni Autostrade SpA, these assets include the Group's concession rights, amounting to €11,752.0 million (€12,345.1 million at 31 December 2009). These rights refer to concession rights accruing from construction services for which no additional economic benefits are received, totalling €9,257.3 million (€9,380.5 million at 31 December 2009) and construction services for which additional economic benefits are received, totalling €2,216.9 million (€2,089.0 million at 31 December 2009).
The reduction in intangible assets, amounting to €594.0 million, is essentially due to the reclassification of €950.5 million in intangible assets attributable to Strada dei Parchi, which have been reclassified to "Non-financial assets included in disposal groups", and amortisation for the year (€455.4 million), partly offset by investment in construction services for which additional economic benefits are received (an increase of €582.2 million) and the adjustment of the present value on completion of investments in construction services for which no additional benefits are received (an increase of €202.5 million).

Reclassified consolidated statement of financial position

(€m)	31.12.2010	31.12.2009	Increase/(Decrease)
NON–CURRENT NON–FINANCIAL ASSETS			
Property, plant and equipment	216.4	214.2	2.2
Intangible assets	16,187.6	16,781.6	–594.0
Investments	431.5	394.8	36.7
Deferred tax assets	2,101.8	2,184.6	–82.8
Other assets	5.5	7.5	–2.0
Total non–current non–financial assets (A)	**18,942.8**	**19,582.7**	**–639.9**
WORKING CAPITAL			
Trading assets	**973.2**	**986.6**	**–13.4**
Inventories	45.2	51.3	–6.1
Contract work in progress	36.5	25.6	10.9
Trade receivables	891.5	909.7	–18.2
Current tax assets	29.7	46.3	–16.6
Other current assets	74.7	59.8	14.9
Non–financial assets held for sale and related to discontinued operations	1,082.5	67.3	1,015.2
Current portion of provisions for construction services required by contract	–386.7	–582.2	195.5
Current provisions	–224.8	–213.8	–11.0
Trading liabilities	–1,307.4	–1,190.9	–116.5
Current tax liabilities	–17.3	–19.3	2.0
Other current liabilities	–473,9	–	–
Non–financial liabilities related to discontinued operations	–113.8	–	–113.8
Total working capital (B)	**–363.8**	**–1,236.8**	**873.0**
INVESTED CAPITAL LESS CURRENT LIABILITIES (C = A + B)	**18,579.0**	**18,345.9**	**233.1**
NON–CURRENT NON–FINANCIAL LIABILITIES			
Non–current portion of provisions for construction services required by contract	–4,315.0	–4,383.8	68.8
Non–current provisions	–942.0	–923.7	–18.3
Deferred tax liabilities	–33.7	–30.3	–3.4
Other liabilities	–44.1	–56.4	12.3
Total non–current non–financial liabilities (D)	**–5,334.8**	**–5,394.2**	**59.4**
NET INVESTED CAPITAL (E = C + D)	**13,244.2**	**12,951.7**	**292.5**

(€m)	31.12.2010	31.12.2009	Increase/(Decrease)
EQUITY			
Equity attributable to owners of the parent	3,183.4	2,810.8	372.6
Equity attributable to non–controlling interests	403.5	386.4	17.1
Total equity (F)	**3,586.9**	**3,197.2**	**389.7**
NET DEBT			
Non–current net debt			
Non–current financial liabilities	10,066.9	11,304.5	–1,237.6
Bond issues	7,466.6	7,836.0	–369.4
Medium/long–term borrowings	2,323.3	3,068.3	–745.0
Derivative liabilities	253.6	374.8	–121.2
Other financial liabilities	23.4	25.4	–2.0
Other non–current financial assets	**–935.4**	**–850.1**	**–85.3**
Non–current financial assets deriving from concessions	–373.7	–288.0	–85.7
Non–current financial assets deriving from government grants	–201.5	–180.4	–21.1
Term deposits convertible after 12 months	–285.9	–336.7	50.8
Derivative assets	–40.2	–0.9	–39.3
Other financial assets	–34.1	–44.1	10.0
Non–current net debt (G)	**9,131.5**	**10,454.4**	**–1,322.9**
Current net debt			
Current financial liabilities	**3,520.2**	**914.4**	**2,605.8**
Bank overdrafts	19.9	41.0	–21.1
Short–term borrowings	6.6	185.4	–178.8
Current portion of medium/long–term borrowings	2,533.8	686.3	1,847.5
Intercompany current accounts payable	0.9	1.5	–0.6
Other financial liabilities	0.2	0.2	–
Bank overdrafts related to discontinued operations	8.0	–	8.0
Financial liabilities related to discontinued operations	950.8	–	950.8
Cash and cash equivalents	**–2,548.7**	**–1,222.3**	**–1,326.4**
Cash in hand and at bank and post offices	–207.1	–403.3	196.2
Cash equivalents	–2,326.1	–819.0	–1,507.1
Cash and cash equivalents related to discontinued operations	–15.5	–	–15.5
Other current financial assets	**–445.7**	**–392.0**	**–53.7**
Current portion of medium/long–term financial assets	–22.0	–67.8	45.8
Current financial assets deriving from concessions	–8.9	–14.3	5.4
Current financial assets deriving from government grants	–189.4	–88.0	–101.4
Term deposits convertible within 12 months	–180.9	–181.6	0.7
Other financial assets	–34.7	–23.2	–11.5
Financial assets held for sale and related to discontinued operations	–9.8	–17.1	7.3
Current net debt (H)	**525.8**	**–699.9**	**1,225.7**
Net debt (I = G + H)	**9,657.3**	**9,754.5**	**–97.2**
NET DEBT AND EQUITY (L = F + I)	**13,244.2**	**12,951.7**	**292.5**

As at 31 December 2010 "Investments", totalling €431.5 million (€394.8 million at 31 December 2009), are up €36.7 million, primarily reflecting:

a) recognition of an increase of €36.3 million in the value of the investment in the Autostrade Sud America group, which, from 1 January 2010, incorporates Autostrade per il Cile, following its measurement using the equity method, with €17.3 million recognised in the income statement and €19.0 million recognised in other comprehensive income;
b) recognition of an increase of €7.2 million in the Group's investment in the Brazilian operator, Triangulo do Sol, following measurement using the equity method. The increase consists of €3.2 million recognised in the income statement and €14.1 million recognised in other comprehensive income as a result of favourable exchange rate movements, offset by a reduction of €10.1 million resulting from the receipt of dividends during the year;
c) the impairment loss on the investment in IGLI (down €15.2 million), including a loss of €24.2 million recognised in the income statement and a gain of €9,0 million recognised in other comprehensive income. The impairment is linked to the negative performance of the market value (stock market price) of the Impregilo shares held by IGLI compared with their carrying amount.

"Deferred tax assets", after offsetting against deferred tax liabilities, amount to €2,101.8 million (€2,184.6 million at 31 December 2009), marking a reduction of €82.8 million. This primarily reflects a combination of the following:

a) the release of deferred tax assets recognised on the intercompany gain arising in 2003 as a result of the transfer of motorway assets to Autostrade per l'Italia, totalling €105.8 million;
b) the reduction of €63.2 million following the reclassification of deferred tax assets attributable to Strada dei Parchi to "Non-financial assets held for sale and related to discontinued operations";
c) the recognition of net deferred tax assets relating to the expenses and income accounted for in application of IFRIC 12 by Autostrade per l'Italia, totalling €66.4 million;
d) the increase in net deferred tax assets deriving from recognition of deferred tax assets on the non-deductible portion of provisions (€26.9 million);
e) the decrease in net deferred tax assets deriving from the fair value gain on hedging derivatives (€23.5 million).

"Other non-current assets" of €5.5 million show a small reduction with respect to the figure for 31 December 2009.

Consolidated working capital reports a negative balance of €363.8 million as at 31 December 2010, marking a change of €873.0 million compared with the negative balance of €1,236.8 million as at 31 December 2009. This change primarily reflects the above reclassification to working capital of non-current non-financial assets and liabilities held for sale and related to discontinued operations attributable to the subsidiary, Strada dei Parchi, totalling €993.8 million.
The Group's working capital, after stripping out the reclassification of the above items attributable to the subsidiary, Strada dei Parchi, amounts to a negative €1,357.6 million, marking a reduction of €120.8 million on the amount as at 31 December 2009 (€1,236.8 million).

The change reflects the combined effect of the following:

a) an increase of €173.2 million in trade payables due to third parties, essentially reflecting the greater amount payable to suppliers as a result of increased capital expenditure during the year, particularly through the subsidiaries, Pavimental (up €97.7 million) and Spea (up €12.0 million). Amounts payable to the operators of interconnecting motorways have also risen (up 25.6 million), primarily due to the toll increases linked to increases in the concession fee;
b) a reduction in the current portion of provisions for construction services required by contract and other provisions (down €164.3 million), due to the change in provisions for construction services required by contract (down €195.5 million), reflecting provisions used in relation to construction services for which no additional economic benefits are received, after reclassifications to the current portion and accrued government grants. The change in provisions for construction services required by contract is partially offset by the reclassification to current liabilities of provisions for long-term incentive plans at the subsidiary, Autostrade per l'Italia (€24.5 million), in view of expected payments in 2011;
c) an increase in other current liabilities, totalling €93.1 million, essentially reflecting an increase in amounts payable to ANAS and the Ministry of the Economy and Finance (€55.9 million), in addition to increased amounts payable as a result of expropriations (€12.4 million) and an increase in amounts payable to staff and to social security agencies and in other payables (€20.6 million);
d) the sale of investments previously accounted for in working capital and held through the subsidiary, Autostrade dell'Atlantico, totalling €27.4 million.

"Non-current non-financial liabilities", totalling €5,334.8 million, are down €59.4 million on the figure for 31 December 2009 (€5,394.2 million), primarily due to the reclassification of the current portion of provisions for construction services required by contract and of Strada dei Parchi's non-current non-financial liabilities (€24.3 million) to "Working capital", offset by the adjustment, based on current and prospective interest rates, of the present value on completion of investments in construction services for which no additional benefits are received and to the increase resulting from discounting to present value.

As a result, "Net invested capital", totalling €13,244.2 million as at 31 December 2010, is up €292.5 million on the figure for 31 December 2009 (€12,951.7 million).

"Equity attributable to owners of the parent and non-controlling interests" totals €3,586.9 million (€3,197.2 million as at 31 December 2009). "Equity attributable to owners of the parent" of €3,183.4 million is up €372.6 million, essentially reflecting:

a) profit for the year (€682.9 million);
b) payment of the final dividends for 2009 (€219.1 million) and the interim dividends for 2010 (€208.8 million);
c) the direct recognition of net gains of €119.4 million, which include the impact of an increase in the cash flow hedge reserve (€50.0 million after taxation), gains on the measurement of associates and joint ventures using the equity method (€42.7 million), and gains from the translation of the financial statements of foreign operations (€21.3 million).

"Equity attributable to non-controlling interests" of €403.5 million is up €17.1 million on the figure for 31 December 2009 (€386.4 million), essentially reflecting profit for the year attributable to non-controlling interests, totalling €18.1 million.

The Group's net debt as at 31 December 2010 amounts to €9,657.3 million, marking a reduction of €97.2 million on 31 December 2009 (€9,754.5 million). The decline essentially reflects the positive impact of marking cash flow hedges to market, resulting in a reduction of €72.3 million in net financial liabilities.

"Non-current net debt", amounting to €9,131.5 million (€10,454.5 million at 31 December 2009), consists of:

a) non-current financial liabilities of €10,066.9 million (€11,304.5 million at 31 December 2009), consisting of:
    1) bond issues totalling €7,466.6 million, marking a reduction of €369.4 million, essentially due to the reclassification to current liabilities of the bond issue with a par value of €2,000 million (accounted for in the financial statements at €1,996.1 million) maturing on 9 June 2011, partially offset by new

bond issues totalling €1,000 million (maturing in 2017) and €500 million (maturing in 2025), an increase in foreign currency bond issues (GBP and YEN) resulting from a strengthening in the value of the two currencies with respect to the euro (up €51.8 million), and the increase (up €67.8 million) in the value of the bonds with a par value of €1,500 million issued in May 2009 as a result of interest rate movements. Fair value hedges, taken out to reduce the exposure to interest rate risk of the above bonds issued in May 2009, were unwound in September. This means that the bonds are again subject to fixed rate exposure, although this is lower than the original exposure due to the benefit of €69.4 million resulting from the above unwinding, including €58.5 million to be released to the income statements starting from the derivatives instruments expiration date to May 2016;

2) medium/long-term borrowings of €2,323.3 million, marking a reduction of €745.0 million, essentially following the reclassification to current liabilities of both Strada dei Parchi SpA's borrowings (down €658.8 million) and the portion of borrowings maturing within the next 12 months (down €179.9 million), partially offset by an increase in foreign currency financial liabilities as a result of translation differences (up €24.7 million) and new borrowings (up €91.6 million);
3) fair value losses on hedging instruments, amounting to €253.6 million, which is down €121.2 million, essentially following the payment of differentials and interest and exchange rate movements (down €98.1 million), the unwinding of the fair value hedges (down €11.3 million) hedging the bonds with a par value of €1,500 million (issued in May 2009) and reclassification to current liabilities of the fair value (down €26.0 million) of the derivatives hedging the above bond issue with a par value of €2,000 million (maturing in June 2011);

b) non-current financial assets of €935.4 million, marking an increase of €85.3 million, substantially due to:
   1) an increase of €85.7 million in non-current financial assets deriving from concessions, essentially reflecting investments in motorway infrastructure by Autostrade Meridionali during 2010;
   2) an increase of €21.1 million in financial assets deriving from the non-current portion of accrued government grants for construction services rendered during the year by the Group's motorway operators, after reclassification of the short-term portion;
   3) an increase in fair value gains (up €39.3 million) on the derivatives hedging the yen denominated bond issue, primarily due to the strengthening of the currency in which the bonds were issued with respect to the euro, as reflected in a change in the hedged liability;
   4) a €50.8 million reduction in non-current term deposits, following the reclassification to current assets of the portion of terms deposits that management believes will be released within 12 months, based on the update of the schedule of certified releases pursuant to Laws 662/96, 135/97 and 345/97.

As at 31 December 2010 current net debt amounts to €525.8 million (at 31 December 2009 current net funds of €699.9 million) and includes:

a) current financial liabilities of €3,520.2 million, marking an increase of €2,605.8 million, essentially due to the following:
   1) reclassifications to current liabilities of the bond issue with a par value of €2,000 million (up €1,996.1 million) and the fair value of the derivatives (up €26.0 million) hedging the issue, of the portions of borrowings maturing within the next 12 months (up €181.7 million) and of Strada dei Parchi SpA's borrowings, now accounted for in liabilities related to discontinued operations (up €658.8 million);
   2) an increase in accrued interest expense on medium/long-term borrowings (up €17.0 million);
   3) a reduction in the current portion of medium/long-term borrowings, following repayments (down €245.8 million);
   4) the reduced use of lines of credit (down €13.1 million);
b) cash and cash equivalents of €2,548.7 million, marking an increase of €1,326.4 million on 31 December 2009, reflecting new bond issues, the collection of €69.4 million following the unwinding of the derivative hedging the bonds maturing in 2016, and operating cash flow, partially offset by cash used in investing activities, to pay dividends and to repay medium/long-term borrowings;
c) other current financial assets of €445.7 million, marking an increase of €53.7 million on 31 December 2009, following the increase in current financial assets deriving from government grants accruing on the completion of construction services, totalling €101.4 million, partially offset by the collection of differentials (down €45.8 million) on the derivatives hedging the interest rate risk exposure of the bond issue with a par value of €1,500 million, which were unwound in September 2010.

The Group's ordinary operating and financing activities expose it to market risks, primarily regarding interest rate and currency risks linked to the financial assets acquired and the financial liabilities assumed, in addition to liquidity and credit risks.
The Group's financial risk management strategy is consistent with the objectives set by Atlantia's Board of Directors. The strategy aims to both manage and control such risks, wherever possible mitigating interest rate and currency risks and minimising borrowing costs, whilst taking account of the interests of stakeholders, as defined in the approved Hedging Policy.
The components of the Group's derivatives portfolio as at 31 December 2010 are classified, in application of IAS 39, as cash flow hedges.
Based on the positive outcome of tests of effectiveness of cash flow hedges as at 31 December 2010, changes in fair value have been recognised in full in equity, with no recognition of any ineffective portion in profit or loss.

The residual weighted average term to maturity of the Group's interest bearing debt is approximately 7 years, with 96% fixed rate.
9% of the Group's medium/long-term 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 2%), the Group is not exposed to currency risk on translation into euros.
The average cost of the Group's medium/long-term borrowings in 2010 was approximately 4.9%.

As at 31 December 2010 the Group has cash reserves of €6,166 million, consisting of:

a) €2,549 million in cash and/or investments maturing no later than the maturity date of the bond issue with a par value of €2,000 million (9 June 2011);
b) €467 million in term deposits allocated primarily to finance the execution of specific construction services;
c) €3,150 million in undrawn committed lines of credit. In particular, the Group has obtained the following lines of credit:
    1) €500 million under the loan agreement signed in November 2008 by the European Investment Bank and Autostrade per l'Italia (€1 billion), which may be drawn down until November 2012 and matures in 2036;
    2) €300 million representing the undrawn portion of the loan agreement signed in December 2010 by the European Investment Bank and Autostrade per l'Italia, which may be drawn down until December 2014 and matures in 2036;
    3) €350 million representing the undrawn portion of a loan granted in December 2008 to Autostrade per l'Italia by Cassa Depositi e Prestiti SpA, totalling €500 million, which may be drawn down until August 2013 and matures in 2034;
    4) €1,000 million representing the undrawn portion of a loan granted in December 2009 by Cassa Depositi e Prestiti and Sace, which may be drawn down until September 2014 and matures in 2024;
    5) €1,000 million available to Autostrade per l'Italia under a committed Revolving Credit Facility with Mediocredito acting as Agent Bank, which is undrawn as at 31 December 2010 and matures in June 2015.

The Group's net debt, as defined according to the CESR recommendation of 10 February 2005 (which does not permit the deduction of non-current financial assets from debt), amounts to €10,592.7 million as at 31 December 2010, compared with net debt of €10,604.6 million as at 31 December 2009.

Statement of changes in consolidated equity

(€m)	Equity attributable to owners of the parent		
	Issued capital	Cash flow hedge reserve	Currency translation reserve
Balance as at 31 December 2008	**571.7**	**54.5**	**–6.1**
Effects of IFRIC 12 adoption as at 1 January 2009	–	–	1.4
Retained earnings for the previous year	–	–	–
Balance as at 1 January 2009 (including effects of first–time adoption of IFRIC 12)	**571.7**	**54.5**	**–4.7**
Total comprehensive income for the period	**–**	**–51.4**	**1.4**
Owner transactions and other changes			
Final dividend approved	–	–	–
Interim dividend	–	–	–
Change in basis of consolidation, capital contributions and other changes	–	–	–
Balance as at 31 December 2009	**571.7**	**3.1**	**–3.3**
Total comprehensive income for the period	**–**	**50.3**	**19.0**
Owner transactions and other changes			
Bonus issue	28.6	–	–
Final dividend approved	–	–	–
Retained earnings for the previous year	–	–	–
Interim dividend	–	–	–
Share buyback	–	–	–
Change in basis of consolidation, capital contributions and other changes	–	–	–
Balance as at 31 December 2010	**600.3**	**53.4**	**15.7**

Equity attributable to owners of the parent					Equity attributable to non-controlling interests	Total equity
Reserve for companies accounted for using the equity method	Other reserves and retained earnings	Treasury shares	Profit/(Loss) for the year	Total		
–11.2	**2,677.8**	**–215.6**	**544.4**	**3,615.5**	**370.6**	**3,986.1**
–	–939.1	–	–	–937.7	–11.3	–949.0
–	544.4	–	–544.4	–	–	–
–11.2	**2,283.1**	**–215.6**	**–**	**2,677.8**	**359.3**	**3,037.1**
22.4	**4.3**	**–**	**562.5**	**539.2**	**0.7**	**539.9**
–	–	–	–	–207.3	–2.6	–209.9
–	–207.3	–	198.9	–198.9	–2.6	–199.1
–	–	–	–	–	29.2	29.2
11.2	**2,080.1**	**–215.6**	**363.6**	**2,810.8**	**386.4**	**3,197.2**
42.7	**5.2**	**–**	**682.9**	**800.1**	**20.3**	**820.4**
–	–28.6	–	–	–	–	–
–	–	–	–219.1	–219.1	–2.6	–221.7
–	144.5	–	–144.5	–	–	–
–	–	–	–208.8	–208.8	–0.3	–209.1
–	–	–	–	–	–	–
–	0.4	–	–	0.4	–0.3	0.1
53.9	**2,201.6**	**–215.6**	**474.1**	**3,183.4**	**403.5**	**3,586.9**

Reconciliation of equity as at 31 December 2010 and profit for 2010 of the parent company and the corresponding consolidated amounts

(€m)	Equity as at 31.12.2010	Profit for 2010
Amounts in financial statements of Atlantia SpA	**6,413.0**	**509.9**
Recognition of equity and profit/(loss) for the year (IFRS) of consolidated investments less non–controlling interests	3,314.9	719.7
Elimination of intercompany dividends	–	–578.8
Elimination of carrying amount of consolidated investments	–6,850.7	7.4
Recognition of goodwill less non–controlling interests	4,382.7	–
Elimination, after the related taxation, of intercompany profits and losses	–4,186.8	–
Measurement of investments using the equity method/at fair value	90.5	9.9
Other minor adjustments	19.8	14.8
Amounts in consolidated financial statements (attributable to owners of the parent)	**3,183.4**	**682.9**
Amounts in consolidated financial statements (attributable to non–controlling interests)	**403.5**	**18.1**
Amounts in consolidated financial statements	**3,586.9**	**701.0**

Consolidated cash flow

Net debt decreased by €97.2 million during 2010, compared with an increase of €423.9 million in 2009.

Operating activities generated cash flows of €1,640.8 million in 2010, compared with €1,317.3 million in 2009. The increase in operating cash flow essentially reflects the improved performance of continuing operations (operating cash flow up €128.0 million, after also taking account of non-cash items recognised in the two comparative periods), and the positive contribution of working capital (an inflow of €168.9 million in 2010, compared with an outflow of €54.0 million in 2009). This essentially reflects an increase in trading liabilities, partly due to higher amounts payable to the operators of interconnecting motorways and increased trade payables.

Cash used for investments in non-financial assets amounts to €1,199.4 million, marking a reduction of €94.8 million on the same figure for 2009 (€1,294.2 million). The figure for 2010 reflects an increase of €189.8 million in investments in motorway infrastructure, net of the related government grants and the increase in financial assets in the form of takeover rights, and the inflow of €27.4 million from the sale of three investments in Portuguese companies, whilst the figure for 2009 reflected the acquisition of investments (the purchase of investments from the Itinere group, Alitalia, IGLI and Tangenziali Esterne di Milano), totalling €258.9 million.

The cash outflow resulting from changes in equity amounts to €416.4 million in 2010 (€379.3 million in 2009), essentially due to dividends paid during the year, totalling €430.8 million (€409.0 million in 2009).

The overall impact of the above cash flows was to reduce net debt by €25.0 million in 2010, compared with the increase of €356.2 million registered in 2009.

In addition, in 2010 net debt was also reduced by changes in the fair value of cash flow hedges recognised in comprehensive income (amounting to €72.2 million), whilst the corresponding effect in 2009 resulted in an increase in net debt of €67.7 million.

Statement of changes in consolidated net debt

(€m)	2010	2009
Profit/(Loss) for the year	**701.0**	**561.5**
Amortisation and depreciation	505.8	488.7
Provisions	49.2	47.2
Financial expenses from discounting of provisions and for construction services required by contract	177.0	192.9
Share of (profit)/loss of associates and joint ventures accounted for using the equity method	2.1	51.1
Impairment losses/(Reversal of impairment losses) and adjustments of non–current assets	–28.5	–13.7
(Gain)/Loss on sale of non–current assets	0.4	–3.7
Net change in deferred tax (assets)/liabilities	8.9	16.6
Other non–cash items	–12.5	–57.6
Change in working capital	168.9	–54.0
Other changes in non–financial assets and liabilities	68.5	88.3
Net cash from/(used in) operating activities (A)	**1,640.8**	**1,317.3**
Investments in motorway infrastructure	–1,443.4	–1,188.3
Government grants related to motorway infrastructure	222.0	136.4
Increase/(Decrease) in financial assets deriving from takeover rights	68.7	89.0
Purchases of property, plant and equipment	–56.9	–61.8
Purchases of intangible assets	–24.4	–24.5
Purchases of investments, net of unpaid called–up issued capital	–6.2	–91.6
Dividends received from investments accounted for using the equity method	10.1	–
Purchases of new consolidated investments, including net debt assumed	–	–167.3
Proceeds from sales of property, plant and equipment, intangible assets and unconsolidated investments	28.6	12.0
Proceeds from sale of consolidated investments, after transferred net debt	–	1.3
Changes in other non–current assets	2.1	0.6
Net cash from/(used in) investing activities (B)	**–1,199.4**	**–1,294.2**
Dividends approved	–430.8	–409.0
Net change in currency translation reserve and other reserves and debt–related translation differences	11.9	1.7
Changes in equity and reserves attributable to non–controlling interests	2.5	28.0
Net equity cash inflows/(outflows) (C)	**–416.4**	**–379.3**
Increase/(Decrease) in cash and cash equivalents (A + B + C)	**25.0**	**–356.2**
Change in the fair value of hedging derivatives recognised in comprehensive income (D)	72.2	–67.7
Decrease/(Increase) in net debt for the year (A + B + C + D)	**97.2**	**–423.9**
Net debt at beginning of year	**–9,754.5**	**–9,330.6**
Net debt at end of year	**–9,657.3**	**–9,754.5**

Financial review for Atlantia SpA

Introduction

The financial review for Atlantia SpA includes and analyses the Parent's reclassified income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 December 2010, 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 2010, compared with comparative amounts as at 31 December 2009.
These separate financial statements have been prepared under the international financial reporting standards (IFRS) issued by the International Accounting Standards Board, endorsed by the European Commission, and in force at 31 December 2010. The accounting standards and policies used in preparing this document are consistent with those applied in the separate financial statements as at and for the year ended 31 December 2009.

The reclassified financial statements have not been independently audited and there are certain differences compared with the separate financial statements presented in the section "Financial statements". Above all:

a) the "Reclassified separate income statement" includes "Gross operating profit (EBITDA)", which is not reported in the income statement in the separate financial statements. This profit margin is calculated by taking the figure for operating income and deducting all operating costs, with the exception of amortisation, depreciation, impairment losses on assets and reversals of impairment losses, provisions and other adjustments. Deducting these costs from gross operating profit gives the "Operating profit (EBIT)" as reported in the income statement in the separate financial statements. There are no differences between the intermediate components of the two income statements below operating profit, apart from the fact that the "Reclassified income statement" is more condensed;
b) the "Reclassified statement of financial position" adopts a different classification of assets and liabilities compared with the separate statement of financial position, showing working capital (as the balance of current non-financial assets and liabilities), net invested capital (as the balance of non-current non-financial assets and the sum of positive working capital and non-current non-financial liabilities), and, as sources of funds, equity and net debt (representing the balance of all financial liabilities and assets). In addition, the reclassified statement of financial position is a more condensed version than the separate statement of financial position, as it excludes the sub-items below each main entry. "Net debt" reported in the reclassified statement of financial position takes account of non-current financial assets, unlike the "Analysis of net funds/(debt)" in the notes to the financial statements that is prepared as required by the Committee of European Securities Regulators (CESR) recommendation of 10 February 2005, which does not permit the inclusion of non-current financial assets.

The following key events occurred during the year:

a) at their Extraordinary General Meeting held on 14 April 2010, the Shaholders approved a bonus issue, which was completed on 7 June 2010 with the issue of 28,585,578 new ordinary shares with a par value of €1.00, amounting to a total of €28,585,578 and resulting in a corresponding reduction in the extraordinary reserve;
b) in compliance with the terms and conditions previously approved by the Board of Directors on 8 April 2009, on 15 July 2010 Atlantia's Board of Directors extended the term for the issue of non-convertible bonds under the MTN Programme instituted on 7 May 2004 from 31 December 2010 to 31 December 2012, with any decision to issue bonds to be based on market conditions;
c) on 16 September 2010 Atlantia SpA carried out two bond issues, one with a value of €1,000 million (a term to maturity of 7 years, maturing in September 2017) and the other with a value of €500 million (a term to maturity of 15 years, maturing in September 2025). The cash raised as a result of the issues will, in addition to the Group's existing cash reserves, be used for corresponding intercompany loans, designed to meet the funding requirements of Autostrade per l'Italia SpA in connection with the investment plan envisaged in its concession arrangement, and to ensure that adequate funds are available in view of the approaching repayment of bonds maturing in 2011 and 2014. In compliance with the terms of the MTN Programme, Atlantia received guarantees from the subsidiary, Autostrade per l'Italia, amounting to 120% of the bonds issued. In return for providing the guarantee, Atlantia pays an annual lump-sum fee of 0.125% of the guaranteed amount;
d) in September 2010 the Company unwound derivatives entered into with banks and other Group companies – previously classified as fair value hedges – hedging the exposure to interest rate risk of the bonds with a par value of €1,500 million, issued on 6 May 2009 and maturing on 6 May 2016, and of the corresponding loan granted to the subsidiary, Autostrade per l'Italia, which replicates, at intercompany level, the Company's borrowing in the market. The unwinding of these derivatives, which did not result in any charge for the Company, means that the bond issue and the intercompany loan are again subject to fixed rate exposure;
e) on 21 October 2010 the Board of Directors, based on the performance of Atlantia SpA and the Group during the first half of 2010, decided to pay an interim dividend of €0.355 per share outstanding at the ex dividend date of 22 November 2010, with payment on 25 November 2010 of a total amount of €208.8 million. The Board of Directors of Autostrade per l'Italia also decided to pay an interim dividend of €0.46 per share (€0.45 in 2009), amounting to a total of €286.1 million.

Results of operations

Reclassified income statement

(€m)	2010	2009	Increase/(Decrease) Total	%
Operating income	0.8	3.6	–2.8	–77.8
Total revenue	**0.8**	**3.6**	**–2.8**	**–77.8**
Cost of materials and external services	–7.6	–10.7	3.1	–29.0
Personnel expense	–3.6	–2.4	–1.2	50.0
Total net operating costs	**–11.2**	**–13.1**	**1.9**	**–14.5**
Gross operating loss (EBITDA)	**–10.4**	**–9.5**	**–0.9**	**9.5**
Amortisation, depreciation, impairment losses and reversals of impairment losses	–0.4	–0.4	–	–
Operating loss (EBIT)	**–10.8**	**–9.9**	**–0.9**	**9.1**
Financial income/(expenses)	527.2	498.1	29.1	5.8
Profit before tax from continuing operations	**516.4**	**488.2**	**28.2**	**5.8**
Income tax (expense)/benefit	–6.5	–5.3	–1.2	22.6
Profit from continuing operations	**509.9**	**482.9**	**27.0**	**5.6**
Profit/(Loss) from discontinued operations/assets held for sale	–	–	–	–
Profit for the year	**509.9**	**482.9**	**27.0**	**5.6**

(€)	2010	2009	Increase/(Decrease)
Basic earnings per share	**0.87**	**0.82**	**0.05**
of which:			
continuing operations	0.87	0.82	0.05
Diluted earnings per share	**0.87**	**0.82**	**0.05**
of which:			
continuing operations	0.87	0.82	0.05

"Operating income" in 2010 was €0.8 million, which primarily includes rental income from subsidiaries. The reduction of €2.8 million compared with 2009 (€3.6 million) essentially reflects reduced reimbursements from Group companies.

The "Cost of materials and external services" totals €7.6 million, marking a reduction of €3.1 million on 2009 (€10.7 million). This primarily reflects reductions in professional services and consultants' fees (down €1.9 million) and in non-deductible VAT (down €0.8 million).

"Personnel expense" of €3.6 million is up €1.2 million on 2009 (€2.4 million) and essentially regards the remuneration and fees paid to Directors.
The "Gross operating loss" (negative EBITDA) amounts to €10.4 million (€9.5 million in 2009), whilst the "Operating loss" (negative EBIT) amounts to €10.8 million (€9.9 million in 2009), after depreciation and amortisation, impairment losses and reversals of impairments losses totalling €0.4 million.

Net "Financial income" of €527.2 million is up €29.1 million on 2009 (€498.1 million), primarily reflecting an increase in dividends received from subsidiaries (up €28.3 million), above all Autostrade per l'Italia.
"Income tax expense" of €6.5 million is up €1.2 million on 2009 (€5.3 million), reflecting the increase in taxable income.

"Profit for the year", totalling €509.9 million, is thus up €27.0 million on 2009 (€482.9 million).

Statement of comprehensive income

(€m)	2010	2009
Profit for the year (A)	**509.9**	**482.9**
Fair value gains/(losses) on cash flow hedges	33.0	–30.3
Actuarial gains/(losses) (IAS 19)	0.1	–
Other comprehensive income for the year, after related taxation (B)	**33.1**	**–30.3**
Comprehensive income for the year (A + B)	**543.0**	**452.6**

The statement of comprehensive income reports comprehensive income of €543.0 million (452.6 million in 2009). Compared with the figure for profit for the year, this reflects fair value gains on cash flow hedges, after the related taxation.

Financial position

"Non-current non-financial assets" of €6,097.4 million are up €5.4 million on the figure for 31 December 2009 (€6,092.0 million).
These assets consist almost entirely of "Investments" amounting to €6,089.5 million. The increase of €5.7 million compared with 2009 (€6,083.8 million) essentially reflects the capital call by Pune Solapur Expressways Private Limited (€4.8 million) and the capital contribution paid to Autostrade for Russia GmbH (€0.6 million).

"Working capital" of €1.0 million is down €5.3 million on the figure for 31 December 2009 (€6.3 million), primarily reflecting a reduction in net current tax assets (€2.8 million) and an increase in other current liabilities (€1.3 million). In addition, provisions for long-term incentives for the Company's management were reclassified to current liabilities (€1.6 million), in view of expected payments in 2011.

"Non-current non-financial liabilities" amount to €26.6 million (€11.0 million as at 31 December 2009) and almost entirely regard deferred tax liabilities (after offsetting against deferred tax assets), which are recognised primarily as a result of fair value gains on cash flow hedges.

"Net invested capital" of €6,071.8 million is down €15.5 million on the figure for 31 December 2009 (€6,087.3 million).

Reclassified statement of financial position

(€m)	31.12.2010	31.12.2009	Increase/(Decrease)
NON–CURRENT NON–FINANCIAL ASSETS			
Property, plant and equipment	7.7	8.0	–0.3
Intangible assets	0.2	0.2	–
Investments	6,089.5	6,083.8	5.7
Total non–current non–financial assets (A)	**6,097.4**	**6,092.0**	**5.4**
WORKING CAPITAL			
Trading assets	2.3	2.4	–0.1
Current tax assets	19.3	26.3	–7.0
Other current assets	2.2	2.4	–0.2
Current provisions	–1.6	–	–1.6
Trading liabilities	–4.2	–4.9	0.7
Current tax liabilities	–14.3	–18.5	4.2
Other current liabilities	–2.7	–1.4	–1.3
Total working capital (B)	**1.0**	**6.3**	**–5.3**
Invested capital less current liabilities (C = A + B)	**6,098.4**	**6,098.3**	**0.1**
NON–CURRENT NON–FINANCIAL LIABILITIES			
Provisions	–0.3	–0.2	–0.1
Deferred tax liabilities	–26.3	–10.8	–15.5
Total non–current non–financial liabilities (D)	**–26.6**	**–11.0**	**–15.6**
NET INVESTED CAPITAL (E = C + D)	**6,071.8**	**6,087.3**	**–15.5**
EQUITY (F)	**6,413.0**	**6,297.6**	**115.4**
NET DEBT			
Non–current net debt			
Non–current financial liabilities	**7,737.6**	**8,248.3**	**–510.7**
Derivative liabilities	218.0	341.5	–123.5
Bond issues	7,519.6	7,906.8	–387.2
Other non–current financial assets	**–7,869.5**	**–8,325.5**	**456.0**
Derivative assets	–164.7	–188.0	23.3
Other financial assets	–7,704.8	–8,137.5	432.7
Non–current net debt (G)	**–131.9**	**–77.2**	**–54.7**
Current net debt			
Current financial liabilities	**2,258.9**	**265.9**	**1,993.0**
Current portion of medium/long–term borrowings	2,258.8	265.8	1,993.0
Other financial liabilities	0.1	0.1	–
Cash and cash equivalents	**–197.6**	**–124.2**	**–73.4**
Other current financial assets	**–2,270.6**	**–274.8**	**–1,995.8**
Current portion of medium/long–term financial assets	–2,267.3	–270.8	–1,996.5
Other financial assets	–3.3	–4.0	0.7
Current net debt (H)	**–209.3**	**–133.1**	**–76.2**
Net debt (I = G + H)	**–341.2**	**–210.3**	**–130.9**
NET DEBT AND EQUITY (L = F + I)	**6,071.8**	**6,087.3**	**–15.5**

"Equity" totals €6,413.0 million (€6,297.6 million at 31 December 2009) and is up €115.4 million compared with the end of the previous year. This is primarily the result of the following:

a) comprehensive income for the year, amounting to €543.0 million and consisting of profit for the year (€509.9 million) and the recognition of net gains (€33.1 million) on fair value measurements, primarily of cash flow hedges, after the related taxation;
b) payment of the final dividend for 2009, amounting to €219.1 million (€0.37 per share), and of the interim dividend for 2010, totalling €208.8 million (€0.355 per share).

As noted in the introduction, in execution of the resolution passed by the shareholders at their Extraordinary General Meeting of 14 April 2010, on 7 June 2010 the Company carried out a bonus issue with a value of €28,585,587 via the release of a corresponding amount from the extraordinary reserve. In execution of the resolution, the shares resulting from the bonus issue were allotted to shareholders on the basis of one new share for every twenty held. The number of treasury shares held by the Company has thus increased by 573,831 to 12,050,447. As at 31 December 2010 the Company's fully subscribed and paid-up issued capital thus consists of 600,297,135 ordinary shares with a par value of €1.00 each (including 12,050,447 treasury shares with a carrying amount of €215.6 million), resulting in a total of €600,297,135.

As at 31 December 2010 Atlantia reports "Net funds" of €341.2 million (€210.3 million as at 31 December 2009), comprising a non-current portion of €131.9 million (€77.2 million at 31 December 2009) and a current portion of €209.3 million (€133.1 million at 31 December 2009).

Non-current net funds have increased by €54.7 million as a result of the fair value gain on hedging derivatives due to interest rate trends and the payment of differentials during the year.
As noted in the introduction, on 16 September 2010 Atlantia carried out two bond issues, one with a value of €1,000 million (paying a fixed rate of 3.375% and maturing in September 2017) and the other with a value of €500 million (paying a fixed rate of 4.375% and maturing in September 2025). At the same time, the Company granted intercompany loans of the same amount and term to maturity to the subsidiary, Autostrade per l'Italia, replicating, at intercompany level, the Company's borrowing in the market.

In addition, in September 2010 the Company unwound derivatives entered into with banks and other Group companies – previously classified as fair value hedges – hedging the exposure to interest rate risk of the bonds with a par value of €1,500 million, issued on 6 May 2009 and maturing on 6 May 2016, and of the corresponding loan granted to the subsidiary, Autostrade per l'Italia. The unwinding of these derivatives means that the bond issue and the intercompany loan are again subject to fixed rate exposure.

Current net funds as at 31 December 2010 amount to €209.3 million (€133.1 million as at 31 December 2009), marking an increase of €76.2 million, primarily due to the fact that the value of dividends received from investee companies was higher than the value of those paid to shareholders during the year.
In view of the approaching maturity of the bond issue with a par value of €2,000 million and the loan to Autostrade per l'Italia of a corresponding amount in June 2011, these financial liabilities and assets have been reclassified to current debt.
The Company's ordinary operating and financial activities expose it to market risks, primarily regarding interest rate and currency risks linked to the financial assets acquired and the financial liabilities assumed. Atlantia's financial risk management strategy is consistent with the business goals set by the Company's Board of Directors in the various strategic plans that have been approved over time. The strategy aims to both manage and control such risks, wherever possible mitigating interest rate and currency risks and minimising borrowing costs, as defined in the Hedging Policy approved by the Board of Directors.
The medium/long-term loans provided to the subsidiary, Autostrade per l'Italia, were granted on the same terms as the Company's borrowings in the market, plus a margin to take account of operating costs, including those incurred for hedges using derivative financial instruments entered into to mitigate the exposure to cash flow risk of the underlying instruments as a result of interest rate movements. Based on the positive outcome of tests of effectiveness, these derivatives are classified as cash flow hedges. As a result, any change in the cash flows generated by the underlying transaction is offset by a matching change in the cash flows deriving from the derivative instrument.
The fair value of these instruments is based on expected cash flows that are discounted at rates derived from the market yield curve at the measurement date. Amounts in currencies, other than the euro, are translated at closing exchange rates provided by the European Central Bank. All hedging derivatives fall within the category of financial instruments measured at fair value.

The residual average term to maturity of the Company's debt is approximately 6 years. 100% of the Company's debt is fixed rate, partly following the above unwinding of derivatives hedging the bond issue with a par value of €1,500 million, maturing in 2016.
9% of the Company's medium/long-term debt is denominated in currencies other than the euro. Taking account of foreign exchange hedges, the percentage of foreign currency debt exposed to currency risk on translation into euros is zero.
The average cost of medium/long-term borrowings in 2010 was approximately 4.9%.

Statement of changes in equity

(€m)	Issued capital	Reserves and retained earnings				
		Share premium reserve	Legal reserve	Extraordinary reserve	Reserve for purchase of treasury shares	Reserve for negative goodwill
Balance at 31 December 2008	**571.7**	**0.2**	**261.4**	**4,602.5**	**215.6**	**449.0**
Total comprehensive income	**–**	**–**	**–**	**–**	**–**	**–**
Owner transactions and other changes						
Final dividend approved	–	–	–	–	–	–
Profit for previous year taken to extraordinary reserve	–	–	–	105.0	–	–
Interim dividend	–	–	–	–	–	–
Share option plan and other changes	–	–	–	–	–	–
Balance at 31 December 2009	**571.7**	**0.2**	**261.4**	**4,707.5**	**215.6**	**449.0**
Total comprehensive income	**–**	**–**	**–**	**–**	**–**	**–**
Owner transactions and other changes						
Final dividend approved	–	–	–	–	–	–
Profit for previous year taken to extraordinary reserve	–	–	–	65.0	–	–
Interim dividend	–	–	–	–	–	–
Bonus issue	28.6	–	–	–28.6	–	–
Share option plan and other changes	–	–	–	–	–	–
Balance at 31 December 2010	**600.3**	**0.2**	**261.4**	**4,743.9**	**215.6**	**449.0**

	Reserves and retained earnings				Treasury shares	Profit for the year	Total equity
	Cash flow hedge reserve	Reserve for actuarial gains and losses on post–employment benefits	Other reserves	Retained earnings			
	52.0	**–0.4**	**–**	**2.3**	**–215.6**	**312.2**	**6,250.9**
	–30.3	**–**	**–**	**–**	**–**	**482.9**	**452.6**
	–	–	–	–	–	–207.2	–207.2
	–	–	–	–	–	–105.0	–
	–	–	–	–	–	–198.9	–198.9
	–	–	0.2	–	–	–	0.2
	21.7	**–0.4**	**0.2**	**2.3**	**–215.6**	**284.0**	**6,297.6**
	33.0	**0.1**	**–**	**–**	**–**	**509.9**	**543.0**
	–	–	–	–	–	–219.1	–219.1
	–	–	–	–	–	–65.0	–
	–	–	–	–	–	–208.8	–208.8
	–	–	–	–	–	–	–
	–	–	0.3	–	–	–	0.3
	54.7	**–0.3**	**0.5**	**2.3**	**–215.6**	**301.0**	**6,413.0**

Cash flow

Cash and cash equivalents increased by €73.4 million in 2010, compared with the increase of €17.6 million reported in 2009.

"Cash from operating activities" amounts to €515.4 million, marking an increase of €32.9 million compared with the figure for 2009 (€482.5 million). This reflects the improvement in profit for the year (up €27.0 million).

"Cash used in investing activities", totalling €1,571.1 million, essentially relates to the disbursement of two new intercompany loans with par values of €1,000 million and €500 million to the subsidiary, Autostrade per l'Italia. The figure for 2009 (an outflow of €1,317.8 million) primarily resulted from disbursement of a loan with a par value of €1,500 million to the subsidiary, Autostrade per l'Italia, corresponding to the bond issue of 6 May 2009, and the payment of €44.4 million for an equity interest in Alitalia - Compagnia Aerea Italiana SpA, partly offset by the extinction of intercompany loans following the transfer of loans totalling €450.0 million from the European Investment Bank (EIB) to the subsidiary, Autostrade per l'Italia.

"Cash from financing activities" totals €1,129.1 million and essentially consists of the above bond issues with par values of €1,000 million and €500 million, after the related transaction costs, partly offset by dividends paid during the year (€427.9 million). Cash generated from financing activities in 2009 (an inflow of €852.9 million) was also influenced by the bond issue with a par value of €1,500 million on 6 May 2009, partly offset by extinction of the above loan from the European Investment Bank (EIB), totalling €450 million, and dividends paid (€417.4 million).

Statement of cash flows

(€m)	2010	2009
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Profit for the year	**509.9**	**482.9**
Adjusted by:		
Depreciation and amortisation	0.4	0.4
Provisions	1.3	0.2
Impairment losses/(Reversal of impairment losses) on other non–current assets	0.1	–0.4
Net change in deferred tax (assets)/liabilities	–0.3	–0.1
Other non–cash items	–	0.2
Change in working capital and other changes	4.0	–0.7
Net cash from/(used in) operating activities (A)	**515.4**	**482.5**
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Purchases of investments, net of unpaid called–up issued capital	–5.4	–48.8
Proceeds from sales of property, plant and equipment, intangible assets and investments	–	2.2
Change in current and non–current financial assets not held for trading purposes	–1,565.7	–1,271.2
Net cash from/(used in) investing activities (B)	**–1,571.1**	**–1,317.8**
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Dividends paid	–427.9	–417.4
Bond issues	1,484.5	1,650.2
Repayments of medium/long–term borrowings (excluding finance lease liabilities)	–	–450.0
Net change in other current and non–current financial liabilities	72.5	70.1
Net cash from/(used in) financing activities (C)	**1,129.1**	**852.9**
Increase/(Decrease) in cash and cash equivalents (A + B + C)	**73.4**	**17.6**
Net cash and cash equivalents at beginning of year	**124.2**	**106.6**
Net cash and cash equivalents at end of year	**197.6**	**124.2**

Additional information on the statement of cash flows	2010	2009
Income tax paid	275.4	107.0
Tax rebates from tax consolidation arrangement	–271.1	–99.4
Interest income and other financial income collected	569.9	448.6
Interest expense and other financial expenses paid	568.8	441.0
Dividends received	520.8	492.5
Foreign exchange gains collected	0.6	0.5
Foreign exchange losses incurred	0.6	0.4

Operating review for Group companies

Key performance indicators for the main Group companies (*)

	Revenue			
			Increase/(Decrease)	
	2010	2009	Total	%
Italian motorway concessionaires				
Autostrade per l'Italia	3,145.9	2,947.1	198.8	6.7%
Società Italiana per il Traforo del Monte Bianco	54.0	51.5	2.5	4.9%
Raccordo Autostradale Valle d'Aosta	13.8	12.0	1.8	15.0%
Autostrada Torino–Savona	71.7	69.5	2.2	3.2%
Società Autostrada Tirrenica	28.4	27.4	1.0	3.6%
Strada dei Parchi (**)	153.0	140.7	12.3	8.7%
Tangenziale di Napoli	68.1	60.9	7.2	11.8%
Autostrade Meridionali	89.6	83.5	6.1	7.3%
Foreign subsidiaries				
Autostrade International US Holdings/ETC Group	39.5	38.6	0.9	2.3%
Stalexport Autostrady Group	43.3	35.4	7.9	22.3%
Autostrade dell'Atlantico Group	13.7	6.8	6.9	101.5%
Other service companies				
Pavimental	467.1	274.5	192.6	70.2%
Spea Ingegneria Europea	149.9	105.0	44.9	42.8%
EsseDiEsse Società di Servizi	29.9	30.3	–0.4	–1.3%
Infoblu	5.6	4.6	1.0	21.7%
TowerCo	18.7	17.9	0.8	4.5%
AD Moving	15.7	16.1	–0.4	–2.5%
Port Mobility	7.2	6.9	0.3	4.3%
Telepass SpA	124.5	115.0	9.5	8.3%
Tech	41.5	3.0	38.5	n.a.

(*) Figures calculated under IFRS and, in particular, in compliance with the standards and policies adopted by the Atlantia Group, and extracted from specific reporting packages prepared by each subsidiary for the purpose of preparing the Atlantia Group's consolidated financial statements.
(**) Company in the process of being sold.

EBITDA				Net funds/(debt)			
		Increase/(Decrease)				Increase/(Decrease)	
2010	2009	Total	%	2010	2009	Total	%
1,952.1	1,879.8	72.3	3.8%	–9,052.5	–8,940.6	–111.9	1.3%
34.9	33.5	1.4	4.2%	26.4	–3.3	29.7	n.a.
2.2	0.8	1.4	175.0%	67.5	72.7	–5.2	–7.2%
30.7	32.5	–1.8	–5.5%	19.2	35.9	–16.7	–46.5%
15.6	14.0	1.6	11.4%	–73.8	–55.9	–17.9	32.0%
69.4	70.7	–1.3	–1.8%	–947.2	–934.2	–13.0	1.4%
21.2	16.2	5.0	30.9%	–53.2	–57.4	4.2	–7.3%
41.8	39.7	2.1	5.3%	163.6	135.7	27.9	20.6%
1.9	1.1	0.8	72.7%	–7.6	–3.9	–3.7	94.9%
29.8	10.6	19.2	181.1%	–22.1	–28.2	6.1	–21.6%
4.2	4.1	0.1	2.4%	185.4	110.5	74.9	67.8%
15.0	8.5	6.5	76.5%	–162.8	–106.5	–56.3	52.9%
50.2	31.9	18.3	57.4%	19.9	4.8	15.1	314.6%
4.4	3.2	1.2	37.5%	13.6	11.8	1.8	15.5%
0.9	0.4	0.5	125.0%	2.9	4.1	–1.2	–29.3%
11.1	10.1	1.0	9.9%	7.6	7.6	0.0	0.0%
0.5	0.1	0.4	n.a.	–1.9	–2.4	0.5	–20.8%
0.8	0.7	0.1	14.3%	–0.4	–2.4	2.0	–83.3%
65.2	60.3	4.9	8.1%	–195.3	–218.3	23.0	–10.5%
12.3	0.4	11.9	n.a.	7.5	–0.2	7.7	n.a.

Operating performance of the Group's motorway operators

Traffic

The number of kilometres travelled on the network managed by Autostrade per l'Italia and the Group's Italian motorway operators during 2010 amounted to 54,965 million, 43,243 million by light vehicles (78.7% of the total) and 11,722 million by heavy vehicles (21.3% of the total).

Traffic is down 0.07% compared with 2009 (including Strada dei Parchi, a company in the process of being sold), with the light component falling 0.4% and heavy vehicles up 1.3%.
Excluding the motorways operated by Strada dei Parchi, traffic using the network operated by Autostrade per l'Italia and the Group's other Italian motorway operators was in line with the previous year, with total traffic down 0.01%, light vehicles down 0.37% and heavy vehicles up 1.32%.

The figure reflects tough comparatives with the previous year, which recorded strong growth in "light" traffic from the second quarter on.
In contrast, heavy vehicles showed clear signs of recovery in 2010, compensating for the above decline in light vehicles.

The breakdown by concessionaire shows notable differences in performance. Traffic using Autostrade per l'Italia's network was more or less stable (up 0.05%), reflecting a slight decline in light vehicles (down 0.3%) and moderate growth in heavy traffic (up 1.3%).
The various motorways that make up Autostrade per l'Italia's network registered differing trends, with traffic on the A23 Udine-Tarvisio falling 4.5%, despite growth in heavy traffic, and traffic using the A27 Venice-Belluno up 2.5%, reflecting significant growth in the second half of the year, above all in the heavy component, following the opening to traffic of the section linking the motorway to the A28 at Conegliano.
The A14 Bologna-Taranto also recorded a decline (down 1%), following the opening of alternative routes, above all around Pescara and Foggia, which affected traffic on both the directly related sections of motorway and nearby sections.
Traffic using the Mestre Interchange continues to reflect the impact of the entry into service of the Mestre Bypass on 8 February 2009, with traffic down 13.6%.

There were increases in traffic using the motorway network managed by Raccordo Autostradale Valle d'Aosta (up 7.6%) and the Mont Blanc Tunnel (up 4.0%), where the recovery in heavy traffic was particularly significant, making up for the sharp decline in 2009.

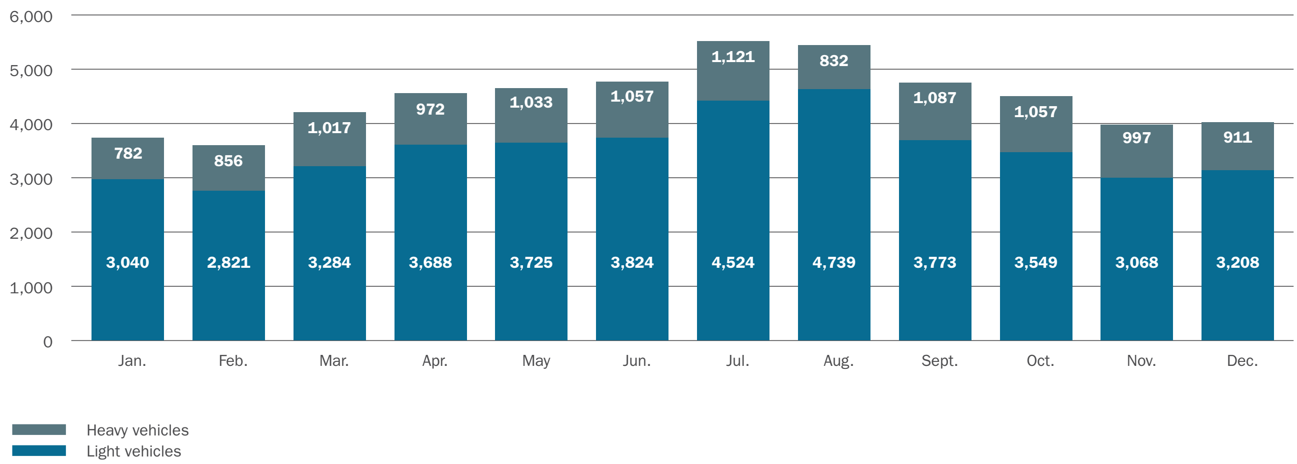
Traffic growth was also reported by Tangenziale di Napoli (up 0.7%), whilst the Group's remaining motorways recorded declines: Autostrada Torino-Savona (down 1,3%), Autostrade Meridionali (down 1.6%), Autostrada Tirrenica (down 1.7%) and Strada dei Parchi (down 1.5%). The falls in traffic reported by Autostrada Torino-Savona and Autostrada Tirrenica primarily reflect the performance of light traffic, which was affected by adverse weather conditions, above all in May. The reduction recorded by Strada dei Parchi reflects a slowdown in reconstruction work, undertaken following the earthquake of 6 April 2009. Work on rebuilding the motorway had resulted in particularly strong growth during the previous year.

Traffic on the network operated under concession in Italy in 2010

Motorway	Vehicles x km (millions)				ATVD (*) 2010
	Light vehicles	Heavy vehicles	Total vehicles	% increase/ (decrease) on 2009	
A1 Milan–Naples	14,076	4,491	18,567	0.41	63,310
A4 Milan–Brescia	2,937	872	3,809	2.41	111,597
A7 Serravalle–Genoa	512	126	638	1.09	34,945
A8/A9 Milan–Lakes	2,073	348	2,421	–0.36	85,338
A8/26 branch	433	74	507	–0.88	57,874
A10 Genoa–Savona	771	160	931	–0.19	56,090
A11 Florence–Coast	1,343	263	1,606	–1.72	53,855
A12 Genoa–Sestri	780	139	919	–0.80	51,704
A12 Rome–Civitavecchia	633	99	732	–1.03	30,673
A13 Bologna–Padua	1,555	537	2,092	2.07	45,023
A14 Bologna–Taranto	8,113	2,597	10,710	–0.99	37,549
A16 Naples–Canosa	1,235	275	1,510	–0.62	24,010
A23 Udine–Tarvisio	424	171	595	–4.53	16,101
A26 Genoa Voltri–Gravellona Toce	1,685	459	2,144	–0.48	23,990
A27 Venice–Belluno	560	106	666	2.49	22,199
A30 Caserta–Salerno	674	189	863	1.29	42,787
Mestre Interchange	32	10	42	–13.63	–
Total Autostrade per l'Italia	**37,836**	**10,916**	**48,752**	**0.05**	**46,790**
Turin–Savona	803	169	972	–1.35	20,341
Naples–Pompeii–Salerno	1,389	150	1,539	–1.61	81,738
Naples Ring Road	940	85	1,025	0.70	139,089
Mont Blanc Tunnel	8	3	11	3.99	5,097
Livorno–Rosignano	197	43	240	–1.68	17,928
Valle d'Aosta motorway link road	87	29	116	7.59	9,848
Strada dei Parchi	1,983	327	2,310	–1.54	22,995
Total Italian subsidiaries	**5,407**	**806**	**6,213**	**–1.00**	**30,801**
Total	**43,243**	**11,722**	**54,965**	**–0.07**	**44,197**

(*) ATVD = total km travelled/length of section/no. of days in year.

Monthly traffic trends on the network operated under concession in Italy in 2010 (millions of vehicles x km)



Overseas, in 2010 the Polish operator, Stalexport Autostrada Malopolska, recorded a 5.0% rise in traffic compared with 2009. The average daily volume of light traffic is up 3.3%, whilst the average number of heavy vehicles per day is up 10.9%.

The Chilean operator, Los Lagos saw a 2.2% increase in traffic using its network compared with 2009, reflecting growth in both light traffic (up 2.1%) and heavy vehicles (up 2.5%). However, traffic figures continued to be affected by damage to the network to the north of the section operated by Los Lagos (which instead escaped damage) as a result of the earthquake that hit Chile on 27 February 2010. Poor weather also led to a reduction in holiday traffic during the summer.

Traffic growth was even more significant on the networks operated by other Group companies (Costanera Norte and Vespucio Sur in Chile and Triangulo do Sol in Brazil).

Traffic on the network operated under concession overseas in 2010

	Traffic (millions of km travelled) 2009	2010	Delta	Traffic (thousands of transits) 2009	2010	Delta
Consolidated foreign operations						
Stalexport Autostrady Malopolska	636.8	668.4	5.0%	20,880	21,915	5.0%
Los Lagos	416.4	421.2	1.2%	10,894	11,130	2.2%
Foreign investee companies						
Autostrade Sud America						
– Vespucio Sur	536.3	590.6	10.1%	175,392	193,388	10.3%
– Costanera Norte	782.6	839.0	7.2%	176,509	188,158	6.6%
Triangulo do Sol	1,144.3	1,238.9	8.3%	16,695	18,041	8.1%
Total	**3,516.4**	**3,758.1**	**6.9%**	**400,370.0**	**432,692.0**	**8.1%**

Toll charges

The following annual tariff increases for 2010 were introduced by Autostrade per l'Italia and the Group's Italian motorway operators from 1 January 2010.

Toll increases effective 1 January 2010

Italian motorway operator	Toll charge increase
Autostrade per l'Italia	2.40%
Raccordo Autostradale Valle d'Aosta	0.94%
Autostrada Torino–Savona	1.47%
Società Autostrada Tirrenica	2.11%
Strada dei Parchi	4.78%
Tangenziale di Napoli	2.17%
Autostrade Meridionali	1.43%
Società Italiana Traforo del Monte Bianco	5.55%

Raccordo Autostradale Valle d'Aosta, Autostrada Torino-Savona, Società Autostrada Tirrenica, Tangenziale di Napoli, Autostrade Meridionali and Strada dei Parchi signed the new single concession arrangements provided for by Law Decree 262/2006 in 2009. Whilst awaiting the conclusion of the process that will see the

new arrangements come into effect, the above companies have been granted the tariff increases due under the respective concession arrangements in force, including, in the case of Strada dei Parchi, the tariff increases not approved for 2007, 2008 and 2009.
In accordance with bilateral agreements between Italy and France, and with the resolution approved by the Intergovernmental Committee for the Mont Blanc Tunnel on 20 November 2009, from 1 January 2010 Società Italiana Traforo del Monte Bianco has applied a total increase of 5.55%, resulting from the combination of two elements: i) 2.05% representing the average inflation rate in Italy (2.52%) and France (1.58%) for the period from 1 March 2008 to 31 August 2009; and ii) 3.50% based on the increase approved by the Intergovernmental Committee on 20 November 2009.

From 1 December 2009 the toll charges applied by Stalexport have been increased for both light vehicles, which saw a 23% rise, and heavy vehicles weighing below 12 tonnes, where the rise was 8%. The increases introduced by Stalexport are within the limits provided for in the concession arrangement. Moreover, from 1 July 2010 the shadow tolls paid by the Grantor to the Operator for heavy vehicles weighing more than 12 tonnes were increased by 5.4%.

Under the terms of its concession arrangement, the Chilean operator, Los Lagos, introduced a 3.4% reduction in tolls from 1 January 2010. This reflects the need to keep pace with deflation in the country of 2.3% (measured between 1 December 2008 and 30 November 2009) and the negative impact of the "safety factor", which was 5.0% in 2009 and 3.5% in 2010, partially offset by the rounding off of tariffs to the nearest 100 pesos (up 0.4%).

Capital expenditure

Autostrade per l'Italia and the Group's other motorway operators are in the process of implementing a programme of investments in major infrastructure projects worth over €13 billion. The purpose of these investments is to increase the capacity of the existing motorway network on the country's principal arteries, in order to improve road safety and service quality.

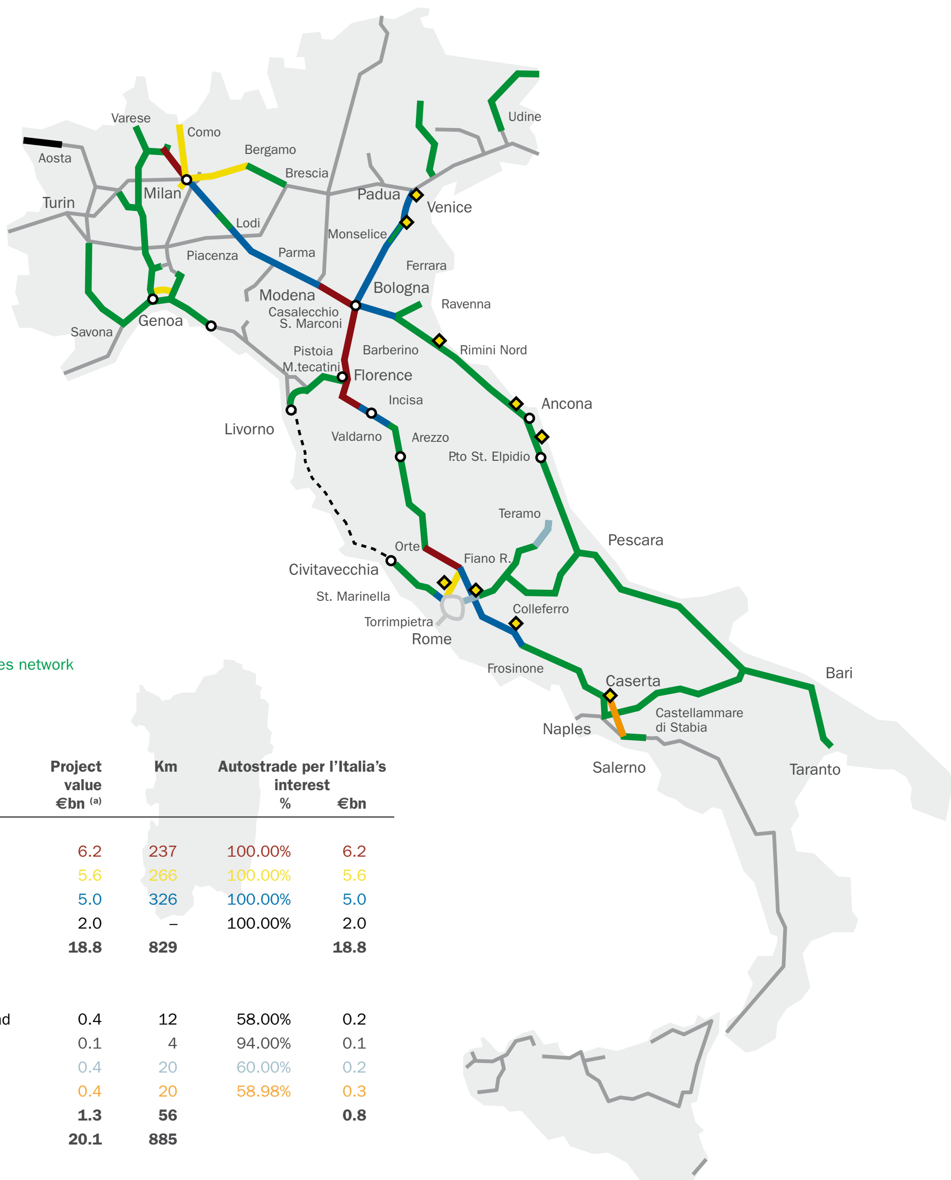
Autostrade per l'Italia's investment programme is divided into two parts. The first is included in the financial plan annexed to the 1997 Agreement with ANAS (Italy's Highways Agency) and the second is contained in the IV Addendum to the above Agreement signed in 2002.

The above programmes have been included in Autostrade per l'Italia's new Single Concession Arrangement, which was signed on 12 October 2007 and came into effect from 8 June 2008. The new Arrangement also envisages further investments totalling €7 billion, via:

a) extensions to projects already included in the Agreement of 1997, involving new specific network upgrades worth approximately €2 billion;
b) a commitment to develop preliminary designs for the upgrade of certain sections of motorway operated under concession, totalling around 330 km, at a cost of approximately €5 billion.

Works envisaged by the investment programmes of the Group's other motorway concessionaires, and included in their respective financial plans, have the same purpose as those made by Autostrade per l'Italia and involve the expansion of existing roads. The widening and modernisation of the Naples-Pompeii-Salerno motorway (SAM) and of the motorways between Rome and Abruzzo (Strada dei Parchi) are of particular significance. In addition, Autostrada Tirrenica's Single Concession Arrangement requires the latter to complete the remaining 200 km of the A12 Livorno-Civitavecchia, subject to approval of the final design and the related financial plan and definition of the terms for the return on investment.

Upgrades and modernisation of the network operated under concession in Italy



Autostrade per l'Italia and subsidiaries network
ANAS and Other concessionaires
Works under evaluation

	Project value €bn [a]	Km	Autostrade per l'Italia's interest %	€bn
Autostrade per l'Italia				
Agreement of 1997	6.2	237	100.00%	6.2
IV Addendum of 2002	5.6	266	100.00%	5.6
Single Agreement of 2007 [b]	5.0	326	100.00%	5.0
Other projects	2.0	–	100.00%	2.0
Total	**18.8**	**829**		**18.8**
Subsidiaries				
Construction of Valle d'Aosta link road	0.4	12	58.00%	0.2
A12 Rosignano M.–Civitavecchia [c]	0.1	4	94.00%	0.1
Widening of the A24	0.4	20	60.00%	0.2
Construction of third lane by SAM	0.4	20	58.98%	0.3
Total	**1.3**	**56**		**0.8**
Group total	**20.1**	**885**		

(a) Total cost of carrying out the works, as assessed at 31 December 2010, including the base bid price (net of bid or agreed reductions), available funds, recognised reserves and early completion bonuses.
The value of works under the Agreement of 1997 are net of an amount included in "Other investments".

(b) The Single Agreement signed by Autostrade per l'Italia on 12 October 2007 provides for the further upgrades of the network, totalling around 330 km, at a cost of approximately €5 billion, in addition to new specific projects worth approximately €2 billion.

(c) Amount relating to the first functional stage from Rosignano to San Pietro in Palazzi, where work began on 15 December 2009.

Investments in the network operated under concession by Autostrade per l'Italia and the Group's other Italian motorway operators amounted to €1,443.4 million in 2010, marking an increase of €255.1 million (21.5%) on 2009.

Capital expenditure by the Atlantia Group

(€m)	2010	2009	% increase/(decrease)
Autostrade per l'Italia – projects in Agreement of 1997	618.8	617.6	0.2%
Autostrade per l'Italia – projects in IV Addendum of 2002	365.3	190.1	92.2%
Investments in major works by other subsidiaries	115.7	72.4	59.8%
Other investments in the network and capitalised costs (staff, maintenance, other)	343.6	308.2	11.5%
Total investments in motorway assets	**1,443.4**	**1,188.3**	**21.5%**
Investments in other intangible assets	**24.4**	**24.5**	**–**
Investments in property, plant and equipment	**56.9**	**61.8**	**–7.9%**
Total capital expenditure by the Group	**1,524.7**	**1,274.6**	**19.6%**

Compared with previously published amounts, figures in the consolidated statement of financial position and income statement as at and for the year ended 31 December 2009 have been restated to take account of the impact of application of IFRIC 12. Details are provided in note 4 in the consolidated financial statements as at and for the year ended 31 December 2010.

Investments relating to Autostrade per l'Italia's Agreement of 1997 are substantially in line with the figure for 2009. This primarily reflects the completion of work on the Casalecchio-Sasso Marconi section (down €30.8 million), completion of excavation work for the Base Tunnel (down €36.9 million) and for the tunnels included in lot 12 (down €61.8 million) and completion of work on lot 17 of the Variante di Valico (down €4.8 million). These reductions were offset by an increase in work on the Florence North-Florence South section (up €62.5 million), where excavation of the Pozzolatico and Melarancio tunnels was completed and the platform of the A1/A11 link road was opened to traffic in time for the summer holiday season. There was an increase in work on lots 5-8 of the Variante di Valico (up €42.5 million), following the start-up of work on lot 6-7, and on lot 13, following settlement of the dispute with the contractor (up €26.4 million).
Investments envisaged under Autostrade per l'Italia's IV Addendum of 2002 are up €175.2 million on 2009, primarily due to increased work on the addition of a third lane for the A14 (lots 1A – 1B – 3), on the A9 between Lainate and Como and on the A1 between Fiano and Settebagni, due to the fact that the relevant contracts were awarded to Pavimental (up €190.7 million). Work has also started on lots 2, 4 and 6B of the A14 between Rimini North and Porto Sant'Elpidio, for which all the contracts have been awarded (up €23.6 million), whilst work was substantially completed on lot 6A (down €44.7 million), which led to the opening to traffic of 33 km of motorway between the Ancona South junction and the Chienti service area in time for

the summer holiday season, and the tender process for lot 5 was completed (down €4.7 million). Finally, work began on designing the Genoa Motorway Bypass (up €5.8 million) and renovation of the Adda and Brembo bridges was substantially completed (up €4.5 million).

The authorisation process for investment projects

Motorway investment projects are subject to a complex authorisation process involving various relevant ministries and entities, in addition to ANAS. The authorisations, primarily having regard to environmental and urban planning requirements, are dependent on numerous entities with decision-making powers. There are, however, significant difficulties in obtaining all necessary permits and the application processes are long and drawn out. The approval process may be summarised as follows:

a) agreement with the grantor (ANAS) regarding investment plans and the conditions for financing the works;
b) approval of each project by the relevant entities and institutions. Independently of the required procedure for each motorway upgrading project, it is necessary to perform an Environmental Impact Assessment (EIA) at national level (involving the Ministry of the Environment, the Ministry of Culture and regional authorities) and have the project approved by a Services Conference. During the above process, the various authorities often request changes to the original design, making it necessary to obtain new authorisations, including EIAs at regional level depending on the category of work to be carried out;
c) approval of the final and executive designs by ANAS;
d) award of the related contracts in accordance with the laws in force;
e) execution of the works subject to receipt of secondary authorisations from local authorities. At this stage, execution of the works and management of the sites is monitored by Environmental Watchdogs and Technical Oversight Committees, established to monitor compliance with requirements identified by the EIA, and subject to the supervision of ANAS.

In point of fact, despite the best efforts of Autostrade per l'Italia and its subsidiaries, there are significant hold-ups and delays in carrying out the various works, often due to factors, causes and situations that are totally beyond the control of operators. Progress in executing the works envisaged in the operators' financial plans is held up, at the approval stage, by the complexity of the various authorisation procedures involved and, during execution, by the policies and requests of local authorities, that often result in long delays and suspension of work, and sometimes even the need to start the entire authorisation process over again.
Even when projects have been given approval and agreement has been reached with local communities, further difficulties for construction companies that were awarded the contract for the works can even then be created

due to the selection criteria imposed on Autostrade per l'Italia by the Concession Arrangement, which, in accordance with current legislation, essentially require contracts subject to public tender to be awarded on a lowest cost basis. This requirement, which focuses exclusively on the cost of the work, often ignores the technical ability and quality of contractors.
Moreover, following enactment of Law 286/06, all motorway operators were required to award contracts for works solely to external contractors via public tender.
Only recently, with enactment of Law Decree 207 of 30 December 2008, converted with amendments into Law 14 of 27 February 2009, have new regulations been introduced for motorway operators, who are now permitted to award contracts to subsidiaries or associates, such as Pavimental, for a portion of the network upgrade works to be carried out.
This option had already enabled work to be successfully carried out, subject to specific prior authorisations from the Ministry of Infrastructure and ANAS, on extremely congested, highly industrialised and urbanised sections of the network ensuring that disruption was kept to a minimum for both traffic and customers.
During 2009 Autostrade per l'Italia and the Group's other Italian motorway operators awarded Pavimental contracts worth over €600 million, whilst contracts with a value of approximately €450 million were awarded to the subsidiary in 2010 and early 2011.
Despite the well-documented difficulties regarding administrative and executive authorisation, Autostrade per l'Italia has succeeded in progressively speeding up the pace of investment since 2008, with capital expenditure in 2010 being 2% higher than the figure for annual investment in the Single Arrangement of 2007 and thus reducing the shortfall with respect to the commitments given in the Arrangement, which was built up primarily in 2008.

Stage of completion of works being carried out by Autostrade per l'Italia and the Group's other Italian motorway operators

The following table shows all major works for the upgrade of the network operated under concession, based on the commitments given in the respective concession arrangements.

The estimated value of each project includes the overall cost (before any government grants) of the works, as assessed at the end of December 2010 and calculated on the basis of the stage of completion reached at this date, based on:

a) the value of the base bid price of the works, after actual or expected reductions;
b) available funds (for example, for hold-ups, design work, works supervision, etc.);
c) recognised reserves;

d) early completion bonuses;
e) expert appraisals of contract variations.

The resulting amounts are subject to change based on the effective future stage of completion of the works.

In spite of the Group's determination to push ahead with design work and organisation of the projects, the above complications and problems relating to approvals may well continue to delay completion of works, with the following implications:
a) the impossibility of making a reasonable estimate of the date of completion and entry into service of the various works, especially those where construction has yet to begin;
b) potential cost overruns due to disputes and eventual changes to designs.

Autostrade per l'Italia's Board of Directors has set up a body to be known as the "Committee responsible for the Completion of Projects", with the role of monitoring:
a) 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;
b) the process of awarding contracts for execution of the works;
c) the organisational and procedural aspects of execution of the works;
d) the state of contract reserves;
e) the state of the most important legal disputes.

The Committee met 10 times in 2010 in order to monitor the performance of infrastructure investment programmes and the state of progress of the works, the selection of contractors by tender, the organisational and procedural aspects of execution of the works, the state of contract reserves and the charges incurred in re-assessing contract terms and conditions.

Planned upgrades and modernisation of the network operated under concession

Project	Status as at 31.12.2010	Km covered by project (km)	Value of project [(a)] (€m)	Stage of completion as at 31.12.2010 [(b)] (€m)	Km opened to traffic as at 31.12.2010 (km)
Autostrade per l'Italia: Agreement of 1997					
A8 3rd and 4th lanes Milan–Gallarate	Completed	28.7	65	65	28.7
A1 4th lane Modena–Bologna	Completed [(1)]	31.6	178	142	31.6
A14 3rd lane Bologna Ring Road	Completed	13.7	59 [(2)]	59	13.7
A1 3rd lane Casalecchio–Sasso Marconi	Completed	4.1	79	81	4.1
A1 Variante di Valico	Work in progress/completed [(3)]	62.5	3,607	2,542	19.4
A1 3rd lane Barberino–Incisa	[(4)]	58.5	2,025	659	8.4
A1 3rd lane Orte–Rome North	Completed	37.8	191	190	37.8
Other projects	Work in progress/completed [(5)]	–	28	15	n.a.
Total projects under Agreement of 1997		**236.9**	**6,233**	**3,753**	**143.7**
Projects included in IV Addendum of 2002 [(c)]					
A9 3rd lane Lainate–Como Grandate	Work in progress	23.2	426	89	–
A8 Access for New Milan Exhibition Centre	Completed	3.8	85	86	3.8
A4 4th lane Milan East–Bergamo	Completed	33.6	513	497	33.6
A7/A10/A12 Genoa Bypass [(d)]	Final design in progress	34.8	1,800	18	–
A14 3rd lane Rimini North–Porto Sant'Elpidio	Work in progress/completed [(6)]	154.7	2,401	424	33.0
A1 3rd lane Fiano R.–Settebagni and Castelnuovo di Porto junction	Work in progress	15.9	146	72	–
Other projects	[(7)]	–	248	145	n.a.
Total projects under IV Addendum of 2002		**266.0**	**5,619**	**1,331**	**70.4**
Subsidiaries					
A5 RAV AO–Mont Blanc Tunnel (A5) Morgex–Entrèves	Completed	12.4	430	413	12.4
A12 Società Autostrada Tirrenica: Livorno–Civitavecchia [(e)]	Work in progress	4.0	45	11	–
A24/A25 Strada dei Parchi RM–AQ–TE and Torano–Pescara	Tender process in progress/ completed	19.9	384	140	5.7
A3 Autostrade Meridionall NA–Pompeii–SA (A3) Naples–Pompeii [(f)]	Work in progress/completed	20.0	448	399	15.0
Total projects of subsidiaries		**56.3**	**1,307**	**963**	**33.1**
Total investments in major works		**559.2**	**13,158**	**6,047**	**247.2**

(a) Total cost of carrying out the works, as assessed at 31 December 2010, including the base bid price (net of bid or agreed reductions), available funds, recognised reserves and early completion bonuses.
The value of works under the Agreement of 1997 are net of an amount included in "Other investments".
(b) Excludes capitalised costs (financial expenses and personnel expense).
(c) Final approval given in 2004.
(d) A Memorandum of Understanding, giving the go–ahead for the start–up of work, was signed by all the local authorities on 8 February 2010, with the sole exception of the Liguria Regional Authority. An initial estimate, included in the preliminary design, indicates that the total cost of constructing the Genoa Interchange will be €3.1 billion.
(e) Amount relating to the first functional stage from Rosignano to San Pietro in Palazzi, where work began on 15 December 2009.
The Single Concession Arrangement was signed by Società Autostrada Tirrenica e ANAS on 11 March 2009. This requires the subsidiary to complete the remaining 200 km of the A12 Livorno–Civitavecchia, subejct to approval of the final design and the related financial plan and definition of the terms for the return on investment.
(f) Planned widening on SAM's network regards 24.5 km, including 4.5 km already open to traffic over duration of Agreement of 1972–1992.
(1) Includes construction of the Modena Ring Road, which forms part of the works requested by local authorities and is awaiting approval from the Services Conference.
(2) Total investments of €247 million, of which €59 million in the Major Works Plan of 1997 and €188 million in "Other investments".
(3) 19.4 km is open to traffic between Sasso Marconi and La Quercia; work is in progress on the remaining section of motorway.
(4) The final design for the Barberino–Florence North section is under approval by ANAS; section A between Florence North and Florence South is open to traffic; work is in progress on sections B and C between Florence North and Florence South; the Florence South–Incisa section is awaiting approval from the Services Conference.
(5) Work on widening the bridge over the Volturno, the Rio Tufano viaduct and the Marano viaduct has been completed. Construction of the Lodi junction and re–routing of the Lodi Vecchio section has been completed (TAV Agreement).
(6) The final design for lot 1B is under approval by ANAS; work is in progress on lots 1B, 3 and 6A; the tender process is in progress for lots 2, 4, 5 and 6B.
(7) Tunnel Safety Plan in progress; Villa Marzana and Ferentino junctions completed; work on Guidonia junction in progress; tender process for Rubicone junction in progress; changes to final design for Padua Industrial Park junction in progress prior to submission to Services Conference; final design for Maddaloni junction under approval by ANAS.

Investments in major works by Autostrade per l'Italia - 1997 Agreement

Of the works included in Autostrade per l'Italia SpA's Agreement of 1997, as at 31 December 2010 approximately 93% of the works have been authorised, over 77% have been contracted out, and approximately 60% of the works have been completed.

Autostrade per l'Italia: Agreement of 1997

		Km covered by project (km)	Value of project (a) (€m)	Km open to traffic (km)	Stage of completion as at 31.12.2010 (b) (€m)	Status as at 31.12.2010
A1	**3rd lane Casalecchio–Sasso Marconi**	**4.1**	**79**	**4.1**	**81**	Completed
A1	**Variante di Valico**	**62.5**	**3,607**	**19.4**	**2,542**	
	Sasso Marconi–La Quercia	19.4	571	19.4		Completed
	La Quercia–Badia Nuova (lots: 5A, 5B, 6–7, 8) (4)	21.3	1,098			Work in progress (1)
	Badia Nuova–Barberino (lots: Base Tunnel, 12 and Barberino junction, 13)	21.8	1,638			Work in progress
	Landscaping		300			Work in progress
A1	**3rd lane Barberino–Incisa**	**58.5**	**2,025**	**8.4**	**659**	
	Barberino–Florence North	17.5	914			Final design under approval by ANAS (2)
	Florence North–Florence South	21.9	797	8.4		Work in progress/completed (3)
	Florence South–Incisa	19.1	284			Services Conference in progress
	Access roads		30			
A14	**3rd lane Bologna Ring Road**	**13.7**	**59**	**13.7**	**59**	Completed
A1	**4th lane Modena–Bologna**	**31.6**	**178**	**31.6**	**142**	Completed (5)
A1	**3rd lane Orte–Rome North**	**37.8**	**191**	**37.8**	**190**	Completed
A8	**3rd and 4th lanes Milan–Gallarate**	**28.7**	**65**	**28.7**	**65**	Completed
Other projects		**–**	**28**	**n.a.**	**15**	Completed (6)
Total projects under Agreement of 1997		**236.9**	**6,232**	**143.7**	**3,753**	

(a) Total cost of carrying out the works, as assessed at 31 December 2010, including the base bid price (net of bid or agreed reductions), available funds, recognised reserves and early completion bonuses.
The value of works under the Agreement of 1997 are net of an amount included in "Other investments".
(b) Excludes capitalised costs.
(1) Also includes lot 8; the final design for the project, which is not essential for opening of the Variante di Valico to traffic, is under approval by ANAS.
(2) The final design for completion work is under approval by ANAS and the tender process for lot 0 is in progress (site preparation, services and pre–construction works).
(3) Lots: 0–2–3 (Section A) and lot 1 are open to traffic: work is in progress on lots 4–5–6 (Section B) and 7–8 (Section C).
(4) Total investments of €247 million, of which €59 million in the Major Works Plan of 1997 and €188 million in "Other investments".
(5) Except for construction of the Modena Ring Road, which forms part of the works requested by local authorities and is under approval by the Services Conference.
(6) Work on widening the bridge over the Volturno, the Rio Tufano viaduct and the Marano viaduct has been completed. Construction of the Lodi junction and re–routing of the Lodi Vecchio section has been completed (TAV Agreement).

The 1997 Agreement originally envisaged expenditure of €3,556 million for the above works.
The updated Financial Plan of 2002, which was included in the IV Addendum, entailed revisions to construction schedules and total costs from €3,556 million to €4,500 million as a result of accumulated delays in obtaining approvals. It was, moreover, ruled that the delays were not the fault of Autostrade per l'Italia, the financial benefits of which arising from the delays in executing the works were, in any case, less than the increase in costs to be borne by the Company.
The increase in the costs above the levels originally set out in the Financial Plan annexed to the Agreement of 1997, are primarily the result of the above delays that led to price increases and changes to subsequently issued regulations. Cost increases were also caused by works requested by local authorities involved in the approval and authorisation process. It is not envisaged that past and future cost overruns incurred by Autostrade per l'Italia will be made up by rises in toll charges.

When, moreover, construction schedules were revised and agreed during the drafting of the IV Addendum in mid-2002, the authorisation process for many sections had not yet been completed (for Casalecchio-Sasso Marconi, lots 5, 6, 7, 8, 13 and 14 of the Variante di Valico, Barberino-Florence North, lots 4, 5 and 6 of the Florence North-Florence South section, Florence South-Incisa and the Bologna Ring Road) and it was not possible to estimate when this might occur.

From 2002 to date, all the authorisation procedures have been completed for the upgrade of the A1 between Bologna and Florence and for the other network upgrades, even though much later than predicted in 2002, with the exception of the Florence South-Incisa section, for which the Services Conference has yet to be concluded.
The delays in obtaining approvals between 2002 and 2010 have resulted in a reduction in investment compared with the estimates contained in the plan drawn up in 2002. As at 31 December 2010 these delays are estimated to amount to approximately €741 million. The accrued financial benefits deriving from the delays, calculated year by year, amount to an after tax figure of approximately €401 million, including €352 million that Autostrade per l'Italia has taken to an undistributable equity reserve, as required by the terms and conditions of the Single Concession Arrangement. The residual €49 million will be the subject of a proposal to be submitted to shareholders at the next Annual General Meeting, when they will be asked to approve an increase of the same amount in the above undistributable equity reserve.

At the end of 2010 the final cost of the works (based on contracts in progress and final and executive designs awaiting authorisation) amounts to €6.2 billion. Of this, works with a value of approximately €3.8 billion have been carried out, a figure that is higher than the original estimate.

Moreover, execution of the works envisaged in the Agreement of 1997 is proving more complex than expected at the design stage, above all with regard to the Variante di Valico and the Florence North-Florence South section. The reason for this is the local geology which, given the width of the sections to be excavated for the tunnels, has resulted in longer construction times and higher costs. This reflects the need to guarantee site safety and comply with new environmental protection legislation (in particular regarding management of the excavated earth and rocks).

Based on the above, it is now estimated that the final cost of the works envisaged in the Agreement of 1997 will reach €6.5 billion, with the section of motorway covered by the Variante di Valico project scheduled to open to traffic at the end of 2013.
Compared with the initial estimate of €3.5 billion, on the basis of which the Company was privatised, the additional expense to be borne by the operator amounts to €3.0 billion.

The stage of completion of the main sections on which work is being carried out is as follows:

- **Variante di Valico**
  Work is continuing. This section of motorway is scheduled to open to traffic in 2013, partly thanks to the use of a mechanised EPB (Earth Pressure Balance) tunnelling machine for the Sparvo tunnel (2.5 km), enabling full mechanisation of both the excavation and tunnel cladding process. This involves stabilisation of the tunnel face by keeping the excavated spoil under pressure, thereby significantly speeding up finalising time.

  Excavation of the Base Tunnel, which has two separate carriageways approximately 8.6 km in length, was completed on 21 December 2010. This tunnel, linking the regions of Emilia Romagna and Tuscany, is emblematic of the Variante di Valico section of the A1 motorway from Milan to Naples.

- **Florence North-Florence South**
  Work on sections B and C is continuing. Excavation of the Melarancio tunnel (1.1 km) was completed on 22 June. Lot 1 of the third lane of the Florence North-Florence South section was opened to traffic on 28 July 2010. This was followed by certain upgrade work and the laying of draining pavement.
  Work on the Pozzolatico tunnel (2.4 km) was completed on 10 December, enabling the southbound carriageway of the section between Florence Scandicci and Florence South, totalling over 13 km, to be opened to traffic in time for peak-time traffic during the summer of 2011, thus relieving congestion on one of the busiest stretches of the A1.

- **Barberino-Florence North**
  On 27 April 2010 ANAS approved the final design for lot 0, including site preparation, service roads and certain pre-construction works. On 10 June 2010 Autostrade per l'Italia submitted the executive design to ANAS, which notified its approval on 17 December 2010 and 26 January 2011. The related contracts have been awarded to the subsidiary, Pavimental. Approval by ANAS of the final design for the completion works is still pending.
  In the meantime, Autostrade per l'Italia has opted to use an EPB (Earth Pressure Balance) tunnelling machine to build a single tunnel in place of nine tunnels originally to be excavated using the traditional method. This will significantly cut construction time, provide enhanced safety guarantees for workers, reduce the environmental impact and result in cost savings.
  Following a plenary meeting of the EIA Commission, held at the Ministry of the Environment on 3 December 2010, on 18 January 2011 Autostrade per l'Italia received the final opinion, containing a number of requirements. This opinion excludes the Environmental Impact Assessment procedure for the Santa Lucia Tunnel. Autostrade per l'Italia is carefully assessing whether or not the requirements are compatible with construction of the tunnel using mechanised excavation.

- **Florence South-Incisa**
  On 1 February 2010 Autostrade per l'Italia submitted the updated final design, taking account of the requirements agreed on during the first session of the Services Conference held on 5 November 2009 to all the entities involved.
  On 7 April 2010 the Ministry of Infrastructure and Transport called a new session of the Services Conference for 13 May 2010. This was then adjourned until 21 June 2010 in response to requests from the mayors of Bagno a Ripoli, Rignano and Incisa, who wished to have more time to assess aspects linked to the routing of the road through urban areas. On this date it was decided to delay closure of the process in order to complete further examination of the design. In view of the difficulties involved in starting work, Autostrade per l'Italia is looking at alternative solutions to present to the Regional Authority and the interested municipalities.

Investments in major works by Autostrade per l'Italia - IV Addendum 2002

Investments envisaged by the IV Addendum are designed to upgrade the network close to a number of major conurbations (Milan, Genoa, and Rome) and along the Adriatic coast. The authorisation process for works covered by the IV Addendum, signed by Autostrade per l'Italia in December 2002, was completed and become effective in June 2004, following a letter from ANAS announcing that the interministerial decree approving the Addendum had been registered with the Italian Court of Auditors. Work on the designs relating to the investment programme envisaged by the IV Addendum could thus only start from this date, after a delay of 21 months with respect to the original programme.

As at 31 December 2010 around 66% of the works have been authorised, over 65% have been contracted out and more than 23% have been completed.
The investments included in the IV Addendum are associated with specific toll increases linked to validation of the individual works based on the stage of completion.

Projects included in IV Addendum of 2002 (*)

		Km covered by project (km)	Value of project (a) (€m)	Km open to traffic (km)	Stage of completion as at 31.12.2010 (b) (€m)	Status as at 31.12.2010
A1	**3rd lane Fiano R.–Settebagni and Castelnuovo di Porto junction**	**15.9**	**146**	–	**72**	Work in progress
A4	**4th lane Milan East–Bergamo**	**33.6**	**513**	**33.6**	**497**	Completed
A9	**3rd lane Lainate–Como Grandate**	**23.2**	**426**	–	**89**	Work in progress
A14	**3rd lane Rimini North–Porto S. Elpidio**	**154.7**	**2,401**	**33.0**	**424**	
	Rimini North–Cattolica – lot 1A	1.2	81			Work in progress
	Rimini North–Cattolica – lot 1B	27.8	420			Work in progress
	Cattolica–Fano – lot 2	28.3	525			Work in progress
	Fano–Senigallia – lot 3	21.0	353			Work in progress
	Senigallia–Ancona North and Marina di Monte Marciano junction – lot 4	18.9	373			Work in progress
	Ancona North–Ancona South – lot 5	17.2	350			Executive design in progress for integrated tender
	Ancona South–Porto Sant'Elpidio – lot 6A	37.0	145	33.0		Completed
	Ancona South–Porto Sant'Elpidio and Porto Sant'Elpidio junction – lot 6B	3.3	148			Work in progress
	Porto Sant'Elpidio–Pedaso – lots 7A–7B		6			Project no longer envisaged in the Single Concession Arrangement of 2007 (16.6 km)
A8	**Access for New Milan Exhibition Centre**	**3.8**	**85**	**3.8**	**86**	Completed
A7/A10 Genoa Bypass (c)		**34.8**	**1,800**	–	**18**	Final design in progress
Other projects		–	**248**	**n.a.**	**145**	(1)
Total projects under IV Addendum of 2002		**266.0**	**5,619**	**70.4**	**1,331**	

(*) Final approval given in 2004.
(a) Total cost of carrying out the works, as assessed at 31 December 2010, including the base bid price (net of bid or agreed reductions), available funds, recognised reserves and early completion bonuses.
(b) Excludes capitalised costs (financial expenses and personnel expense).
(c) A Memorandum of Understanding, giving the go–ahead for the start–up of work, was signed by all the local authorities on 8 February 2010, with the sole exception of the Liguria Regional Authority. An initial estimate, included in the preliminary design, indicates that the total cost of constructing the Genoa Interchange will be €3.1 billion.
(1) Tunnel Safety Plan in progress; Villa Marzana and Ferentino junctions completed; work on Guidonia junction in progress; tender process for Rubicone junction in progress; changes to final design for Padua Industrial Park junction in progress prior to submission to Services Conference; final design for Maddaloni junction under approval by ANAS.

The stage of completion of the main sections on which work is being carried out is as follows:

- **A9 Lainate-Como**
  In the first six months of 2010 the process of handing over all the sites to the subsidiary, Pavimental, was completed, despite the numerous problems encountered with operators of the various networks that interfere with the motorway (above all water and gas supply networks) and a number of appeals brought before the Regional Administrative Court by expropriated parties. Certain problems regarding interference issues have so far yet to be resolved.
  Thanks to award of the contract to the subsidiary, Pavimental, the Group expects to complete the works around 6 months ahead of schedule.

- **A14 Rimini North-Porto Sant'Elpidio**
  Work on the 37-km section of lot 6A between Ancona South and Porto Sant'Elpidio, which began in March 2007, is nearing completion. The 33-km stretch between the Ancona South junction and the Chienti service area was opened to traffic on 30 July 2010, in readiness for the summer holiday season. Widening work is currently underway on the remaining section, with the exception of the 17.2 km between Ancona North and Ancona South (lot 5), for which the contract was only awarded on 1 October 2010. The contractor began work on the executive design on 26 November 2010.
  Autostrade per l'Italia has agreed with Pavimental that lots 1A and 3 will open to traffic in November 2012 and July 2011, around 6 months ahead of the contractually agreed completion date. Similarly, lot 1B is also expected to open to traffic approximately 6 months ahead of the contractually agreed completion date.

- **Fiano-Settebagni di Roma and the Castelnuovo di Porto junction**
  Work is proceeding after the handover of the site to the subsidiary, Pavimental, on 30 April 2009. The Castelnuovo di Porto junction was opened to traffic on 27 July 2010.
  Autostrade per l'Italia has agreed with Pavimental that the section of motorway will open to traffic in July 2011, around 9 months ahead of the contractually agreed completion date.

- **Genoa Bypass**
  Following conclusion of the public consultation process on 8 February 2010, and after receiving approval from the various entities involved, the Ministry of Infrastructure and Transport, Genoa Provincial Authority, the Municipality of Genoa, the Genoa Port Authority, ANAS and Autostrade per l'Italia signed the new memorandum of understanding, which sets out the new solution agreed upon and identifies the next steps to be taken in order to proceed with work on the project.

Autostrade per l'Italia is currently preparing the final design to be submitted to ANAS for its technical assessment and to the national Services Conference.
An initial estimate contained in the preliminary design indicates that the total cost of constructing the Genoa Interchange will be €3.1 billion. This figure will be confirmed in the final and executive designs.

- **Tunnel Safety Plan**
  Work on tunnel upgrades proceeded in 2010.
  As at 31 December 2010 the upgrade of 312 tunnels has been completed, whilst work on a further 236 is underway; two upgrades have been included in widening projects.

Planned investments in major works by the Group's other motorway operators

With regard to investments in new works by Autostrade per l'Italia's subsidiaries (Raccordo Autostradale Valle d'Aosta, Strada dei Parchi, Autostrade Meridionali and Società Autostrada Tirrenica), as at 31 December 2010 100% of the works have been authorised, over 80% of the works are being carried out or the related contracts are being awarded, and 77% have been completed.

The Group's other Italian motorway operators

	Km covered by project (km)	Value of project [(a)] (€m)	Km open to traffic (km)	Stage of completion as at 31.12.2010 [(b)] (€m)	Status as at 31.12.2010
A5 RAV AO–Mont Blanc Tunnel (A5) Morgex–Entrèves	12.4	430	12.4	413	Works completed
A24/A25 Strada dei Parchi RM–AQ–TE and Torano–Pescara	19.9	384	5.7	140	Works subcontracted/completed
A3 Autostrade Meridionall NA–Pompeii–SA (A3) Naples–Pompeii [(c)]	20.0	448	15.0	399	Works in progress/completed
A12 Società Autostrada Tirrenica: Livorno–Civitavecchia [(d)]	4.0	45	–	11	Works in progress
Total subsidiaries capital expenditures	56.3	1,307	33.1	963	

(a) Total cost of carrying out the works, as assessed at 31 December 2010, including the base bid price (net of bid or agreed reductions), available funds, recognised reserves and early completion bonuses.
(b) Excludes capitalised costs (financial expenses and personnel expense).
(c) Planned widening on SAM's network regards 24.5 km, including 4.5 km already open to traffic over duration of Agreement of 1972–1992.
(d) Amount relating to the first functional stage from Rosignano to San Pietro in Palazzi, where work began on 15 December 2009.
The Single Concession Arrangement was signed by Società Autostrada Tirrenica and ANAS on 11 March 2009. This requires the subsidiary to complete the remaining 200 km of the A12 Livorno–Civitavecchia, subject to approval of the final design and the related financial plan and definition of the terms for the return on investment.

On 21 March 2010 Autostrade Meridionali opened 1.3 km of the third lane close to the Torre Annunziata and Torre del Greco junctions to traffic, in addition to the 1.6 km section included in lots 5-17.
As at 31 December 2010 a total of 15 km of new third lane has been opened to traffic on the A3 Naples-Salerno.

On 29 March 2010 Strada dei Parchi submitted the Executive Design for the upgrade of the section between Lunghezza (Rome East) and Via Palmiro Togliatti to ANAS for approval, which was granted on 19 January 2011.

Società Autostrada Tirrenica holds the concession for the Livorno-Civitavecchia motorway, of which 37 km is in operation between Livorno and Cecina.
Work on the 4-km section between Rosignano and San Pietro in Palazzi is proceeding after the handover to Pavimental on 15 December 2009.
Work on the final design for the section from San Pietro in Palazzi to Tarquinia (187 km) was started and this section is scheduled for completion in early 2011. The final design for the section of motorway of approximately 15 km between the junction for the Port of Civitavecchia and Tarquinia is in the process of being approved.

Contract reserves quantified by contractors

As at 31 December 2010 operators have recognised contract reserves quantified by contractors amounting to €610 million, including €200 million regarding works envisaged in Autostrade per l'Italia's Agreement of 1997, the additional cost of which cannot be recovered via toll charges.

New motorway initiatives by investee companies

Autostrade per l'Italia is participating in a number of projects relating to expansion of the Italian motorway network.

Società Infrastrutture Toscane SpA (formerly A.T.I. Prato-Signa 46.0% owned by Autostrade per l'Italia and 0.6% owned by Spea)
Società Infrastrutture Toscane is the project company, established on 28 June 2006, that took over the regional concession to carry out the construction and management of the 10-km toll motorway link between Prato and Signa, under a project financing initiative, from the previous temporary consortium.

On 17 July 2006 Società Infrastrutture Toscane signed a Concession Arrangement with the Tuscany Regional Authority.
The Final Design and the Environmental Impact Assessment were completed and forwarded to the authorities for their opinions as required by law. The approval process that started on 10 October 2007 is in progress.

Tangenziali Esterne di Milano SpA (Autostrade per l'Italia's interest: 32%)
On 27 March 2009 the project company, Tangenziale Esterna SpA (TE SpA), and Concessioni Autostradali Lombarde SpA (CAL) signed a draft agreement covering the design, construction and operation of Milan's new outer ring road, planned to be a total of approximately 33 km in length. TE SpA is 57% owned by Tangenziali Esterne di Milano SpA, in which Autostrade per l'Italia holds a 32% interest.
The Interministerial Decree approving the Single Concession Arrangement, signed by the Minister of the Economy and Finance and the Minister of Infrastructure and Transport, was issued on 8 October 2010. The approved arrangement has been added to and amended to reflect the requirements expressed by NARS (the consultative committee that advises the government on service regulation), the CIPE (the Interministerial Economic Planning Committee), the Ministry of the Economy and Finance and the relevant parliamentary committees.
The Interministerial Decree was registered with the Italian Court of Auditors on 22 November 2010. This has rendered the Arrangement effective and marks the start of the period covered by the timetable included in the arrangement for submitting the Final Design to CAL.

The final design was submitted to CAL on 20 December 2010 with an undertaking to subsequently present the related cost estimates as soon as they were finalised, in agreement with the Grantor and all the various local government bodies and institutions involved, and a breakdown of the related works provided for in the Planning Agreement.

In response to a reduction in the overall investment in order to improve its financial sustainability, the company has initiated a series of meetings with local government institutions, the Lombardy Regional Authority and Milan Provincial Authority. In the meantime, on 23 December 2010 CAL announced its approval of the plans contained in the Final Design submitted by the company, subject to a number of requirements regarding cost limits and a reduction of the time needed to complete construction of the Arco TEM (the section of the Outer Ring Road where the Brebemi motorway is to join).

On 7 February 2011 the company published the final design marking the start of the process leading to the declaration of public utility and application for a certificate of environmental compatibility, with the subsequent opening of the Services Conference in accordance with the law.

Tangenziali Esterne di Milano SpA has raised further capital partly in order to subscribe new shares to be issued by the investee company, TE SpA, or in any event to provide the project company with financing for the activities related to the final design and the start-up of construction.

Service areas

There are currently 258 service areas (246 excluding Strada dei Parchi) along the motorway network operated by Autostrada per l'Italia and the Group's other operators (including Stalexport Autostrada Malopolska), 216 of which are on motorways operated by Autostrade per l'Italia.
The planned upgrade of service areas on Autostrade per l'Italia's network, involving both Autostrade per l'Italia and its sub-operators, continues. At the end of 2010 approximately 95% of the works included in the €800 million upgrade programme, covering works to be carried out at service areas by both Autostrade per l'Italia and sub-operators, had either been started or completed. Work on 188 service areas has already been completed, whilst expansion and renovation work is being carried out by Autostrade per l'Italia at a further 11 service areas.

All the new fuel and food service concessions came into effect in early 2010, following expiry of the previous ones in 2009 and award of the new concessions at the end of a competitive tender process, conducted by an independent external adviser in 2009. Among other features, the new contracts include price commitments on both a range of food products and the main fuels sold on a self-service basis.

Royalties received from sub-operators on the network managed by Autostrade per l'Italia and the Group's other motorway operators totalled €257.2 million in 2010, marking growth of approximately 6.0% in recurring royalties compared with 2009. Excluding Strada dei Parchi, the company in the process of being sold, royalties total €251.9 million, representing an increase of 6.1% on 2009.
As a result of the renewal of contracts expiring at the end of 2009, and of the early termination of a number of other contracts, during 2010 buildings erected by sub-operators on Autostrade per l'Italia's land became the property of the company, which has original title as a result of the contractual obligation for sub-operators to hand over these assets.
The overall value of the properties acquired (as appraised by an independent expert) is €8.6 million.

In 2010 the subsidiary, AD Moving SpA, earned revenue of approximately €15.7 million (down €0.4 million on 2009) from the management and marketing of advertising space along the motorway network (temporary and permanent billboards, the "Infomoving" TV channel and advertising space at service areas, and road travel information along the motorways) and at other locations (ports and airports).

Operating performance of other main subsidiaries

Pavimental

The company, which has traditionally operated as a motorway maintenance provider, also carries out road surfacing for Autostrade per l'Italia and for other operators. Since 2004 it has been engaged in carrying out a number of major infrastructure works for Autostrade per l'Italia.
Revenue for 2010 (€467.1 million) is up €192.6 million (70.2%) on 2009, due to the increased volume of construction work carried out for Autostrade per l'Italia (up €177.3 million) and Società Autostrada Tirrenica (up €9.1 million), in addition to other contracts awarded by Autostrade per l'Italia and by other customers, partially offset by a reduction in maintenance carried out for Group companies.
EBITDA of €15.0 million for 2010 is up 76.5% on 2009, whilst the EBITDA margin (3.2%) is substantially in line with the previous year.
Capital expenditure is up 28.7% in 2010 (relating above all to plant and equipment for infrastructure projects).

Spea Ingegneria Europea

The company supplies engineering services, primarily to the Group. It offers design, project management and monitoring services for upgrade and extraordinary maintenance of the network.
Revenue of €149.9 million for 2010 is up 42.7% (€44.9 million) on 2009, primarily due to an increase design work for infrastructure projects. This includes the final design for the Genoa Interchange for Autostrade per l'Italia and completion of the A12 Livorno-Civitavecchia for Società Autostrada Tirrenica. 97% of the company's revenue was earned on services provided to the Group.
EBITDA for 2010 amounts to €50.2 million, up €18.3 million due to the increase in revenue (up €44.9 million), partially offset by a rise in personnel expense (up €7.7 million, reflecting an increase in the average unit cost and an increase of 91 in the average workforce) and greater use of external consultants (up €17.8 million).

Telepass

The company, which commenced operations on 7 October 2008, is responsible for operating motorway toll collection systems providing an alternative to cash payments: the Viacard direct debit card and the Telepass and Telepass Family devices.
In 2010 the number of Telepass devices in circulation reached a total of 7.5 million (up 447,200 on 2009), with the number of subscribers of the Premium option totalling 1.2 million (up 256,200 on 2009). Revenue

of €124.5 million for 2010 was primarily generated by Viacard subscription fees of €21.8 million (in line with the previous year), Telepass fees of €84.0 million (up €5.8 million on 2009) and payments for Telepass Premium services of €8.8 million (up €2.3 million on 2009).
The company's EBITDA of €65.2 million results in an EBITDA margin of 52.4%.

Autostrade Portugal

Autostrade Portugal SA (formerly Somague Itinere SA, a wholly owned subsidiary of the Group acquired in June 2009 as part of the acquisition of a number of investments in Chilean and Brazilian operators from the Itinere group) completed the following sales in 2010:

- a 25% stake in Autoestradas do Oeste SA for a total consideration of €26.1 million, including transferred financial assets;
- a 12% stake in Vialitoral - Concessoes Rodoviarias da Madeira SA for a total consideration of €7.5 million;
- a 19% stake in SMLN - Concessões Rodoviárias de Portugal for a total consideration of €8.7 million, including transferred financial assets.

Autostrade Portugal currently owns 17.21% of Lusoponte - Concessionaria para a Travessia do Tejo SA, the company that operates two toll bridges that cross the river Tagus in Lisbon; moreover, the company holds indirectly, by the subsidiary Autostrade Brasil, the 50% of Triangulo do Sol equity. Triangulo do Sol holds concession of the 442 km toll motorway in the State of São Paulo in Brazil, with expiration date on 2021.

Autostrade International of Virginia O&M

On 26 April 2010 Toll Road Investors Partnership II (TRIP II), which operates the Dulles Greenway toll motorway in Virginia under concession, informed Autostrade International of Virginia O&M (AIV) that it had terminated the "Operations & Maintenance" contract with effect from 30 April 2010.
In response, AIV has filed legal action that is still in its initial stages. The action aims to have termination of the contract declared unlawful and obtain the related damages.

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 toll collection systems.

Via its subsidiary, Autostrade International US Holdings, Autostrade per l'Italia holds a 45% stake in the company, which, as a result of a call option on a further 16% of the company's shares, is thus accounted for as a subsidiary under the relevant accounting standards and consolidated in the Group's accounts.
ETC generated revenue of €36.9 million in 2010, marking an increase of 14.2% (up 8.6% after adjusting for exchange rate movements) compared with 2009 (€32.3 million). Gross operating profit (EBITDA) is €2.4 million, compared with the €1.2 million of 2009.
On 26 March 2010 ETC was selected by Georgia State Road and Tollway Authority (SRTA) to implement and maintain a traffic congestion management system using "High Occupancy Toll (HOT) lanes" on a section of interstate highway 85. The total value of the contract is approximately US$17 million.

TowerCo

TowerCo is responsible for the construction and management of fully equipped sites located around the motorway network managed under concession by the Group and on land owned by other parties (ANAS, municipal authorities and other motorway operators). These sites host antennae and equipment used by commercial operators (mobile communications companies and TV and radio broadcasters) and public services (police, Isoradio or traffic monitoring systems).
At the end of December 2010, a total of 272 sites have been built (with 72 providing GSM/UMTS coverage in motorway tunnels), 5 sites are under construction, and a further 26 sites are being designed or are at the authorisation stage.
The company reports revenue of €18.7 million for 2010 (€17.9 million in 2009), with gross operating profit (EBITDA) of €11.1 million, compared with €10.1 million for 2009.

Innovation, research and development

The Group's research and development activities aim to offer innovative solutions designed to:
- boost service quality, in terms of safety and traffic flows, using new technologies for maintenance and monitoring of the network;
- improve management of the network through the development of dedicated information systems;
- minimise the impact of motorway operations right from the start of the design process, by managing the infrastructure in an environmentally efficient way.

Group research and development activities, some of which are long-term in nature, are undertaken by the relevant departments within Autostrade per l'Italia, using the company's own research laboratories in partnership with other Group companies, in collaboration with research centres and universities and, on occasion, in conjunction with other companies.

The following projects entered the application phase during 2010:

- the "Carbon Neutral Building" regarding the entry into service of an automated thermal comfort management system for the building that houses Autostrade per l'Italia's Rome headquarters;
- a free-flow multi-lane tolling system based on the Telepass onboard unit and the automated reading of registration plates;
- new DSRC (Dedicated Short Range Communication) onboard units using state-of-the-art components capable of reducing the cost and extending the life of the units.

The most important research projects in progress regard:

- the development of an information system for monitoring traffic and accidents to improve traffic management and the planning of road works;
- adaptation of the existing tolling system in accordance with European Electronic Tolling Service standards to enhance the interoperability of the systems used by the various networks;
- a new onboard unit for toll collection;
- implementation of the control system designed to optimise the management of tunnel systems in relation to traffic conditions and the behaviour of road users;
- the development of mixes of bitumen conglomerate produced by the "hot" recycling of road planings.

The Group also takes part in initiatives in collaboration with other Italian and EU bodies and associations. These projects relate to the establishment of transport-related regulations, such as safety, the implementation of intelligent transport systems, automated toll collection or the provision of input for the preparation of European and national research, development and innovation programmes.

Group companies' total expenditure on innovation, research and development in 2010 amounts to €8.4 million, and is in line with the European objective of "intelligent growth that promotes research and innovation".

Operating performance of the Group's main investee companies

Autostrade Sud America

The merger of Autostrade per il Cile (50% owned by the Group) into Autostrade Sud America (45% owned by the Group) was completed on 30 August 2010.

As a result of the merger, Autostrade Sud America, in which the Group's holds a 45.76% stake, holds (directly and indirectly) all the following controlling interests and investments in companies that operate sections of motorway under concession in the metropolitan area of Santiago:

a) 100% of Costanera Norte SA, which holds the concession (expiring 2033) for 43 km of road network in the city of Santiago in Chile;
b) 50% of Autopista Vespucio Sur SA, the holder of the concession (expiring 2032) for the 23.5-km southern section of the orbital toll motorway serving the city of Santiago in Chile;
c) 50% of Litoral Central SA, the holder of the concession (expiring 2031) for the 79-km toll motorway serving the cities of Algarrobo, Casablanca and Cartagena in Chile;
d) 100% of Autopista Nororiente SA, the holder of the concession (expiring 2044) for the 21.5-km north-eastern bypass in the city of Santiago in Chile;
e) 100% of Accesso Vial Aeropuerto SA, the holder of the concession for the urban motorway linking the city of Santiago with Arturo Merino Benitez International Airport;
f) 100% of Gestion Vial SA, the company responsible for motorway operation, maintenance and construction services in Chile, including services provided to Autopista Nororiente, Autopista Vespucio Sur and Litoral Central;
g) 50% of Sociedad de Operacion y Logistica de Infraestructura SA, the company responsible for certain road maintenance and construction services on the section of motorway operated by Autopista Vespucio Sur.

Checks and surveys, carried out following the earthquake that hit central Chile on 27 February 2010, have shown that operators have not incurred major damage and are, in any event, covered by insurance.
Measurement of the investment in Autostrade Sud America as at 31 December 2010 using the equity method, including the impact of the merger with Autostrade per il Cile, has resulted in recognition of a profit of €17.3 million in the income statement, and of a gain recognised in other comprehensive income of €19.0 million (reflecting the favourable performance of the euro/Chilean peso exchange rate during the period). This has resulted in a total increase of €36.3 million in the carrying amount of the investment in the consolidated financial statements.
Measurement of Autostrade Sud America using the equity method reflects the company's share of the profit/(loss) of its investee companies.

Costanera Norte

During 2010 traffic using the motorway operated under concession by Costanera Norte (a wholly owned subsidiary of Autostrade Sud America) rose 6.6%, whilst toll revenue recorded growth of 7.9% compared with the previous year (after adjusting for exchange rate movements). From January 2010 the company has introduced the toll charge increase of 1.1% provided for under the concession arrangement (the increase is equal to the factorial product of 100% of consumer price deflation of 2.3% in 2009, plus 3.5%).
Revenue of the year, amounting to €53.8 million (including income from supplementary agreement 7), marks growth of 41.6% (23.7% after adjusting for exchange rate movements) compared with 2009 (€38.0 million, including the impact of IFRIC 12 adoption). Gross operating profit (EBITDA) of €38.2 million is up 50.7% (31.8% after adjusting for exchange rate movements) on 2009 (€25.4 million, including the impact of IFRIC 12 adoption).

Autopista Nororiente

During 2010 the motorway operated by the Chilean operator, Nororiente (a wholly owned subsidiary of Autostrade Sud America, following the merger with Autostrade per il Cile) which holds the concession for 21.5 km of toll motorway in the city of Santiago, registered an average daily volume of traffic (including light and heavy vehicles) of 4,946 vehicles, amounting to a total of approximately 39 million kilometres travelled. In the previous year, which witnessed the opening to traffic of the entire motorway in March, the company recorded an average daily volume of traffic (including light and heavy vehicles) of 3,077 vehicles, amounting to total of 24 million kilometres.
In 2010 Autopista Nororiente recorded revenue of €5.4 million and a gross operating loss (negative EBITDA) of €0.7 million.

Triangulo do Sol

On 11 June 2010 agreement was reached with Leão & Leão Ltda. for the acquisition of a 10% stake in Triângulo do Sol, the company that holds the concession for a 442-km toll motorway network in the state of São Paulo in Brazil, expiring in 2021. The Group already holds 50% of Triangulo do Sol, included in June 2009 as part of the acquisition of a number of investments from the Itinere group. The 10% interest is being bought at a price of 70 million Brazilian reals (equal to approximately €32 million).
Completion of the transaction is subject to approval by the competent authorities and investment banks.
In the event of completion of the acquisition, the company will be consolidated on a line-by-line basis in the Group's accounts.

During 2010 Triangulo do Sol recorded an 8.1% increase in traffic using the motorway sections it operates, compared with the previous year.
Triangulo do Sol reports revenue of €114.3 million for 2010 and gross operating profit (EBITDA) of €67.5 million.
Measurement of the investment in Triangulo do Sol as at 31 December 2010 using the equity method has resulted in recognition of a profit of €3.2 million in the income statement, and of a gain recognised in other comprehensive income of €14.1 million (reflecting the favourable performance of the euro/Brazilian real exchange rate during the year). The impact of these increases in value was partially offset by the reduction resulting from the collection of dividends paid during the year (amounting to €10.1 million). This has resulted in an overall increase of €7.2 million in the carrying amount of the investment.

Pune Solapur Expressways Private Limited

On 17 February 2009 Atlantia, in consortium (50-50) with TRIL Roads Private Limited, a Tata group company, was awarded a 21-year concession for the 110-km Pune-Solapur section of motorway in the Indian state of Maharashtra.

Work on construction and on widening the motorway from two to four lanes is underway, having been divided into two lots for which contracts were awarded separately to the local companies, Oriental and IJM. Under the Concession Arrangement, construction work is to last 30 months from 14 November 2009. In reality, the necessary expropriations of land, which is the responsibility of the Grantor, is behind schedule with respect to the deadline of mid-February 2010. The Operator is putting pressure on the Grantor to speed up the process.

IGLI

On 12 June 2010 Autostrade per l'Italia, Argo Finanziaria, Immobiliare Fondiaria - SAI and Immobiliare Milano Assicurazioni (the "Parties") announced that they had executed an agreement (also signed by Immobiliare Lombarda SpA, in accordance with its respective role) making limited changes to and renewing, until 31 July 2012, the previous shareholders' agreement relating to the above Parties' interests in IGLI SpA. This latter company owns 29.96% of the ordinary shares of Impregilo SpA, a company listed on the Italian Stock Exchange.

The shareholders' agreement establishes rules for IGLI SpA's corporate governance and the rights deriving from IGLI SpA's shareholding in Impregilo SpA.
Measurement of the investment as at 31 December 2010 using the equity method has resulted in a loss of €24.2 million in the income statement, and of a gain recognised in other comprehensive income of €9.0 million. This has resulted in a total impairment loss of €15.2 million, due essentially to the negative performance of the market value (stock market price) of the Impregilo shares held by IGLI.

Alitalia

Atlantia holds an interest of 8.85% in Alitalia - Compagnia Aerea Italiana SpA.
For the year ended 31 December 2010 the Alitalia group reports revenue of €3,225 million, up 14.1% on 2009 (€2,827 million), and an operating loss of €107 million (an operating loss of €274 million in 2009).
Alitalia made a loss of €168 million for 2010 (€327 million in 2009).
In terms of the group's financial position, as at 31 December 2010 net financial debt stands at €839 million (€847 million as at 31 December 2009).

Workforce

As at 31 December 2010 the Group employs 9,528 staff on open-ended contracts and 714 on fixed-term contracts, resulting in a total workforce of 10,242, after excluding Strada dei Parchi. This is down 1.6% on the 10,413 of 2009, which also included Strada dei Parchi's workforce. In detail, compared with 31 December 2009 the number of open-ended contract staff is down 374 and the number of fixed-term contracts up 203.

The reduction in open-ended contract staff essentially derives from the deconsolidation of Strada dei Parchi as held for sale (down 521). After stripping out this item, the workforce is up 147, reflecting trends at the following Group companies:

- Italian operators (down 41, after intercompany transfers), reflecting a reduction, above all at Autostrade per l'Italia, in toll collectors, partially offset by an increase in maintenance, traffic management and plant operations personnel and a rise in the staff employed by a number of technical units at headquarters;
- Pavimental (up 111), primarily linked to an increase in construction work commissioned by Autostrade per l'Italia;
- Pavimental Polska (down 38), following closure of the Warsaw office;
- Spea (up 84), as a result of an increase in design activities for the Group (above all completion of the A12 between Livorno and Civitavecchia), and the recruitment of additional staff to work on project management for construction work being carried out by Autostrade per l'Italia;
- Autostrade International of Virginia (down 57), following termination, from 5 May 2010, by Toll Road Investors Partnership II, the operator of the Dulles Greenway motorway under concession, of the Operations & Maintenance contract;
- Electronic Transaction Consultants (up 21), following the acquisition of a number of contracts in Georgia, Florida and Texas;
- Autostrade dell'Atlantico group and Autostrade Indian Infrastructure Development (a total increase of 67), companies established in the second half of 2009. The increase in open-ended contract staff at the Autostrade dell'Atlantico group reflects the process of insourcing Operation & Maintenance activities by the Chilean operator, Los Lagos.

The Group also reports an increase of 203 in fixed-term contracts staff, primarily relating to Electronic Transaction Consultants Co. (up 143) and Spea (up 50) as a result of the above-mentioned award of new contracts.

The Group's average workforce has risen from 9,528 in 2009 to 9,686 in 2010, marking an increase of 158 (up 1.7%).

The main changes in the average workforce, which are linked to the above factors, regarded the following Group companies:

- Pavimental (up 122 on average);
- Spea (up 91 on average);
- Electronic Transaction Consultants (up 45);
- Autostrade dell'Atlantico group and Autostrade Indian Infrastructure Development (a total increase of 36);
- Italian operators (down 70 on average, after intercompany transfers);
- Autostrade International of Virginia (down 38 on average);
- Pavimental Polska (down 23 on average);
- EsseDiEsse (down 15 on average).

Net personnel expense of €569.5 million is down €2.9 million (0.5%) on the €572.4 million of 2009 on a like-for-like basis. Capitalised personnel expense is up from €41.8 million in 2009 to €67.9 million in 2010, marking an increase of €26.1 million. This is primarily due to the increased involvement of Pavimental and Spea in activities relating to the Group's construction work.
Personnel expense, before deducting capitalised expenses, amounts to €637.4 million, marking an increase of €23.2 million (3.8%) on 2009 (€614.2 million).

This is due to:

- an increase in the average unit cost (up 2.1%), primarily due to renewal of the contract applied by the Group's Italian operators from the second half of 2009 (up 2.0%);
- the above increase of 158 in the average workforce (up 1.7%).

Open-ended contract staff

Position	31.12.2010 (*)	31.12.2009	Increase/(Decrease) Total	%
Senior managers	174	179	–5	–2.8
Middle managers	667	696	–29	–4.2
Administrative staff	3,842	3,811	31	0.8
Manual workers	1,803	1,844	–41	–2.2
Toll collectors	3,042	3,372	–330	–9.8
Total	**9,528**	**9,902**	**–374**	**–3.8**

Fixed-term contract staff

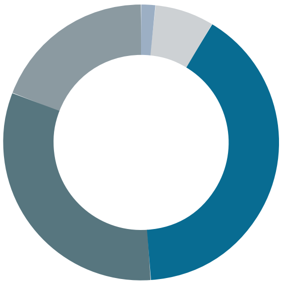
Position	31.12.2010 (*)	31.12.2009	Increase/(Decrease) Total	%
Senior managers	–	–	–	–
Middle managers	–	2	–2	–100.0
Administrative staff	403	226	177	78.3
Manual workers	83	76	7	9.2
Toll collectors	228	207	21	10.1
Total	**714**	**511**	**203**	**39.7**

Average workforce

Position	01.01.2010 31.12.2010 (*)	01.01.2009 31.12.2009	Increase/(Decrease) Total	%
Senior managers	176	175	1	0.6
Middle managers	673	684	–11	–1.6
Administrative staff	3,951	3,766	185	4.9
Manual workers	1,823	1,717	106	6.2
Toll collectors	3,063	3,186	–123	–3.9
Total	**9,686**	**9,528**	**158**	**1.7**

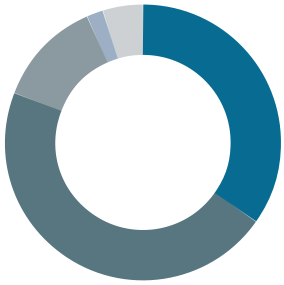
(*) Excludes Strada dei Parchi.

Distribution of the Group's workforce



Distribution of open–ended contract staff by category/position

Senior managers	1.8%
Middle managers	7.0%
Administrative staff	40.3%
Toll collectors	32.0%
Manual workers	18.9%



Distribution of open–ended contract staff by age range

Under 30 years	4.7%
31 to 45 years	34.9%
46 to 55 years	46.1%
56 to 60 years	12.6%
Over 60 years	1.7%

Distribution of open–ended contract staff by educational qualification

University graduates	16.5%
High school graduates	45.8%
Other	37.7%

Distribution of open–ended contract staff by length of service

Less than 1 year	8.4%
2 to 5 years	18.6%
6 to 10 years	6.9%
11 to 20 years	17.1%
21 to 30 years	38.3%
Over 30 years	10.7%

Staff development and training

The Group has an ongoing commitment to developing and improving the prospects of its human resources, with the aim of:

- motivating the workforce to improve their performance;
- developing professional skills and achieving the targets assigned within the deadlines set;
- providing effective systems and tools to meet the new challenges facing the business.

To more effectively direct investment in staff development and training, the Group identifies and assesses high-potential staff, using Performance Management systems, systems designed to assess potential, schemes that assess individual contributions to the achievement of the Group's objectives (MBO), and interviews and meetings forming an integral part of human resources management.

For the third consecutive year in 2010 the Group ran a Performance Management scheme for 1,300 middle managers, Professionals and Junior Professionals (young graduates on accelerated development programmes), segmented by professional role.
The first Performance Management scheme for the Group's senior management was also introduced.
Development programmes for 2010 involved a total of 160 staff at various levels (middle managers, Professionals and young graduates).

In 2010 the Group launched its Skills Mapping initiative, involving 100 staff, that aims to assess skills, work experience, knowledge, capabilities and behavioural characteristics, and the individual "desires" of the people who take up the opportunity represented by the initiative.
The project was awarded the "Ethics and Business" prize in 2010. This prize is given in recognition of agreements between social partners that stand out in terms of their participatory and dialogue-based approach.
Approximately 82,000 hours of training were provided by the Group in 2010 (excluding safety training) at an overall cost of €1.8 million, in addition to the in-house personnel employed directly in running the courses.
Training involved a total of more than 4,100 staff, equal to 44% of the total workforce.

In line with the plan to progressively insource training, a "Train the Trainer" programme was implemented in 2010, involving 30 staff. This aims to teach future in-house trainers how to design and run training courses and about classroom management skills. In-house trainers provided a total of over 200 days of training, with 10,300 hours of courses provided to more than 1,600 participants.

The other main training initiatives organised by Group companies in 2010 were:

- Professional retraining: continuation of the retraining programme for people involved in the insourcing project, launched following the agreement with the labour unions of July 2009;
- Trainingpass: another two editions of this induction course were run for young new recruits (this scheme has been running since 2008);
- Widening Project: a training initiative designed to develop managerial skills via the management of cross-functional teams;
- Workshop on Emergencies;
- Sales techniques for Punto Blu customer care staff;

- Styles of communication for the heads of Traffic Information and Communication at the Section Departments;
- "SFIDA" project (Integrated Training Solutions for Autostrade), financed via a grant from Fondimpresa to Autostrade per l'Italia SpA, Telepass SpA and EsseDiEsse SpA, and resulting in courses covering a wide range of topics and involving around 100 staff.

The Group continued to work with a number of leading Italian and European universities and business schools in 2010, within the framework called "Autostrade per la Conoscenza" ("Autostrade for Knowledge"), which aims to exploit and enhance the Group's distinctive expertise.
A Talent Academy focusing on Project Management was created together with MIP - Milan Polytechnic.
The Academy is providing advanced training in integrated project management to approximately 50 Group personnel.

Remuneration system

At their Annual General Meeting held on 23 April 2009, Atlantia's shareholders approved the following share-based incentive plans. The plans are compliant with the European Commission's Recommendations on the matter.

- **2009 Share Option Plan**
  On 8 May 2009 and 16 July 2009 Atlantia's Board of Directors identified the 10 executives and directors who were to be the beneficiaries of the Plan.
  Subsequently, on 15 July 2010, the company's Board of Directors added a further beneficiary of the Plan, voting to include the Chairman, Fabio Cerchiai. The Board of Directors also decided to grant Gian Maria Gros-Pietro, the Company's former Chairman, the option of maintaining his right to exercise, according to the same conditions applied to other Share Option Plan beneficiaries, the options granted to him in 2009.
  The terms and conditions of the Share Option Plan provide for the granting of a number of options to employees and/or directors with specific roles in Atlantia and its subsidiaries, having regard to the importance of their positions in relation to the creation of value for the Company.
  Further details of the Share Option Plan and the conditions governing exercise of the options is provided in note 7.12 — Equity in the notes to the consolidated financial statements.

- **2008-2010 Three-year Incentive Plan (TIP)**
  On 11 June 2009 Atlantia's Board of Directors implemented the Three-year Incentive Plan designed to foster the loyalty of management and reward the achievement of objectives related to operational and business performance. 91 of the Group's managers are beneficiaries of the Plan. The plan involves payment of incentives based on the achievement of objectives linked to specific indicators, including consolidated profit, investments in major works during the period and Atlantia's share price.
  The TIP terms and conditions envisage, among other things, suspension of the plan in the event of a dispute arising between Autostrade per l'Italia and the Grantor, pursuant to art. 7 of Law 241/90.

The bonus issue approved by Atlantia's shareholders at their Extraordinary General Meeting held on 14 April 2010, pursuant to art. 2442 of the Italian Civil Code, was implemented via the issue of 28,585,578 new ordinary shares with a par value of €28,585,578.00, ranking equally in all respects with the existing issued ordinary shares. As a result, on 15 July 2010 Atlantia's Board of Directors made certain technical alterations to the 2009 Share Option Plan and the 2008-2010 Three-year Incentive Plan (TIP) to ensure that there was no change in the substantial terms of the plans, as provided for in the respective terms and conditions. The Board also voted that further changes to the Share Option Plan should be submitted for approval by the Company's shareholders.
The Company has also implemented an MBO incentive scheme, which offers beneficiaries an annual cash bonus based on the objectives assigned and achieved during the previous year. In 2010 this involved 155 senior managers and 457 middle managers and administrative staff with roles of responsibility into the Group.

Organisational model

On 1 January 2010, Autostrade per l'Italia transferred the business unit responsible, at national and international level, for the design and construction of equipment and information systems used in the monitoring and automation of transport, tolling systems, safety and in the management of information relating to infrastructure for the movement of people and goods to Autostrade Tech.

With effect from 11 March 2010 Autostrade per l'Italia set up joint departments responsible for Customer Services, Network Development and Technical Services.

A total of 261 internal procedures were either issued or updated in 2010 in response to the regulatory or organisational changes introduced.

The main updates regarded the following matters:
- the health and safety at work management system, pursuant to art. 30 of Legislative Decree 81/2008;
- the Corporate Governance system;
- administrative and accounting procedures adopted in compliance with the Consolidated Finance Act.

Industrial relations

Details of the Productivity Bonus to be paid in 2010, based on the results achieved in 2009, were agreed on 4 February 2010.
Talks on renewal of the national collective labour contract (Federreti and the other trade unions), which expired on 31 December 2009, began in June 2010. As part of the plan to simplify the range of contracts used, the negotiations aim to draw up a single contract for the sectors that currently apply contracts used by ANAS and motorway operators.
From 1 July 2010 health insurance cover has been extended to all staff and family members included in the policy.

Health and safety

During 2010 the Health and Safety at Work Management System created in accordance with OHSAS 18001:2007 standards was implemented throughout the organisation. As required by OHSAS standards, effective implementation of the model was verified through audits conducted by both internal inspectors and external experts.
In parallel, the process of obtaining OHSAS 18001:2007 certification for all Autostrade per l'Italia's activities and places of work was launched. This process involves an initial audit by the certification body, TUV, which was successfully completed in November 2010, and a second stage that will be completed by March 2011.
Training in Health and Safety at Work and the Environment continued. A total of 2,000 people took part in the courses during the year, with approximately 19,500 hours of training provided. Of these, 11,300 hours for 1,270 staff were funded by a grant from Fondimpresa as part of the "Safety on the Motorway" plan agreed with the trade unions. Multimedia training was also provided to toll collectors, making it easier to extend health and safety training to all network personnel.
The over 460 Risk Assessment Documents used by Group companies were updated during the year, adding assessment of the risk of "work-related stress" in compliance with the methodological recommendations in the relevant regulations.

As provided for in the Group's Health and Safety Monitoring Plans, climate surveys were again carried out in 2010 to check that places of work meet the related requirements.
The Group, in collaboration with INAIL (formerly ISPESL), also promoted adoption of the "Learning by mistakes" programme, which gathers, processes, analyses and publicises information about accidents, injuries and near misses. The project, which aims to make staff more aware of the issues surrounding near misses, was promoted by the Occupational Health and Safety Steering Committee and developed as part of the activities of the Consultative Occupational Health and Safety Committee.
The 6 meetings of the Consultative Occupational Health and Safety Committee, which consists of a representative from each of the trade unions that signed the National Collective Labour Contract and representatives from the various departments within Autostrade per l'Italia, dealt with a range of health and safety issues.
With regard to environmental concerns, design of the Environmental Management System began with gap analysis of activities during the year. In terms of aspects relating to regulatory compliance, the registration of all Autostrade per l'Italia's sites with SISTRI, the waste tracking system set up by the Ministerial Decree of 17 December 2009, was completed and training was provided to staff involved in ensuring compliance with the regulations.

Corporate Governance

Atlantia SpA's Corporate Governance system is based on a collection of rules that are in line with regulatory guidelines and the very highest market standards.
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 published by Borsa Italiana in March 2006.

In accordance with the current Articles of Association, management of the Company is assigned exclusively 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, all of whose appointments are approved by the shareholders at their General Meeting.

Based on the provisions of art. 30 of the Articles of Association, the Chairman and Chief Executive Officer represent 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 Committee and the Internal Control and Corporate Governance Committee.

In implementation of the provisions of Legislative Decree 231/2001, Atlantia has adopted the Management and Control Organisational 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 subsequently amended), on 21 October 2010 Atlantia set up a Committee of Independent Directors with responsibility for Related Party Transactions – consisting of three Independent Directors – and, on 11 November 2010, approved the new 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 and the Code of Conduct for internal dealing.

The Company's Governance system is completed by the regulations contained in the Articles of Association and in the General Meeting Regulations.

Sintonia SA, via Schemaventotto SpA, is the shareholder that directly and indirectly holds a relative majority of the issued capital of Atlantia SpA. Sintonia SA, in part through Schemaventotto SpA, is therefore deemed to hold sufficient voting rights to exercise dominant influence at the ordinary general meetings of Atlantia SpA's shareholders, pursuant to art. 2359 of the Italian Civil Code, as referred to by art. 2497-*sexies* of the Code.
The fact that Atlantia is deemed not be subject to management and coordination by the parent, Sintonia SA, was confirmed in a specific joint declaration sent to Atlantia SpA on 12 March 2009 by Sintonia SA and Schemaventotto SpA.
Given that there have not been any further announcements or changes in circumstances, the basis for considering Atlantia as not subject to management and coordination by its parents, Sintonia SA and Schemaventotto SpA, is deemed to be unchanged.

Autostrade per l'Italia, which is a wholly owned subsidiary of Atlantia, is instead subject to management and coordination by Atlantia. Moreover, following the Group's reorganisation in 2007, Atlantia has transferred responsibility for management and coordination of the motorway operators and industrial companies controlled by its subsidiary to Autostrade per l'Italia itself.

The full text of the "Annual report on Corporate Governance and the Ownership Structure", prepared in accordance with indications from Assonime and Emittenti Titoli and, where appropriate, the indications contained in the format for corporate governance reports published by Borsa Italiana (II Edition of February 2010), is available in the "Corporate Governance" section of the Company's website at "**www.atlantia.it**".

Sustainability

Atlantia heads a group of companies devoted to the design, operation and construction of motorway networks capable of supporting and driving social and economic development in Italy and in other countries. The Group's activities aim to benefit people's lives, contribute to the development and wellbeing of the communities in which it operates, achieve ongoing improvements in safety and in the quality of the services provided to customers, protect the environment, invest in new technologies and boost energy efficiency.
Atlantia's growing commitment to progressively and continually improving its sustainability performance, and boosting the efficiency of its operations and processes, was rewarded in 2010 with reconfirmation of the Group's membership of the prestigious Dow Jones Sustainability World Index, which ranks the world's best companies on the basis of economic, environmental and social criteria. Atlantia ranked as one of the best performers in the transport and infrastructure sector, with maximum points scores for customer relationship management, its codes of conduct and the fight against corruption, energy efficiency, staff development, and social and environmental reporting.
This year the Company has also been included in the Dow Jones Sustainability Europe Index, which ranks the performances of Europe's leading companies.
The results of the Group's commitment to sustainability in 2010, which are reported in brief below based on the three dimensions of sustainability (economic, social and environmental), are contained in Autostrade per l'Italia's Sustainability Report 2010, which is available on the company's website at **www.autostrade.it/sostenibilità**.

Economic responsibility

The Group believes that its economic responsibility should combine the traditional commitment to maximising shareholder value and investor returns with the goal of creating and distributing value for the various categories of stakeholder. Distribution of the value generated among stakeholders (government, the business, staff, capital providers and shareholders) is measured in terms of Distributable Integrated Added Value (DIAV).
This indicator represents the wealth (added value) produced by the business and how it is redistributed among stakeholders in the form of taxation, remuneration, dividends and interest.
The added value to be redistributed is calculated by subtracting operating costs and other expenses from the gross value of production (including toll revenues, the portion attributable to ANAS and other operating income).
The DIAV for 2010 has been calculated taking account of the adoption of the new interpretation, IFRIC 12 "Service Concession Arrangements". For the purposes of comparison, the figure for 2009 has also been restated.

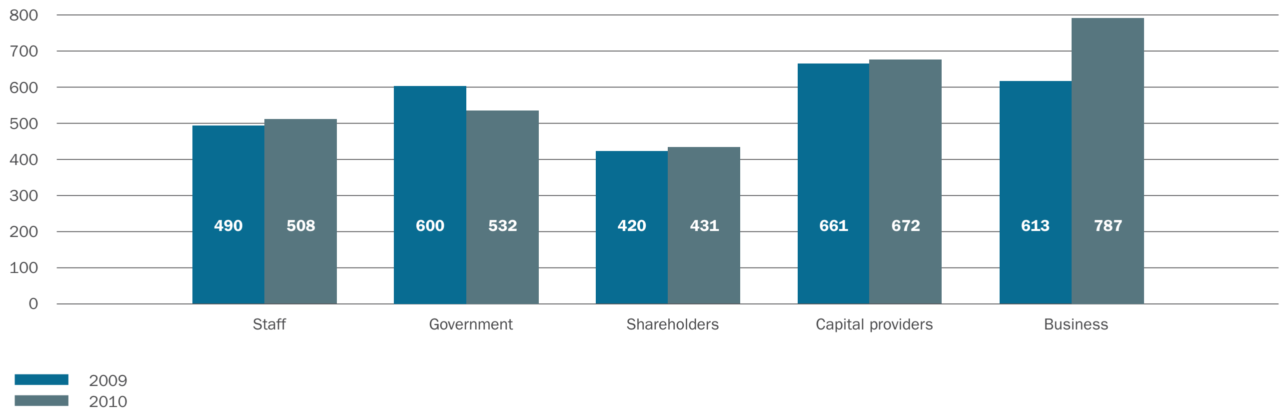
Statement of DIAV

(€m)	2009	2010	% increase/(decrease) 2009/2010
Toll revenue	2,766	2,891	4.5
Portion attributable to third–party entities	183	228	24.2
Other operating income	643	631	–1.9
Gross value of production	**3,593**	**3,750**	**4.4**
Operating costs	–765	–884	15.6
Integrated added value	**2,828**	**2,866**	**1.3**
Adjustments	–44	64	–246.4
Distributable integrated added value	**2,784**	**2,930**	**5.3**

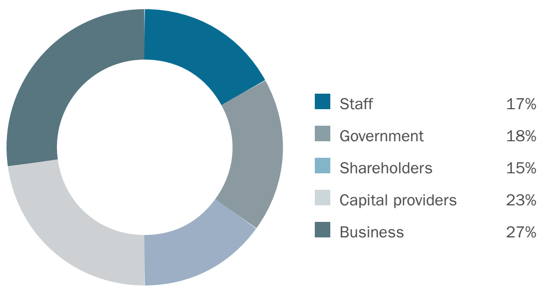
The DIAV of €2,930 million generated in 2010, increase of 5.3% on 2009, are distributed to the Group's stakeholders as follows:

- the largest portion, 27% of the total, amounting to €787 million, was kept by the Group and used to finance its operations;
- €672 million (23% of the total) was paid to capital providers as interest on borrowings, after deducting financial income;
- staff accounted for 17% (€508 million) in salaries, wages, post-employment benefits, provisions for incentives;
- approximately €532 million (18% of the total) was transferred to the government in the form of direct and indirect taxation and social security contributions. The government as stakeholder also received approximately €82 million in 2010 in concession and sub-concession fees and €227 million in additional concession fees paid from toll revenue following the new legislation introduced by Law Decree 78/2009, making a total of €309 million;
- finally, €431 million was paid to shareholders in the form of dividends (15%).

Distribution of DIAV



Distribution of DIAV



Social responsibility

Social responsibility is an integral part of the Group's strategy, leading the Group to focus on how its activities affect all members of society and engage in dialogue with stakeholders with an interest in and involved in the Group's activities.

Workforce

The Group manages its Italian and international workforce in full compliance with the rights established by law and in labour contracts, and without any limitation or discrimination with regard to race, nationality, religion or gender. Every member of the workforce is required to be informed of and comply with Atlantia's Code of Ethics. Every effort is made to ensure that all the people who work for the Group have opportunities for professional growth and development throughout their working lives and at all levels, thanks to training and improvements to working conditions and the working environment.
With the aim of improving quality of life for its staff, in addition to the more traditional measures already taken (such as, for example, flexitime working, health insurance and pension provision, services designed to help commuters and sustainable transport), the Group has adopted a series of initiatives targeting employees and their families, in order to help them achieve a better work-life balance and boost the welfare of the Company's workforce. More than €0.5 million was spent on such initiatives in 2010, which primarily regarded health prevention campaigns, summer camps for the children of employees, and the provision of free advice on legal, tax and pension-related matters.

Customers

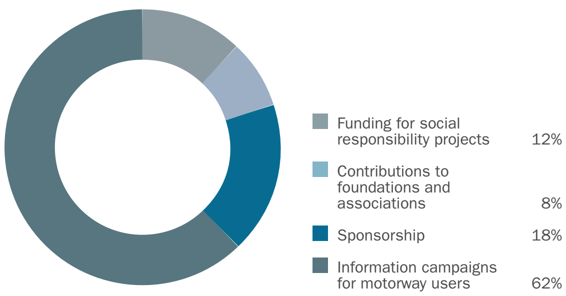
The Group is committed to achieving ongoing improvements in service quality for motorway users, continually raising safety standards and improving traffic flow, assistance and access to the network. This is done through the upgrade, modernisation and maintenance of the motorway network, by boosting operating efficiency (including, for example, improved planning of road works and faster removal of damaged vehicles) and through information and awareness campaigns aimed at road users, with the aim of promoting safer driving behaviours.

The global accident rate continued to decline in 2010, having decreased to 36.10 from the 36.30 of the previous year, whilst the fatal accident rate was slightly up from 0.32 in 2009 to 0.33 in 2010. The Total Delay indicator (the number of hours spent in traffic queues) is up 1.15% on 2009 to 5.399 million hours in 2010 (down 11% with respect to the three-year period 2008-2010).
The increase is primarily due to major road works, above all on the A1 Milan-Naples around Florence and on the A14 Bologna–Taranto, and to weather conditions.
In terms of perceived service quality, the results of the customer satisfaction surveys conducted by ASPI in 2010, via telephone interviews of 3,600 customers, are in line with the results in 2008 and 2009 (6.92 on a scale of 1 to 10), confirming that the degree of customer satisfaction is well above satisfactory.

Government and the community

Government and community relations account for a large part of the Group's stakeholder relations and play a key role in the process of designing and operating large-scale infrastructure.
The nature of this dialogue derives from the varied and numerous entities involved at both national and local level, guaranteeing the real involvement of all stakeholders.
At government level, the Group's main counterparties are ministries, ANAS, parliamentary committees, regulatory and supervisory bodies and, more in general, national and local politicians.
Relations with international institutions are also of great importance, as they establish the principles, overall objectives and strategies on which EU transport policy is based, as well as issuing specific directives regarding issues directly and indirectly linked to the motorway business.
Community relations are one of the main tools available to the Group in implementing the sustainability policies linked to its business: in operating the motorway network in keeping with the characteristics of the surrounding area, in carrying out infrastructure works and in enhancing the environment, even when not directly connected to the impact of the motorway network. The Group's humanitarian, scientific, cultural, sporting and social initiatives also play an important role, whether implemented independently or in collaboration with national and international entities and bodies. Over time such initiatives have become more than a simple question of corporate giving, having increasingly taken the form of projects designed to culturally enrich the people and communities involved and spread the adoption of sustainable behaviours. The Group spent around €3.7 million on this type of initiative in 2010.

Community expenditure in 2010



Suppliers

The Group's supply chain consists of businesses that provide goods and services and those involved in the construction of new infrastructure and maintenance of the existing network.

The Group's relations with this category of stakeholder go beyond the "commercial" aspect, with precise supplier selection and management standards having been established in line with its sustainable approach. A preliminary condition of any contract is that suppliers must familiarise themselves with and explicitly agree to comply with the standards set out in the Atlantia's Code of Ethics. In addition, all the contracts entered into include specific clauses requiring the supplier to meet a series of social obligations relating, for example, to health and safety at work and protection of the environment, such as the methods used for disposing of waste and scrap. These requirements are applied to the entire supply chain and may also be extended to include sub-contractors.

Environmental responsibility

The Group is fully aware of the impact of its activities on the environment. Considerations regarding environmental responsibility form an integral part of all the stages involved in the core business: the potential effects on ecosystems are examined and assessed during the design stage, and monitored and managed during the construction and operation of motorways.
In 2010 the Group remained committed to the series of initiatives previously launched in accordance with Italian and European Community objectives regarding energy and the environment. These aim to boost production of renewable energy and improve the energy efficiency of its buildings and the infrastructure it manages.

Use of resources

Optimising the use of the materials employed is a constant concern in managing the Group's activities. One of the essential materials used to ensure that motorways are safe and kept open during the winter months is de-icing salt (sodium chloride and calcium chloride) to prevent ice forming on roads. Annual salt use depends on climatic conditions, which can vary significantly from year to year. In 2010 Group companies used a total of 216,449 tonnes of de-icing salt during the winter, marking an increase of around 16% on the previous year. The increase was due to the increased number and greater intensity of snow events, above all on the motorway network in north-western Italy and along the Adriatic.
Water consumption totalled approximately 549,240 cubic metres in 2010 (down 7 % on 2009). In 2010 the quantity of bitumen conglomerate used for road surface maintenance and in upgrading the motorway network totalled 858,003 tonnes (down 10% on 2009). This was produced and used in the activities carried out by the subsidiary, Pavimental SpA.

In 2010 waste produced by Autostrade per l'Italia amounted to a total of approximately 94,549 tonnes, marking an increase of 4.8% on the amount produced in 2009. Of this, around 22% was produced by Pavimental and 75% by Autostrade per l'Italia's Section Departments. 42% of the total waste produced in 2010 was recycled, primarily including mixed waste from construction and demolition work, paper, iron and steel, excavation soil and rocks, packaging, bitumen conglomerate and obsolete equipment. Moreover, in order to minimise the need to purchase quarry stone and the dumping of unused excavation materials, all the motorway designs aim to fully re-use all the soil and rocks produced by excavation, both in construction of the roads themselves (embankments, landscaping, noise absorbing dunes, etc.) and in cleaning up disused areas indicated by local communities (e.g. abandoned quarries). In 2010 approximately 3.5 million cubic metres of excavation materials was used on various lots included in the Variante di Valico project and on the A14, on the Florentine stretch of the A1 and for work being carried out on the A9 motorway. As at 31 December 2010 a total of around 15 million cubic metres of excavation materials has been used.

Use of resources	2009	2010
De-icing salt (tonnes)	187,348	216,449
Water (m^3)	588,292	549,240
Consumption of conglomerate (tonnes)	948,705	858,003
Waste (tonnes)	90,182	94,549
Recycled waste (millions of cubic metres)	2.7	3.5

The Group's energy consumption depends on the organisation's needs and the amount of energy used in providing the motorway service: the lighting of tunnels, toll stations, junctions and service areas, power for plant and equipment, fuel for service vehicles. In 2010 the Group consumed a total of 498,025 MWh, including electicity, natural gas, LPG, diesel and petrol.

Energy consumption by source	2009 (MWh)	2010 (MWh) (*)	% increase/(decrease) 2009/2010
Diesel	148,812	147,425	–1%
LPG	12,089	14,540	+20%
Natural gas	33,380	28,578	–14%
Petrol	6,558	3,053	–53%
Electricity	246,300	249,994	+1%
Fuel oil	58,705	53,986	–8%
Ethanol	–	450	–
Total	**505,844**	**498,026**	**–2%**

(*) The figure for 2010 includes Triangulo do Sol's consumption. It does not, on the other hand, include consumption by Autostrade International US Holdings.

Climate change and emissions

The Group's climate change action plan primarily envisages initiatives in the following areas:
a) the production of electricity from renewable sources;
b) improvements to the energy efficiency of buildings and tunnels;
c) actions designed to improve traffic flow and safety;
d) the management of "green" space adjacent to motorways.

In 2010 the Group's CO_2 emissions totalled 194,199 tonnes, marking an increase of 0.3% on 2009. This was primarily due to a rise in electricity consumption (up 1.5%) and vehicle emissions, partly offset by a reduction in emissions produced by road works (down 8.9% on 2009).

Source	CO_2 emissions in 2009 (t)	CO_2 emissions in 2010 (t)
Direct emissions from the vehicle fleet	22,133	23,323
Direct emissions from heating and air–conditioning plant	13,998	13,833
Direct emissions from road works	26,673	24,296
Indirect emissions from electricity consumption	130,785	132,747
Total	**193,589**	**194,199**

The Group offsets its CO_2 emissions through a number of initiatives.
Autostrade per l'Italia's plan to install solar panels at service areas between 2008 and 2010 was completed at the end of December 2010. This has involved the installation of solar panel car ports, with the ports installed at 88 service areas on the company's motorway network providing installed photovoltaic capacity of 3.94 MW.
Work on a further 10 solar power plants for the Florence, Fiano Romano, Cassino and Pescara head offices was also completed in 2010, providing total installed capacity of 2.68 MW. Overall, taking into account the solar power plants that entered service in previous years, at the end of 2010 the company has installed a veritable "photovoltaic plant" spread out around the country, providing total installed capacity of approximately 7 MW and, when fully on stream, reducing CO_2 emissions by approximately 4,800 tonnes a year.
As part of its energy saving programme, the Group proceeded with the replacement of the traditional high pressure sodium lamps used in permanent motorway tunnel lighting systems with LED lamps. A total of 10,179 lamps were replaced in 2010, bringing the total number of new lamps installed to around 17,000 by the end of the year.
The programme for 2011 envisages the installation of a further 10,858 lamps, resulted in an estimated energy saving of 6,692 MWh a year (3,553 tonnes of CO_2 a year).

In terms of initiatives designed to improve traffic flow and safety, since 2009 the Group has included an estimate of emissions deriving from traffic congestion along the network, resulting in tailbacks, queues and frequent "stop and go" conditions, thus rendering the Group's emissions reduction policy more effective and constructive. These situations are summarised, for Autostrade per l'Italia's network, by the "traffic flow rate" or "Total Delay" indicator (TD), representing the total duration of delays for all vehicles.
Investments in improving levels of service and safety standards have helped to significantly reduce the Total Delay (down 11% in the three-year period 2008-2010), resulting in a notable reduction in emissions of CO_2 and of other air pollutants caused by motorway traffic. The estimated volume of CO_2 emissions saved thanks to the reduction in congestion compared with 2005 is approximately 12,780 tonnes.
This indicator, however, rose by 1.15% in 2010 compared with 2009 as a result of the high concentration of major works in progress as part of the motorway upgrade programme and due to weather conditions.

CO_2 emissions (tonnes)	2009	2010
Congestion (total delay)	22,306	22,931
Emissions saved (▲ total delay vs previous year)	4,341	–625

As in previous years, the Group has calculated the annual reduction in emissions achieved as a result of the installation and upgrade of the automated toll collection system, Telepass, at toll stations along the motorway operated by Autostrade per l'Italia (25,000 tonnes in 2010, up 0.6% on 2009). The impact of Safety Tutor, the system that measures the average speeds of vehicles using a particular stretch of motorway, was also calculated (a reduction of 66,900 tonnes in 2010, up 19%). In addition to having an undisputedly positive effect in terms of reducing tailbacks and the time spent queuing at toll stations, increasing traffic flow and cutting the number of accidents, these systems also have a positive environmental impact in the form of reduced fuel consumption and lower atmospheric emissions.

"Green" space (hedges separating carriageways, motorway embankments and greenery at toll stations, service areas and parking areas), covering as much as 29% (6,300 hectares) of the total land occupied by the Group's Italian motorway network, also absorbs approximately 3,000 tonnes of CO_2 a year. In this regard, the Group continued to experiment with vegetation as a means of reducing CO_2 emissions in 2010. This involved the use of indigenous, non-GM herbaceous C4 perennials with deep and highly resistant roots (able to absorb an estimated 20 tonnes a year per hectare). The main aim of this technology is the stabilisation of embankments, soil conservation, the protection of motorway infrastructure, and the clean-up of disused and polluted areas.
In line with the Group's strategy for protecting the environment and biodiversity, during the year the subsidiary, Società Autostrada Tirrenica, launched the initiative, "A tree for your garden", in collaboration

with the municipalities of Rosignano and Cecina. The project will see 1,300 trees, dug up during work on the motorway section between Rosignano and San Pietro in Palazzi, handed over to the community and private citizens, who will be able to reserve the trees they want. The initiative has proved a great success, with applications for the trees far outstripping the number of trees available.

Significant regulatory aspects

Single concession arrangements for Italian operators

On 13 May and 22 July 2010, the CIPE (Interministerial Economic Planning Committee) gave clearance, subject to certain requirements, for the single concession arrangements entered into in 2009 by ANAS and a number of motorway operators, including Società Autostrada Tirrenica, Strada dei Parchi, Autostrada Torino-Savona and Raccordo Autostradale Valle d'Aosta, Tangenziale di Napoli and Autostrade Meridionali, and revised its opinion, again subject to certain requirements, on the single concession arrangements of Tangenziale di Napoli and Autostrade Meridionali.
The CIPE resolutions containing the requirements applicable to the Group's single concession arrangements were published in the Official Journal in October 2010. With the signing of the document ratifying adoption of the above requirements, the procedure introduced by Law 191 of 2009 has come to an end. As a result, the single concession arrangements provided for by Law Decree 262 of 2006, as subsequently amended and added to, and signed by the Italian motorway operators controlled by Autostrade per l'Italia in 2009 (with the exception of Società Italiana Traforo del Monte Bianco, which operates under a different concession regime) are now effective. Raccordo Autostradale Valle d'Aosta, Società Autostrada Tirrenica and Tangenziale di Napoli signed the above document on 24 November 2010, Strada dei Parchi and Autostrade Meridionali on 29 November 2010, Autostrada Torino-Savona on 22 December 2010.

Toll increases for 2011

The following annual toll increases have been introduced by Autostrade per l'Italia and the Group's Italian motorway operators from 1 January 2011:

Toll increases 2011 (excluding increases pursuant to Law 122/2010)

Operator	Increases 2011
Autostrade per l'Italia	1.92%
Autostrada Torino–Savona	0.63%
Raccordo Autostradale Valle d'Aosta	14.15%
Società Autostrada Tirrenica	4.08%
Tangenziale di Napoli	3.80%
Autostrade Meridionali	–6.56% (*)
Strada dei Parchi	8.14%
Società Italiana Traforo del Monte Bianco	4.96%

(*) As a result of rounding, the impact on the final tolls paid by road users is limited to class B.

In accordance with the Single Concession Arrangement signed by ANAS and Autostrade per l'Italia on 12 October 2007, the toll increase of 1.92% for 2011 has been calculated on the basis of two components:

- 0.63%, equivalent to 70% of the inflation rate in the period from 1 July 2009 to 30 June 2010;
- 1.29%, relating to the X investments component of the tariff formula, designed to cover the additional capital expenditure inserted into the IV Addendum of 2002.

The inflation-linked component (0.63%) was calculated on the basis of consumer price inflation for the Italian population as a whole, as calculated by ISTAT (the NIC index), for the period between 1 July 2009 and 30 June 2010, increase 0.90%, compared with the period from 1 July 2008 to 30 June 2009.
The toll component relating to capital expenditure inserted into the IV Addendum (1.29%) is based on the state of progress of work on the individual projects, as reported in the statement of financial position as at 30 September 2010.

The subsidiaries, Raccordo Autostradale Valle d'Aosta, Società Autostrada Tirrenica, Tangenziale di Napoli, Autostrade Meridionali and Strada dei Parchi, whose single concession arrangements, involving the rebalancing of their respective financial plans, became effective in 2010, have for the first time applied the new formula for calculating their toll increases. The various factors taken into account include the target inflation rate, the rebalancing component and the return on investment, in addition to quality.
The increases granted from 1 January 2011 represented the sum of the increases granted in compliance with the new arrangements for the years 2010 and 2011, after deducting the increase already applied from 1 January 2010 on the basis of the arrangements in force at that time.
The toll increase for Autostrada Torino-Savona is 0.63%, which was granted on the basis of the existing single arrangement, following the signature with ANAS of the document ratifying the CIPE requirements. This increase is equal to 70% of the inflation rate in the period from 1 July 2009 to 30 June 2010.

Società Italiana Traforo del Monte Bianco, which operates under a different concession regime based on bilateral agreements between Italy and France, applied a total increase of 4.96% from 1 January 2011, in accordance with the resolution approved by the Intergovernmental Committee for the Mont Blanc Tunnel on 22 October 2010. This increase is based on the combination of two elements:

- 1.46% representing the average inflation rate in France and Italy for the period from 1 September 2009 to 31 August 2010;
- 3.50% in accordance with the agreement between the Italian and French governments dated 24 February 2009, with use of the proceeds still be decided on by the two governments.

Toll increases to be applied and passed on to ANAS

Art. 15.c.4 of Law Decree 78 of 31 May 2010, converted into Law 122/2010, introduced increases to the concession fee payable by motorway operators to ANAS. The increases amount to: (i) 1 thousandth of a euro per kilometre for toll classes A and B and 3 thousandths of a euro per kilometre for classes 3, 4 and 5 with effect from 1 July 2010; and (ii) 2 thousandths of a euro per kilometre for toll classes A and B and 6 thousandths of a euro per kilometre for classes 3, 4 and 5 with effect from 1 January 2011.
At the same time, motorway tolls were increased by a corresponding amount.

Toll increases applied on behalf of ANAS

Art. 15.c.2 of Law Decree 78/2010 also authorised ANAS, from 1 July 2010, to provisionally apply lump-sum toll increases at toll stations interconnecting with motorways and orbital motorways operated directly by ANAS. These lump-sum increases amount to €1.00 for toll classes A and B and €2.00 for classes 3, 4 and 5. The Prime Ministerial Decree of 25 June 2010 specified the stations at which the toll increases. Consequently, Autostrade per l'Italia and the other motorway operators have, from 1 July 2010, applied the increases introduced by the above legislation.
As a result of the injunctions granted by the Lazio and Piedmont regional administrative courts — subsequently confirmed by the Council of State — suspending application of the above toll increases, ANAS issued instructions on 4 August 2010 requesting motorway operators "to suspend, as soon as technically feasible, application of the toll increases" referred to above. Autostrade per l'Italia has thus proceeded to suspend application of the toll increases introduced by art. 15.c.2 of Law Decree 78/2010.
On 21 February 2011 Lazio Regional Administrative Court upheld the appeal, annulling the Prime Ministerial Decree of 25 June 2010.

Snow events in December 2010

On 14 December 2010 ANAS began an investigation with the aim of verifying Autostrade per l'Italia's compliance with the required procedures for dealing with snow emergencies, following events on the A14 Bologna-Bari-Taranto motorway between 14 and 16 December 2010.
On 20 December 2010 ANAS launched a similar investigation in relation to snow events in the Florence area on the A1 Milan-Naples and A11 Florence-Pisa motorways on 17 and 18 December 2010. As a result of the same events on 17 December 2010, the Antitrust Authority has also launched an investigation into whether or

not Autostrade per l'Italia (i) omitted to provide or provided incomplete or delayed information to consumers (motorway users) regarding effective conditions on the motorway sections during the snow emergency, and (ii) had adequate emergency measures in place to enable users to avoid or reduce the disruption caused by the subsequent road closures.

On 20 December 2010 ANAS initiated a similar investigation with the aim of verifying whether or not the Group's operators, Società Autostrada Tirrenica and Strada dei Parchi, had complied with the required procedures for dealing with snow emergencies, following events on the A12 Livorno-Rosignano Marittimo motorway and on the Tivoli-Carsoli section of the A24 Rome-L'Aquila-Teramo motorway on 17 and 18 December 2010.

The investigations are ongoing and so far have not found evidence of either non-compliance or omissions.

Autostrade per l'Italia has also received claims from individual users and consumers' associations in relation to the same events.

With regard to the snow event of 17 December 2010, the Florence District Attorney's office has begun an investigation into whether or not, as a result of the disruption experienced by motorway, road and rail users, there are grounds for criminal prosecutions. Autostrade per l'Italia has provided the District Attorney's office with all the support needed to understand what warnings were received prior to the event and verify whether or not the company responded to the event in line with the snow plans approved by the grantor, ANAS.

In response to the above snow event, AVCP (the regulator that oversees public contracts) has launched an investigation to see if the existing concession arrangement with ANAS was fully complied with by both the operator and ANAS, which is responsible for supervising implementation of the arrangement.

At a hearing held by AVCP, representatives from ANAS and Autostrade per l'Italia presented details of the concession arrangement, focusing above all on the provisions governing the management of events that have an impact on motorway traffic, including serious weather events, such as those that took place.

The regulator was informed that ANAS, in the form of its Motorway Concession Inspectorate, has, as noted above, launched an investigation of the event.

Following the above snow event, Autostrade per l'Italia held talks with the "Safety Advisory Committee", which includes representatives of the consumers' associations, Adoc, Adusbef, Adiconsum, Codacons and Federconsumatori, in order to identify initiatives that could be taken to show customers that the company acknowledges the disruption caused.

Autostrade per l'Italia has adopted this approach, despite the fact that the company believes that it cannot be held responsible for the disruption and any inconvenience caused to motorway users, given that it responded to the event in accordance with the approved snow plans. The resulting agreement with the consumers' associations is thus simply intended as a gesture of goodwill towards the users who were affected by the disruption caused on the motorway sections it directly operates.

A specific form has been prepared on the basis of the agreement with the consumers' associations, enabling customers to initiate the conciliation procedure. The form is available on Autostrade per l'Italia's websites and on those of the various associations.
The definition of the conciliation procedures have been estimated by Autostrade per l'Italia and recognised in expenses for 2010.

Dispute over tolls applied by Strada dei Parchi

On 1 March 2010 Codacons (a consumers' association) filed suit at Lazio Regional Administrative Court against ANAS, the Ministry of Infrastructure, the Ministry of the Economy and Finance and the Abruzzo and Lazio regional authorities, contesting the basis for the increase in motorway toll charges for 2010, applied by Strada dei Parchi from 1 January 2010. Briefly, Codacons contests (i) the violation of CIPE Directive 319 of 20 December 1996, given that the increase for 2010 is alleged not to be linked to investments carried out; (ii) the alleged failure by ANAS to oversee Strada dei Parchi's compliance with its contractual obligations.
Following further requests for documents by Codacons, the hearing held on 31 March 2010 did not discuss the application for an injunction brought by the plaintiff.
Lazio Regional Administrative Court adjourned the hearing on the merits until a later date, which is still to be set.
The Lazio Regional Administrative Court sentence deposited on 30 March 2010 upheld the appeals brought in 2006 by the Abruzzo Regional Authority, Teramo Provincial Authority and the Gran Sasso Mountain Community against ANAS and Strada dei Parchi, annulling the tariff increase introduced in 2006, and the revised toll charge for the Basciano-Teramo section introduced in 2008.
Following this, Strada dei Parchi filed appeal against the above sentences before the Council of State, requesting a suspension and petitioning for a presidential decree to provide immediate suspension whilst awaiting the hearing to discuss the application for interim relief.
On 20 April 2010 Lazio Regional Administrative Court upheld Strada dei Parchi's request, suspending application of the sentence and scheduling a hearing on the merits for 15 June 2010. This hearing was further adjourned until 26 October 2010, following a request for revocation submitted by the Abruzzo Regional Authority.

The Fourth Section of the Council of State, sitting in its judicial capacity, issued a sentence on 9 December 2010, upholding the company's appeals and, as a result, cancelling the appealed sentences. The Council found that the toll increase applied was legitimate, as was the revised toll charge for the Basciano-Teramo section introduced in 2008.

Council of State sentence regarding award of the concession to Pedemontana Veneta

Following the Council of State sentence that upheld the appeal brought by the permanent consortium led by SIS ScpA, and the ensuing decision by the Veneto Regional Authority to award the concession to the aforementioned company, the temporary consortium that includes Pedemontana Veneta SpA (in which Autostrade per l'Italia holds a direct 28% interest) appealed the above Council of State sentence. This appeal was turned down. The above award was also challenged before Veneto Regional Administrative Court.
In addition, the Pedemontana Veneta temporary consortium has filed a request for pre-trail relief before Lazio Regional Administrative Court, which, on 21 October 2009, granted an injunction blocking execution of the contract, which had, however, already been signed by the government-appointed Extraordinary Commissioner, who had in the meantime taken over responsibility for the infrastructure project from the Veneto Regional Authority, on the same date.
A further appeal was filed before Lazio Regional Administrative Court on 16 December 2009, again requesting the court, which has jurisdiction over the Commissioner's actions, to exclude SIS Scpa from the tender process for failing to meet the necessary requirements for participation in the tender. This request had, as noted, already been filed with Veneto Regional Administrative Court, although it was decided to withdraw it whilst awaiting examination of the principal appeal brought before Lazio Regional Administrative Court.
On 30 July 2010 Veneto Regional Administrative Court issued a sentence acknowledging the plaintiffs' decision to withdraw their appeal. This sentence was then deposited with Lazio Regional Administrative Court. The Lazio Regional Administrative Court hearing on the merits has been scheduled for 8 June 2011.
On 28 September 2010 the company asked the Extraordinary Commissioner to grant access to the documents regarding the final design, following press reports on 20 September 2010 that the related decree of approval had been signed.
On 4 October 2010 the Extraordinary Commissioner sent Pedemontana Veneta a letter including a copy of the decree approving the final design, but refused access to the design documents.
Pedemontana Veneta has recently decided to file a legal challenge with Lazio Regional Administrative Court, contesting the letter refusing access to the documents regarding the final design.
The action challenging the letter refusing access to the documents regarding the final design for the highway was discussed at a Lazio Regional Administrative Court hearing held on 26 January 2011. The sentence of the court is pending.

Other ongoing litigation

Autostrade per l'Italia is the defendant in two actions, which are still pending, brought before Lazio Regional Administrative Court regarding toll charges. The actions, which have been brought by Codacons and other consumers' associations, aim to challenge the toll increases introduced in 1999 and 2003.

With regard to the preliminary design for the "Rosignano Marittimo-Civitavecchia" section of the A12 motorway approved by the CIPE resolution of 18 December 2008 (published in the Official Journal of 14 May 2009), Società Autostrada Tirrenica pA is party, together with the other public bodies involved, to a number of legal actions pending before Lazio Regional Administrative Court, and to a number of extraordinary appeals to the Head of State, contesting the above CIPE resolution of 18 December 2008.

The Antitrust Authority's appeal to the Council of State requesting annulment of Lazio Regional Administrative Court sentences 4994/09 and 5005/09 is still pending. These sentences at first instance partly upheld the appeals brought by ACI Global SpA and Europ Assistance VAI SpA requesting annulment of Antitrust Authority ruling 19021 of 23 October 2008 regarding emergency breakdown services. Autostrade per l'Italia is a party to the appeals with file numbers R.G. no. 8813/09 and no. 8814/09.

On 21 October 2010, Varese Provincial Authority filed suit at Lombardy Regional Administrative Court, requesting cancellation, and an immediate injunction halting application, of Autostrade per l'Italia's letter dated 28 September 2010, in which the operator informed the Authority that it was not possible to satisfy its request to eliminate the toll charge on the Varese-Gallarate section of motorway, in addition to all arrangements governing tolls on the above motorway section.
Autostrade per l'Italia presented its defence on 1 December 2010. The Lombardy Regional Administrative Court sentence of 2 December 2010 turned down the request for an injunction, scheduling a hearing on the merits for 26 May 2011.

Finally, Autostrade per l'Italia is the defendant in a number of legal actions regarding expropriations, tenders and claims for damages deriving from motorway activities.
At the present time, the outcomes of the above litigation proceedings are not expected to result in significant charges to be incurred by Group companies, in addition to the amounts already provided at 31 December 2010 and reported in the consolidated financial statements.

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 subsequently amended and as interpreted by CONSOB Communication DEM/10078683 of 24 September 2010, on 11 November Atlantia's Board of Directors approved the new Procedure for Related Party Transactions entered into directly by the Company and/or through subsidiaries. This Procedure sets out the criteria to be used in identifying related parties and the related reporting requirements.

The principal transactions entered into by the Group and Atlantia SpA with related parties, as identified in accordance with the criteria defined in the above Procedure, are described below. Related party transactions are conducted on an arm's length basis.
Related party transactions do not include transactions of an atypical or unusual nature. The Atlantia Group did not engage in material transactions with its direct or indirect parents during 2010.

During 2010 fees, non-monetary benefits, bonuses, incentives and other forms of compensation were paid to the Chairman of Atlantia, Fabio Cerchiai (€0.5 million), and the Chief Executive Officer and General Manager, Giovanni Castellucci (€1.5 million), in relation to positions held in Atlantia and in other Group companies. A total of €0.2 million was also paid to the previous Chairman, Gian Maria Gros-Pietro.

Transactions with Schemaventotto

Transactions with the parent, Schemaventotto, regard amounts due to the Group in the form of an IRES refund resulting from the tax consolidation arrangement in which certain Group companies participated until 1 January 2008.

Atlantia Group's related party transactions

In compliance with IAS 24, the Autogrill group, which is under the common control of Edizione Srl, is treated as a related party. With regard to relations between the Atlantia Group's motorway operators and the Autogrill group, it should be noted that, at 31 December 2010, Autogrill holds 140 (134 excluding Strada dei Parchi) food service concessions for service areas along the Group's motorway network.
In 2010 the Group earned revenue of approximately €77.8 million on transactions with Autogrill, including approximately €0.8 million deriving from the handover, free of charge, of buildings located at service areas (following expiry of the related sub-concessions) and €77.0 million in royalties deriving from management

of service areas. This 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.
Further details of the impact of related party transactions on the results of operations and the financial position are provided in the table in note 10.4 to the consolidated financial statements.

Atlantia SpA's related party transactions

The Company primarily engages in transactions with the subsidiary, Autostrade per l'Italia, over which it exercises management and coordination.
As at 31 December 2010 the Company has granted medium/long-term loans with a total par value of €9,649.2 million to Autostrade per l'Italia on the same terms as those applied to Atlantia's bank borrowings, increased by a spread that takes account of the cost of managing the loans. These loans have increased by €1,500 million compared with 31 December 2009, essentially as a result of the disbursement of two new medium/long-term loans with par values of €1,000 million and €500 million, respectively. These replicate, at intercompany level, the bonds issued on 16 September 2010.
A portion of these loans is hedged against interest rate risk through the use of specific derivative financial instruments that have also been entered into with Autostrade per l'Italia. Fair value gains on these hedges total €150.4 million as at 31 December 2010.
In September 2010 Atlantia and Autostrade per l'Italia unwound a number of hedging transactions – previously classified as fair value hedges – entered into to hedge the exposure to interest rate risk of loans with a par value of €1,500 million granted in May 2010 and maturing in May 2016. The unwinding of these derivatives, which did not result in any charge for the Company, means that the bond issue and the intercompany loan are again subject to fixed rate exposure.

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 €196.7 million as at 31 December 2010.

Finally, as a result of the tax consolidation arrangement headed by Atlantia, the statement of financial position as at 31 December 2010 includes current tax assets due from Group companies of €14.4 million, and current tax liabilities payable to Group companies of €6.9 million.

Further details of the impact of related party transactions on the results of operations and the financial position are provided in the table in note 7.2 to the separate financial statements.

Other information

As at 31 December 2010 Atlantia holds 12,050,447 treasury shares (post bonus issue of 7 June 2010), representing approximately 2.0% of its issued capital. No treasury shares have been purchased or sold during 2010.

Atlantia SpA does not own, either directly or indirectly through trust companies or proxies, shares or units issued by parents. No transactions were carried out during the year involving shares or units issued by parents.

Atlantia does not operate branch offices.

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 the section "Significant regulatory aspects" in this report on operations, that may result in charges or potential liabilities with an impact on the consolidated financial statements.

Finally, in accordance with the Data Protection Act (Legislative Decree 196/2003, annex B, point 26), the Company declares that it has updated its Security Planning Document for 2010.

Shareholdings of Directors, Statutory Auditors, General Managers and other key management personnel

Name and surname	Company invested in	No. of shares held at end of 2009	No. of shares purchased	No. of shares sold	No. of shares held at end of 2010
Gian Maria Gros–Pietro (Chairman) (1)	Atlantia SpA	–	–	–	–
Fabio Cerchiai (Chairman)	Atlantia SpA	5,000	–	–	5,250 (2)
Giovanni Castellucci (Director) and General Manager	Atlantia SpA	–	–	–	–
Gilberto Benetton (Director)	Atlantia SpA	–	–	–	–
Alessandro Bertani (Director)	Atlantia SpA	–	–	–	–
Alberto Bombassei (Director)	Atlantia SpA	–	–	–	–
Stefano Cao (Director)	Atlantia SpA	320	–	–	336 (2)
Roberto Cera (Director)	Atlantia SpA	–	–	–	–
Alberto Clô (Director)	Atlantia SpA	–	–	–	–
Antonio Fassone (Director)	Atlantia SpA	–	–	–	–
Carlo Malinconico (Director)	Atlantia SpA	–	–	–	–
Giuliano Mari (Director)	Atlantia SpA	–	–	–	–
Gianni Mion (Director)	Atlantia SpA	–	3,500	–	3,500
Giuseppe Piaggio (Director)	Atlantia SpA	3,000	1,000	–	4,150 (2)
Antonino Turicchi (Director)	Atlantia SpA	–	–	–	–
Paolo Zannoni (Director) (1)	Atlantia SpA	–	–	–	–
Marco Spadacini (Statutory Auditor)	Atlantia SpA	3,700	–	–	3,885 (2)
Tommaso Di Tanno (Statutory Auditor)	Atlantia SpA	–	–	–	–
Raffaello Lupi (Statutory Auditor)	Atlantia SpA	–	–	–	–
Angelo Miglietta (Statutory Auditor)	Atlantia SpA	–	–	–	–
Alessandro Trotter (Statutory Auditor)	Atlantia SpA	–	–	–	–
Giuseppe Maria Cipolla (Alternate Auditor)	Atlantia SpA	–	–	–	–
Giandomenico Genta (Alternate Auditor)	Atlantia SpA	–	–	–	–

(1) Gian Maria Gros–Pietro was Chairman until the Annual General Meeting of 14 April 2010, whilst Paolo Zannoni was co–opted on to the Board of Directors on 5 March 2010 and was elected at the Annual General Meeting of 14 April 2010.
(2) The increase was due to the bonus issue approved by the Extraordinary General Meeting of 14 April 2010 and implemented ex dividend no.14 on 7 June 2010.

Events after 31 December 2010

Agreement for the sale of Strada dei Parchi

As announced on 3 January 2011, Autostrade per l'Italia SpA has agreed to sell its 60% interest in Strada dei Parchi SpA to Toto SpA for a total price of €89 million. Under the terms of the agreement, Toto is to buy 58% of the company for €86 million, with a first instalment of €60 million to be paid on transfer of the shares and the remaining €26 million to be paid within 36 months of the sale. The value of the second instalment will be revalued at an annual interest rate agreed by the parties and backed by an independent first demand guarantee provided by a bank. The remaining 2% stake held by Autostrade per l'Italia is subject to a call/put option (at a price of €3 million), execution of which is deferred until the conditions described in art. 156, paragraph 3 of Legislative Decree 163/2006 have been met (for example, on certification of the infrastructure).
Execution of the sale agreement is subject to the following conditions, which have already been or are in the process of being met: the positive outcome of the procedure required by Strada dei Parchi's Single Concession Arrangement, which means that ANAS must approve any change in control of the company; the receipt of antitrust clearance; signature of the project finance loan agreement and completion of the first drawdown of funds to fund the company's investment programme.
In this regard, on 25 February 2011 Strada dei Parchi and a syndicate of leading Italian and international banks entered into a project financing agreement worth €571 million.

Eco Taxe Poids Lourds

Following a tender procedure launched in May 2009, on 18 January 2011 France's Ministry of Ecology, Sustainable Development, Transport and Housing chose Autostrade per l'Italia as the preferred bidder in the process to award a contract for the implementation and operation of a satellite-based toll system for heavy vehicles weighing over 3.5 tonnes using the country's 15,000-km road network (*Eco Taxe Poids Lourds*).
On 8 February 2011 the Ministry notified Autostrade per l'Italia that it had been awarded the contract.
The contract will have a duration of thirteen years and is worth over €2bn in terms of total expected revenue.
The contract envisages an initial twenty-one month design and construction phase, followed by operation and maintenance of the system for eleven and a half years. A number of leading French industrial groups, subcontractor in the project, with Thales, SNCF, SFR and Steria are committed to acquiring stakes amounting to 30% of the project, following the execution of the contract and compliant with bid rules.
On 11 March 2011 the Administrative Court of Cergy-Pontoise, following the appeal introduced by members of a rival consortium, notwithstanding, has canceled the tender process. Advancements are underway for bringing a legal action at the French Council of State.

Tender to provide tolling system for ANAS

Law Decree 125 of 5 August 2010 – containing urgent transport-related and financial measures, and later converted into Law 163 of 1 October 2010 – brought forward to 30 April 2011 the application of tolls on the motorway sections and link roads directly operated by ANAS.
On 13 September 2010 ANAS published a call for tenders "*for the supply and installation of a free-flow toll system on the motorways and motorway link roads operated by ANAS and provision of the related maintenance services, operation of the tolling and toll collection system and provision of on-the-job training for ANAS personnel to prepare them to take over operation of the system*". Autostrade per l'Italia bid for the contract as the agent for a Temporary Consortium, acting on behalf of the principals, Autostrade Tech SpA and Sinelec SpA.
On 18 January 2011, having examined the bids submitted by the qualifying bidders, the Evaluation Committee provisionally awarded the contract to the Consortium for which Autostrade per l'Italia is acting as agent.

Outlook and risks or uncertainties

Despite uncertainty regarding the macroeconomic environment, substantially stable traffic figures, combined with toll increases and the development of related activities, lead us to expect an improvement in the Group's operating performance compared with 2010.

With regard to risks or uncertainties, in addition to the information already provided in the various sections of this report on operations, it should be noted that the volume of traffic using the Group's motorway network is affected by numerous factors. These include the overall economic climate and, more specifically, industrial output, consumer spending and, albeit to a limited extent on the basis of historical evidence, fuel prices. Any resulting shift in traffic trends may have an impact on the Group's operating results or financial position.

Proposed resolutions for the Annual General Meeting of Atlantia SpA's shareholders

Dear shareholders,

in conclusion, we invite you:

- to discuss and approve the Board of Directors' report on operations and the statutory financial statements as at and for the year ended 31 December 2010, which report profit of €509,898,117;
- to appropriate the remaining €301,070,543 in profit for the year, after payment of the interim dividend of €208,827,574 in 2010, to:
    1. pay a final dividend of €0.391 per share for 2010, payable to holders of each of the shares with a par value €1.00 outstanding at the ex dividend date, excluding treasury shares held in portfolio at that date. The total value of the final dividend, based on the number of shares outstanding (588,246,688) and of treasury shares in portfolio (12,050,447), is estimated at €230,004,455;
    2. take the remaining profit for the year, after payment of the final dividend, to the extraordinary reserve. This amount, based on the number of shares outstanding at the ex dividend date, is estimated at €71,066,088;
- to establish the dividend payment date as 26 May 2011 and the ex dividend no.16 date as 23 May 2011.

For the Board of Directors
The Chairman

3

Atlantia Group's consolidated financial statements and notes

Consolidated financial statements

Consolidated statement of financial position

ASSETS (€000)	Note	31.12.2010	31.12.2009	01.01.2009
NON–CURRENT ASSETS				
Property, plant and equipment	7.1	**216,432**	**214,240**	**200,705**
Property, plant and equipment		215,272	211,198	198,830
Property, plant and equipment held under finance leases		240	1,954	728
Investment property		920	1,088	1,147
Intangible assets	7.2	**16,187,581**	**16,781,557**	**16,146,500**
Intangible assets deriving from concession rights		11,751,981	12,345,107	11,709,908
Goodwill and other intangible assets with indefinite lives		4,401,445	4,400,110	4,400,752
Other intangible assets		34,155	36,340	35,840
Investments	7.3	**431,547**	**394,792**	**215,989**
Investments accounted for at cost or fair value		104,450	104,462	59,786
Investments accounted for using the equity method		327,097	290,330	156,203
Other non–current financial assets	7.4	**935,422**	**850,079**	**865,012**
Non–current financial assets deriving from concession rights		373,719	288,034	146,626
Non–current financial assets deriving from government grants		201,538	180,355	132,056
Term deposits convertible after 12 months		285,930	336,717	540,771
Derivative assets		40,209	857	1,825
Other non–current financial assets		34,026	44,116	43,734
Deferred tax assets	7.5	**2,101,817**	**2,184,636**	**2,186,300**
Other non–current assets	7.6	**5,472**	**7,508**	**8,020**
TOTAL NON–CURRENT ASSETS		**19,878,271**	**20,432,812**	**19,622,526**
CURRENT ASSETS				
Trading assets	7.7	**973,176**	**986,578**	**891,590**
Inventories		45,197	51,261	57,505
Contract work in progress		36,457	25,619	7,284
Trade receivables		891,522	909,698	826,801
of which due from related parties		*55,313*	*55,104*	*39,577*
Cash and cash equivalents	7.8	**2,533,250**	**1,222,270**	**129,833**
Cash		207,078	403,253	95,975
Cash equivalents		2,326,172	819,017	33,858
Other current financial assets	7.4	**435,819**	**374,981**	**338,780**
Current portion of medium/long–term financial assets		21,988	67,834	19,286
Current financial assets deriving from concession rights		8,853	14,280	–
Current financial assets deriving from government grants		189,436	88,007	102,826
Term deposits convertible within 12 months		180,947	181,620	177,916
Other current financial assets		34,595	23,240	38,752
Current tax assets	7.9	**29,715**	**46,294**	**37,790**
of which due from related parties		*11,461*	*11,348*	*–*
Other current assets	7.10	**74,667**	**59,793**	**126,204**
Non–current assets held for sale and related to discontinued operations	7.11	**1,107,734**	**84,331**	**–**
of which due from related parties		*2,525*	*17,076*	*–*
TOTAL CURRENT ASSETS		**5,154,361**	**2,774,247**	**1,524,197**
TOTAL ASSETS		**25,032,632**	**23,207,059**	**21,146,723**

TOTAL EQUITY AND LIABILITIES (€000)	Note	31.12.2010	31.12.2009	01.01.2009
EQUITY				
Equity attributable to owners of the parent		**3,183,391**	**2,810,815**	**2,677,790**
Issued capital		600,297	571,712	571,712
Reserves and retained earnings		2,324,613	2,091,091	2,321,722
Treasury shares		–215,644	–215,644	–215,644
Profit for the year after payment of interim dividend		474,125	363,656	–
Equity attributable to non–controlling interests		**403,510**	**386,395**	**359,261**
Issued capital and reserves		385,706	387,689	359,261
Profit/(Loss) for the year after payment of interim dividend		17,804	–1,294	–
TOTAL EQUITY	7.12	**3,586,901**	**3,197,210**	**3,037,051**
NON–CURRENT LIABILITIES				
Provisions for construction services required by contract	7.13	**4,315,051**	**4,383,829**	**4,191,013**
Non–current provisions	7.14	**941,982**	**923,731**	**873,971**
Provisions for employee benefits		130,604	173,782	172,939
Provisions for repair and maintenance obligations		790,281	728,122	671,303
Other provisions		21,097	21,827	29,729
Non–current financial liabilities	7.15	**10,066,909**	**11,304,537**	**9,786,217**
Bond issues		7,466,600	7,836,019	6,144,899
Medium/long–term borrowings		2,323,273	3,068,276	3,256,309
Derivative liabilities		253,599	374,778	335,295
Other non–current financial liabilities		23,437	25,464	49,714
Deferred tax liabilities	7.5	**33,666**	**30,253**	**6,376**
Other non–current liabilities	7.16	**44,151**	**56,479**	**56,166**
TOTAL NON–CURRENT LIABILITIES		**15,401,759**	**16,698,829**	**14,913,743**
CURRENT LIABILITIES				
Current portion of provisions for construction services required by contract	7.13	**386,660**	**582,217**	**607,929**
Current provisions	7.14	**224,778**	**213,783**	**215,008**
Provisions for employee benefits		46,615	15,462	17,469
Provisions for repair and maintenance obligations		121,341	126,384	116,896
Other provisions		56,822	71,937	80,643
Trading liabilities	7.17	**1,307,429**	**1,190,764**	**1,103,702**
Contract work in progress		–	–	45
Trade payables		1,307,429	1,190,764	1,103,657
of which due to related parties		*27,808*	*19,055*	*21,872*
Current financial liabilities	7.15	**2,561,332**	**914,316**	**877,978**
Bank overdrafts		19,857	40,990	82,959
Short–term borrowings		6,574	185,390	199,379
Current portion of medium/long–term financial liabilities		2,533,779	686,253	576,751
Intercompany current accounts payable		881	1,453	7,284
Other current financial liabilities		241	230	11,605
Current tax liabilities	7.9	**17,278**	**19,303**	**48,563**
Other current liabilities	7.18	**473,862**	**390,637**	**342,749**
Liabilities related to discontinued operations	7.11	**1,072,633**	–	–
TOTAL CURRENT LIABILITIES		**6,043,972**	**3,311,020**	**3,195,929**
TOTAL LIABILITIES		**21,445,731**	**20,009,849**	**18,109,672**
TOTAL EQUITY AND LIABILITIES		**25,032,632**	**23,207,059**	**21,146,723**

Consolidated income statement

(€000)	Note	2010	2009
REVENUE			
Toll revenue	8.1	3,118,872	2,845,195
Revenue from construction services	8.2	782,558	455,362
of which related parties		*826*	*27,371*
Contract revenue	8.3	60,807	50,225
Other operating income	8.4	565,829	559,514
of which related parties		*81,294*	*76,647*
TOTAL REVENUE		**4,528,066**	**3,910,296**
COSTS			
Raw and consumable materials	**8.5**	**–325,907**	**–244,036**
Purchases of materials		–315,016	–232,131
Change in inventories of raw and consumable materials and goods		–10,891	–11,905
Service costs	**8.6**	**–1,459,329**	**–1,373,060**
Service costs		–1,459,329	–1,373,060
of which related parties		*–45,517*	*–36,797*
Gain/(loss) on sale of property, plant and equipment		**–75**	**64**
Net personnel expense	**8.7**	**–636,677**	**–614,168**
Other operating costs	**8.8**	**–449,006**	**–285,578**
Concession fees		–309,634	–158,138
Lease expense		–19,412	–17,952
Change in provisions for repair and maintenance obligations		–27,142	–32,021
Other provisions		–9,700	–4,100
Other operating costs		–83,118	–73,367
Use of provisions for construction services required by contract	**8.9**	**605,191**	**716,610**
Amortisation and depreciation		**–482,967**	**–443,507**
Depreciation of property, plant and equipment	7.1	–49,834	–45,580
Depreciation of property, plant and equipment held under finance leases	7.1	–66	–220
Depreciation of investment property	7.1	–76	–71
Amortisation of intangible assets deriving from concession rights	7.2	–409,958	–374,014
Amortisation of other intangible assets	7.2	–23,033	–23,622
(Impairment losses)/Reversals of impairment losses	**8.10**	**2,664**	**7,581**
TOTAL COSTS		**–2,746,106**	**–2,236,094**
OPERATING PROFIT		**1,781,960**	**1,674,202**

(€000)	Note	2010	2009
Financial income	8.11	**188,254**	**145,453**
Financial income		185,811	144,817
Revaluations of financial assets		–	196
Dividends received from investee companies		2,443	440
Net financial expenses	8.11	**–865,191**	**–805,636**
Financial expenses from discounting of provisions		–176,382	–192,310
Other financial expenses after government grants		–688,809	–613,399
Capitalised financial expenses		–	73
Foreign exchange gains/(losses)	8.11	**5,378**	**–246**
FINANCIAL INCOME/(EXPENSES)		**–671,559**	**–660,429**
Share of (profit)/loss of associates and joint ventures accounted for using the equity method	8.12	**–2,080**	**–51,102**
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		**1,108,321**	**962,671**
Income tax (expense)/benefit	8.13	**–400,300**	**–380,741**
Current tax expense		–387,915	–372,668
Differences on current tax expense for previous years		–3,671	13,355
Deferred tax income and expense		–8,714	–21,428
PROFIT/(LOSS) FROM CONTINUING OPERATIONS		**708,021**	**581,930**
Profit/(loss) from discontinued operations	8.14	**–6,999**	**–20,466**
PROFIT FOR THE YEAR		**701,022**	**561,464**
of which:			
Profit attributable to owners of the parent		**682,952**	**562,539**
Profit/(loss) attributable to non–controlling interests		**18,070**	**–1,075**

(€)		2010	2009
Basic earnings per share attributable to the owners of the parent	8.15	**1.16**	**0.96**
of which:			
from continuing operations		1.17	0.99
from discontinued operations		–0.01	–0.03
Diluted earnings per share attributable to the owners of the parent	8.15	**1.16**	**0.96**
of which:			
from continuing operations		1.17	0.99
from discontinued operations		–0.01	–0.03

Consolidated statement of comprehensive income

(€000)	Note	2010	2009
Profit for the year (A)		**701,022**	**561,464**
Fair value gains/(losses) on cash flow hedges		50,003	–50,087
Gains/(losses) from actuarial valuations (IAS 19)		5,540	4,815
Translation gains on financial statements with functional currencies other than the euro		21,258	1,686
Gains/(losses) from measurement of associates and joint ventures using the equity method		42,721	22,437
Other fair value gains/(losses)		–97	–466
Other comprehensive income for the period after related taxation (B)	7.12	**119,425**	**–21,615**
of which: discontinued operations		*458*	*260*
Comprehensive income for the year (A + B)		**820,447**	**539,849**
of which:			
attributable to equity holders of the parent		800,120	539,172
attributable to non–controlling interests		20,327	677

Statement of changes in consolidated equity

(€000)	Equity attributable to owners of the parent		
	Issued capital	Financial instruments fair value reserve	Currency translation reserve
Balance as at 31 December 2008	**571,712**	**54,489**	**–6,053**
Effect of the adoption of IFRIC 12 as at 1 January 2009	–	–	1,410
Retained earnings for previous year	–	–	–
Balance at 1 January 2009 (including the effect of first adoption of IFRIC 12)	**571,712**	**54,489**	**–4,643**
Comprehensive income for the year	**–**	**–51,406**	**1,360**
Shareholder transactions and other movements			
Final dividend approved	–	–	–
Interim dividend	–	–	–
Changes in the basis of consolidation, capital contributions and other movements	–	–	–
Balance as at 31 December 2009	**571,712**	**3,083**	**–3,283**
Comprehensive income for the year	**–**	**50,274**	**19,021**
Shareholder transactions and other movements			
Bonus issue of share capital	28,585	–	–
Final dividend approved	–	–	–
Retained earnings for previous year	–	–	–
Interim dividend	–	–	–
Changes in the basis of consolidation, capital contributions and other movements	–	–	44
Balance as at 31 December 2010	**600,297**	**53,357**	**15,782**

	Equity attributable to owners of the parent						
	Reserve for investments valued using the equity method	Other reserves and retained earnings	Treasury shares	Profit for the year	Total	Equity attributable to non–controlling interests	Total equity attributable to owners of the parent and non–controlling interests
	–11,181	**2,677,808**	**–215,644**	**544,352**	**3,615,483**	**370,609**	**3,986,092**
	–	–939,103	–	–	–937,693	–11,348	–949,041
	–	544,352	–	–544,352	–	–	–
	–11,181	**2,283,057**	**–215,644**	**–**	**2,677,790**	**359,261**	**3,037,051**
	22,437	**4,240**	**–**	**562,539**	**539,170**	**679**	**539,849**
	–	–207,287	–	–	–207,287	–2,593	–209,880
	–	–	–	–198,883	–198,883	–219	–199,102
	–	25	–	–	25	29,269	29,292
	11,256	**2,080,035**	**–215,644**	**363,656**	**2,810,815**	**386,395**	**3,197,210**
	42,721	**5,152**	**–**	**682,952**	**800,120**	**20,327**	**820,447**
	–	–28,585	–	–	–	–	–
	–	–	–	–219,054	–219,054	–2,633	–221,687
	–	144,602	–	–144,602	–	–	–
	–	–	–	–208,827	–208,827	–266	–209,093
	–	293	–	–	337	–313	24
	53,977	**2,201,497**	**–215,644**	**474,125**	**3,183,391**	**403,510**	**3,586,901**

Consolidated statement of cash flow

(€000)	Note	2010	2009
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES			
Profit for the period		**701,022**	**561,464**
Adjusted by:			
Amortisation and depreciation		505,845	488,656
Provisions		49,188	47,259
Financial expenses from discounting of provisions		177,000	192,936
Share of (profit)/loss of associates and joint ventures accounted for using the equity method	8.12	2,080	51,104
Impairment losses/(Reversal of impairment losses) and adjustments of other non–current assets		–28,502	–13,748
(Gain)/Loss on sale of non–current assets		398	–3,695
Net change in deferred tax (assets)/liabilities		8,895	16,573
Other non–cash costs (income)		–12,498	–57,554
Change in working capital and other changes		237,417	34,256
Net cash from/(used in) operating activities (A)	**9.1**	**1,640,845**	**1,317,251**
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES			
Investments in motorways infrastructure		–1,443,370	–1,188,325
Government grants related to motorway infrastructure		222,027	136,424
Increase in financial assets deriving from takeover rights (related to investments in motorway infrastructure)		68,712	89,049
Purchases of property, plant and equipment	7.1	–56,904	–61,832
Purchases of intangible assets	7.2	–24,400	–24,455
Purchase of investments, net of unpaid called–up issued capital	7.3	–6,194	–91,576
Purchase of new consolidated investments, net of cash acquired		–	–220,492
Dividends received from investee companies accounted for using the equity method		10,080	–
Proceeds from sales of property, plant and equipment, intangible assets and unconsolidated investments		28,526	12,017
Proceeds form sales of consolidated investments net of cash and cash equivalents		–	1,290
Net change in other non–current assets		2,036	512
Net change in current and non–current financial assets not held for trading purposes		–145,824	185,365
Net cash from/(used in) investing activities (B)	**9.1**	**–1,345,311**	**–1,162,023**
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES			
Dividends paid		–430,751	–420,218
Net change in the currency translation reserve and other reserves		17,414	931
Net change in issued capital and reserves attributable to non–controlling interests		2,450	28,008
Issuance of bonds		1,484,571	1,642,240
Increase in medium-long term borrowings (excluding finance lease liabilities)		94,093	8,004
Increase in finance lease liabilities		170	1,353
Repayments of medium-long term borrowings (excluding finance lease liabilities)	7.15	–245,484	–138,092
Payment of finance lease liabilities	7.15	–351	–780
Net change in other current and non–current financial liabilities		121,137	–136,859
Net cash from/(used in) financing activities (C)	**9.1**	**1,043,249**	**984,587**
Net effect of foreign exchange rate movements on net cash and cash equivalents (D)		1,340	422
Increase/(Decrease) in cash and cash equivalents (A + B + C + D)	**9.1**	**1,340,123**	**1,140,237**
Net cash and cash equivalents at beginning of year		**1,179,827**	**39,590**
Net cash and cash equivalents at end of year		**2,519,950**	**1,179,827**

Additional information on the statement of cash flows

	Note	2010	2009
Income taxes paid		383,729	394,694
Interest income and other financial income collected		130,052	51,626
Interest expense and other financial expenses paid		596,952	551,390
Dividends received		2,443	440
Foreign exchange gains collected	8.11	745	878
Foreign exchange losses incurred	8.11	681	692

Reconciliation of net cash and cash equivalents

	Note	2010	2009
Net cash and cash equivalents at beginning of period		**1,179,827**	**39,590**
Cash and cash equivalents	7.8	1,222,270	129,833
Bank overdrafts repayable on demand	7.15	–40,990	–82,959
Bank account balances payable to unconsolidated Group companies	7.15	–1,453	–7,284
Net cash and cash equivalents at end of period		**2,519,950**	**1,179,827**
Cash and cash equivalents	7.8	2,533,250	1,222,270
Bank overdrafts repayable on demand	7.15	–19,857	–40,990
Bank account balances payable to unconsolidated Group companies	7.15	–881	–1,453
Cash and cash equivalents attributable to discontinued operations	7.11	15,494	–
Bank overdrafts (discontinued operations/assets held for sale)	7.11	–8,056	–

Notes to the Atlantia Group's consolidated financial statements

1. Introduction

The Atlantia Group's core business is the operation of motorways under concessions granted by the relevant Authorities. Under the related concession arrangements, the Group's operators are responsible for the construction, management, improvement and upkeep of sections of motorway in Italy and overseas. Further information on the Group's concession arrangements is provided in note 5.

The Parent, Atlantia SpA, listed on the Milan Stock Exchange, operates solely as a holding company. It is responsible for developing growth and financial strategies in the infrastructure sector, but does not have a direct operational role. 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, the shareholder that, via Schemaventotto SpA, directly and indirectly holds a relative majority of the issued capital of Atlantia SpA is Sintonia SA.
Sintonia SA, which is in turn a subsidiary of Edizione Srl, does not exercise management and coordination of Atlantia SpA.

The list of investments annexed to these notes also complies with the disclosure requirements of art. 126 of CONSOB Regulation 11971/1999 relating to investments of more than 10% of the issued capital of unlisted companies.

The consolidated financial statements were approved by the Board of Directors of Atlantia SpA at its meeting of 11 March 2011.

2. Basis of presentation

The consolidated financial statements as at and for the year ended 31 December 2010 are based on the assumption that 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 at the end of the reporting period. For the sake of simplicity, all the above standards and interpretations are hereinafter referred to as "IFRS".
Moreover, reference was made to the measures introduced by the CONSOB, in application of paragraph 3 of article 9 of Legislative Decree 38/2005.

The consolidated financial statements consist of the income statement, statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and these notes, in application of IAS 1

"Presentation of financial statements" and, in general, the historic cost convention with the exception of those items that are required by IFRS to be recognised at fair value as explained in the notes to the relevant items. 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 "Framework for the Preparation and Presentation of Financial Statements", 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. In this regard, it should be noted that no material non-recurring, atypical or unusual transactions were entered into during 2010, either with third or related parties.

All amounts are shown in thousands of euros, unless otherwise stated. The euro is both the Group's functional currency and its presentation currency.
Each item in the consolidated financial statements is compared with the corresponding amount for the previous year which, however, has been restated as explained in detail in note 4, below, in connection with the first-time adoption of IFRIC 12. The application of the interpretation from 1 January 2010 has made it necessary to review the propriety of certain financial statement items and, consequently, the income statement, statement of financial position and statement of cash flows. The statement of consolidated financial position balances brought forward at the beginning of the previous financial year (1 January 2009) have also been restated, as required by paragraph 39 of IAS 1.

3. Accounting policies

The following most significant accounting policies were used in preparing the consolidated financial statements as at and for the year ended 31 December 2010 which have not changed since the preparation of the consolidated financial statements as at and for the year ended 31 December 2009 except for the adoption of IFRIC 12 with respect to the recognition and measurement of concession arrangements granted by a public organisation and to a private party. The effects on the consolidated financial statements of the application of the interpretation are described in note 4, below, in which the accounting treatment of concessions held by Group companies has also been summarised.

Property, plant and equipment

Property, plant and equipment 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. 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, rather than for use in the production or supply of goods and services, 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.

A summary of the annual range rates of depreciation used is as follows:

Description	Rate
Buildings	2.5%–10%
Plant and machinery	10%–50%
Industrial and trading machinery	10%–33%
Other assets	10%–40%

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 related 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 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 sale or if the facts and circumstances giving rise to the future expected benefits cease to exist. Any gains or losses (determined as the difference between the 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, with the exception of concession rights, 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. The cost of intangible assets in the form of concession rights can include one or more of the following cases:

a) the fair value of construction services and/or improvements made by the grantor (measured as explained in the note on the accounting policy on construction contracts and services work in progress) less any grants, recognized as financial assets and corresponding to the amount that shall be paid by the replacement operator on termination of the concession (the so-called "takeover rights") and/or the minimum guaranteed toll revenue recognised as financial assets and/or the minimum guaranteed by the Grantor. Such cost will be recovered through the tolls paid by users of the infrastructure. Specifically, identified as follow:
    1) rights obtained as consideration for specific obligations to provide construction services for the expansion and modernisation of the infrastructure and for which the operator does not receive additional economic benefits. These rights are initially recognised at the present fair value of the construction services to be provided in future (excluding any financial expenses to be incurred by the operator during the construction period), less any grants, with a contra entry of an equal amount in "provisions for construction services required by contract"; in addition to the impact of amortisation, the initial value of the rights changes over time as a result of periodic reassessment of the present fair value of the part of the construction services still to be rendered at the end of the reporting period;
    2) rights accrued in return for construction services rendered for which the operator receives additional economic benefits, represented by specific tariff increases and/or extensions of the infrastructure expected to result in significant increases in the number of users;

3) rights accruing from construction work carried out and paid for by service area operators, handed over free of charge to the Company;

b) rights obtained from third parties, if costs have been incurred to acquire concessions from the grantor from third parties (the latter relating to the acquisition of companies that hold a concession).

Amortisation of intangible assets with finite useful lives begins when the assets are ready for use and is based on remaining economic benefits to be obtained in relation to their residual useful lives. Concession rights, on the other hand, are amortised over the concession period, in a pattern that reflects the estimated flow of economic benefits to the company. The rate of amortisation is, therefore, determined taking account, among other things, of projected traffic changes, if material, over the concession period. Concession rights are amortised from the accounting period in which they commence generating economic benefits.

A summary of the annual range rates of amortisation used for intangible assets with finite useful lives is as follows:

Description	Rate
Concession rights	From the accounting period in which they commence generating economic benefits, over the residual term of the concession and the traffic forecasts (2.43% – 33.33% for amortisation charged from 2010)
Development costs	33%
Industrial patents and intellectual property rights	5%–33%
Licenses and similar rights	3%–50%

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 are accounted for using the "acquisition method"; for this purpose, identifiable assets acquired and actual and contingent liabilities are measured at their fair value at the acquisition date. The cost of an acquisition is measured as the fair value, at the date of exchange, of the assets given, liabilities assumed and any equity instruments issued by the Group in exchange for control.

The excess of (i) the cost of acquisition, increased by the fair value at the acquisition date of any existing non-controlling interests already held in the acquisition, in addition to non-controlling interests of any third parties participating in the acquisition (the lattest measured at fair value or at prorated current value of net assets identified in the acquisition), and (ii) the fair value of the acquired assets and liabilities, is recognised as goodwill. The goodwill, as measured on the date of acquisition, is allocated to each of the cash generating units or groups of cash generating units which are expected to benefit from the synergies derived from the business combination.

A negative difference between the cost of the acquisition (increased by the components described above) and the Group's share in the fair value of the acquired assets and liabilities is accounted for as income in the income statement for 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 below.

On acquiring control, further acquisitions of the interests of minority shareholders, or sales of shareholdings to minority shareholders that do not result in a loss of control, are accounted for as equity transactions. This means that any differences between the change in equity attributable to non controlling interests and the cash and cash equivalents exchanged are recognised directly as movements in equity attributable to owners of the parent.

For the purposes of the transition to IFRS and preparation of the opening financial statements (as at 1 January 2004) under the IFRS adopted by the Parent, IFRS 3 – Business combinations was not applied retrospectively to acquisitions prior to 1 January 2004. As a result, the carrying amount of goodwill on these acquisitions is that determined under

Italian GAAP, which is the net carrying amount at the IFRS transition date, subject, however, 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, the accumulated gains and losses in that reserve are taken to the income statement.
Impairment losses, identified as described in the note on "Impairment of assets", are reversed through the other comprehensive income if the circumstances that resulted in the loss no longer 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, and 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, when the Group's share is recognised directly in comprehensive income attributable to owners of the parent.
Provisions are made to cover the risk that the losses of an associate or joint venture could exceed 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.
Available-for-sale investments, or those in the process of being sold, are recognised at the lower of their carrying amount and fair value, less any costs to sell.

Construction contracts and services work in progress

Construction contracts are accounted for on the basis of the contract 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. 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 impairment losses on the value of the completed work, 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 in contract work, price reviews and claims to the extent that they can be measured reliably.
Expected losses are fully recognised immediately regardless of the stage of contract completion.
Construction services provided to the grantor relating to Group company concession arrangements are specifically recognised in the income statement in accordance with the stage of completion method. Specifically, construction and/or upgrade service revenue represents the consideration for the services provided and are measured at fair value, calculated on the basis of the total costs incurred. These primarily consist of the costs of materials and external services, the cost of employment benefits payable to employees used to provide the services, and attributable financial expenses (the latter only in the case of construction and/or upgrade services for which the operator receives additional economic benefits), and the possible profit related to the services realized by the Group structures (the market value of these services).

Inventories

Inventories 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 cost of purchase is to be 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 the allowance for impairment. 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, and the expected costs of recovering the 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, less any directly attributable transaction costs. After initial recognition, payables are recognised at amortised cost, using the original 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 par 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.

Other financial assets and liabilities

Financial assets that Group companies intend and are able to hold to maturity, in accordance with IAS 39, and 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 asset or issuance of a financial liability. 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 accounted for and measured at fair value through the income statement. Other categories of financial assets are classified as available-for-sale financial instruments, which are accounted for and measured at fair value through the statement of comprehensive income. The financial instruments included in these categories have, to date, never been reclassified.

Derivative financial instruments

All derivative financial instruments are recognised at fair value at the end of the reporting period.
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 instruments hedging assets and liabilities (cash flow hedges) are recognised in the statement of comprehensive income, net of any deferred taxation. The gain or loss relating to the ineffective portion is recognised in the income statement.
The changes in the fair value of instruments hedging the changes in the fair value of assets and liabilities are recognised in profit or loss for the year. Analogously, the hedged assets and liabilities are restated at fair value through the income statement.
Changes in the fair value of derivative instruments that do not qualify for hedge accounting under IAS 39 are recognised in the income statement.

Fair value hierarchy of financial instruments

IFRS 7 "Financial Instruments: Disclosures" requires that financial instruments recognised at fair value in the statement of financial position be classified with reference to a hierarchy of levels, based on the source of the inputs used to derive the fair value.

The standard classifies financial instruments recognised at fair value based on the following levels:
a) Level 1 — quoted prices in active markets;
b) Level 2 — inputs other than quoted prices included in level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices);
c) Level 3 — inputs that are not based on observable market data.

There were no transfers among the fair value hierarchy of levels in 2010.
No financial instruments have been classified as level 3.

Provisions and provisions for construction services required by contract

"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 using a discount rate that reflects current market assessments of the time value of money and the specific risks relating to the liability. Subsequent to the computation of present value, the increase in provisions over time is recognised as a financial expense.
In accordance with the contract obligations reflected in the financial plans annexed to the concession arrangements in force, "Provisions for the repair and maintenance obligations" reflect provisions made at the end of the reporting period in order to cover the cost of future maintenance obligations, designed to ensure the required functionality and safety of motorway infrastructure. These provisions are calculated on the basis of the usage and wear and tear of motorway infrastructure, taking into account, if material, the time value of money.
The "Provision for construction services" required by contract relates to contractual obligations specifically in connection with the upgrading of motorway infrastructure, for which the Group obtains no additional economic benefits. Such costs are treated as consideration for concession arrangements and are initially recognised at the present value of the fair value of construction services to be rendered in the future (ignoring any financial costs) less any grants received. They are accounted for as a contra item of concession rights without additional benefits. The present value of the residual liability to be rendered in the future, for the construction services still to be rendered to date, consequently periodically reassessed and changes to the measurement of the liabilities (such as, for example, changes to the estimated cash outflows necessary to extinguish 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.

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 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 (for Italian companies, primarily post-employment benefits accrued to 31 December 2006 or, where applicable, until the date the employee joins a supplementary pension

fund) 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 and loss is recognised in full in other comprehensive income in the period to which they relate, net of any deferred taxation.

Non-current assets held for sale and related to discontinued operations

Where the carrying amount of non-current assets held for sale and assets and liabilities related to discontinued operations is material and 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.

With regard to their classification in the income statement, discontinued or discontinuing operations are assets sold or classified as held for sale that satisfy one of the following requirements:

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.

Gains and losses on such items, after the related taxation, are recognised in a specific item in the income statement, together with comparative amounts.

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, on an accruals basis in the accounting period in which it is earned based on motorway usage. Due partially to the fact that the Group's network interconnects with other networks, and that it is consequently necessary to allocate revenue among the various operators, a portion of toll revenue, relating to the last part of the accounting period, is determined on the basis of reasonable estimates;
b) sales of assets, when the significant risks and rewards of ownership of the goods have been transferred to the buyer;
c) the rendering of services, in proportion to the stage of completion of the transaction based on the same criteria used for construction contracts. When the amount of the revenue cannot be reliably determined, revenue is recognised only to the extent of the expenses recognised that are recoverable;
d) rental income or royalties, on an accruals basis, based on the agreed terms and conditions of contract.

Interest income and expense is accrued on assets and liabilities based on the effective interest method.
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 for investments in motorway infrastructure are recognised as construction services revenue in accordance with the accounting policy on "Construction contracts and services work in progress".
Grants related to assets received to fund development projects and activities are accounted for in liabilities, and are subsequently recognised in operating income in the income statement, in line with depreciation of the assets to which they refer.
Any grants received to fund investments 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 a realistic estimate of tax expense to be paid, in compliance with the regulations in force and taking account of any applicable exemptions.
Income tax payables are reported under current tax liabilities in the statement of financial position less any advance payments of taxes. Any overpayments of IRAP are recognised as current tax assets.

Deferred tax assets and liabilities are taxes expected to be recovered or paid on temporary differences between the carrying amounts of assets and liabilities in the company's books, calculated in accordance with the above policies, and the corresponding tax bases, 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, Atlantia SpA has once again elected to adopt a tax consolidation arrangement for 2010, in which certain subsidiaries participate.

Share-based payments

The cost of the services rendered by employees and/or directors and paid for in the form of share options is based on the fair value of the options granted at the grant date. The method of calculating fair value takes account of all features of the options at the grant date (the option period, exercise price and vesting conditions, etc.) and the instrument underlying the option. The cost is recognised in the income statement, 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 employees and/or directors and remunerated through share-based payments, but settled in cash, is measured at the fair value of the liability recorded in the "Provisions for employee benefits". Fair value is remeasured at the end of the each reporting period until such time as the liability is settled, with any changes recognised in the income statement.

Impairment of assets (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 recoverable amounts of such assets are estimated to verify and eventually measure the amount of the impairment loss to recognize. 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 individually, 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 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.
Impairment losses are recognised in the income statement, and classified according to 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 equity instruments 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 especially important 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 financial statements of each consolidated company are prepared using the functional currency of the economy in which the company 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 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 are 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 are computed by taking into account, for both profit attributable to owners of the parent and the above weighted average, the effects deriving from the subscription/conversion of all potential shares that may be issued as a result of the exercise of any outstanding share options.

New accounting standards and interpretations, or revisions and modifications of existing standards, that have either yet to come into effect or yet to be endorsed by the European Union

There were no new standards or revisions to existing accounting standards and interpretations in 2010 that had a material impact on the consolidated financial statements, with the exception of interpretation IFRIC 12 on the recognition and measurement of public-to-private service concession arrangements, with particular regard to the method of accounting for assets to be handed over, the activities involved in the operation of such assets, and constructions obligations with respect to their repair and maintenance. The impact of adoption of this interpretation on the Atlantia Group's consolidated financial statements is described below in note 4.

As required by IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", this section describes new accounting standards and interpretations, and revisions of existing standards and interpretations that are already applicable, but that have either yet to come into effect or yet to be endorsed by the European Union (EU), and that may in the future be applied in the Group's consolidated financial statements.

IFRS 3 — Business Combinations

As part of its Annual Improvements project, the IASB published an amendment to IFRS 3 on 6 May 2010 clarifying the method of measuring non-controlling interests in business combinations. IFRS 3 provides that non-controlling interests may be measured at fair value or at the non-controlling interest's proportionate share in net assets of the acquiree. The second alternative is only available for equity instruments that currently provide non-controlling interests with the rights of ordinary shareholders specifically with respect to obtaining a prorated share of net assets in the event of a liquidation. Any other non-controlling interest instruments (such as preference shares or warrants issued by the acquiree) must be measured at fair value unless otherwise required under another international financial reporting standard.
The amendment is required to be applied from 2011 and was endorsed by the EU in February 2011.

IFRS 9 — Financial Instruments

The IASB issued the first part of IFRS 9 on 12 November 2009 that only revised requirements for the classification and measurement of financial assets currently regulated by IAS 39. When completed, IFRS 9 will fully replace IAS 39. The IASB subsequently issued a revised version of IFRS 9 on 28 October 2010 that also contained requirements with respect to the classification and measurement of financial liabilities.
IFRS 9 only provides for two categories of financial assets. It also provides for two accounting methods: amortised cost and fair value.
Classifications should be made with reference to the business model for managing the financial asset and the characteristics of its contractual cash flows.

Initial recognition and subsequent measurement at amortised cost are 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.

If either one of the above two conditions is not satisfied, the financial asset is required to be initially recognised and subsequently measured at fair value.
All financial assets in the form of shares are to be measured at fair value. Unlike IAS 39, the revised standard does not admit exception to the general rule. As a result, it is not possible to measure unlisted shares, for which fair value cannot be reliably determined, at cost.
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, 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, may make an irrevocable election on initial recognition to present changes in the fair value in comprehensive income.
The accounting requirements relating to financial liabilities as provided by the current IAS 39 have, however, been upheld by the new IFRS 9. Financial liabilities continue to be accounted for at amortised cost or fair value through profit or loss in specific circumstances.

The changes from current practice under IAS 39 are primarily:
a) changes in the fair value of certain types of financial liabilities, due to the credit risk inherent in liabilities, are required by IFRS 9 to be recognised in comprehensive income;
b) the elimination of the option to measure financial liabilities at amortised cost, which are in the form of derivatives entailing the delivery of unlisted equity instruments. This revision means that all derivative instruments must now be measured at fair value.

IFRS 9 is currently being examined by the EU in conjunction with their overall assessment of the revision and replacement of IAS 39.

IAS 12 — Income Taxes

The IASB approved certain revisions to IAS 12 on 20 December 2010 relating to the recovery of deferred taxes associated with certain types of assets. The revisions, among other things, set aside SIC 21.
IAS 12, in contrast to the current presumption that deferred tax assets will be recovered through use, now presumes that deferred tax assets relating to investment property and property, plant and equipment carried at fair value will now be recovered and all temporary differences reversed through the sale of the asset unless there is clear proof that the deferred tax asset can be recovered through use.
The amendment is to be applied for accounting periods starting on or after 1 January 2012. Earlier adoption is permitted. The amendment has not yet been endorsed by the EU.

IAS 32 – Financial Instruments: Presentation

The IASB published a revision to IAS 32 on 8 October 2009 that clarified the accounting treatment of certain rights issued in a currency other than the issuer's functional currency. When rights are issued on a prorated basis to all shareholders for a fixed amount of currency, they must be classified as equity instruments even to the extent that their exercise price is denominated in a currency other than the issuer's functional currency. The previous accounting treatment under IAS 32 was that these instruments should be accounted for as derivative liabilities.
The amendments to the standard were endorsed by the EU on 23 December 2009 and must be applied to financial statements for accounting periods commencing after 31 December 2010. Earlier adoption is permitted.

IFRIC 14 and IAS 19 —The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The IASB released amendments to IFRIC 14 and IAS 19 on 26 November 2009 that were required because the effects of any prepayments of minimum contributions had not been considered. In certain circumstances, however, the entity making such prepayments would be required to recognise a charge against income. The amendment to IFRIC 14, however, requires prepayments of minimum contributions to defined benefit plans to be recognised as assets.
The interpretation was endorsed by the EU in July 2010 and must be applied from 2011.

IFRIC 19 — Extinguishing Financial Liabilities with Equity Instruments

IFRIC 19 was published on 26 November 2009. The interpretation determines the mandatory accounting treatment to be applied by a debtor when, following a renegotiation of the terms of the liability, the creditor and the debtor agree to a so-called debt for equity swap in full or partial settlement of a financial liability, through the issuance of equity instruments by the debtor.
IFRIC 19 was endorsed by the EU in 2010 and must be applied for financial statements relating to accounting periods starting on or after 1 July 2010. Earlier adoption is permitted.

The Atlantia Group is analysing the future impact, if any, of the newly issued standards and interpretations, and revisions of existing standards and interpretations.

4. Impact of IFRIC 12 adoption on the Group's consolidated financial statements

4.1 Introduction

This section describes the impact of introduction of Interpretation IFRIC 12 "Service Concession Arrangements", issued by the International Accounting Standards Board, regarding the recognition and measurement of public-to-private service concession arrangements.
IFRIC 12, published by the IASB in November 2006, was endorsed by the European Commission with EC Regulation 254/2009 dated 25 March 2009. Application is mandatory for IFRS financial statements for reporting periods beginning after the date of endorsement.
With effect from the interim report as at and for the three months ended 31 March 2010, the Atlantia Group therefore publishes its accounts applying IFRIC 12, preparing its financial statements in compliance with the document published by the Italian Accounting Standards Setter (the OIC), Application 3 "Service Concession Arrangements".
IFRIC 12 establishes that the operator shall not recognise the public service infrastructure (assets to be handed over) as property, plant and equipment because the contractual service arrangement does not convey the right to "control" the infrastructure, but only the right to use it to provide the public service in accordance with the terms and conditions specified in the contract with the grantor. This right may be classified as a financial asset or as an intangible asset, depending on whether there is an unconditional contractual right to receive a consideration regardless of effective use of the infrastructure or a right to charge users of the public service.
The criteria used for adoption of the interpretation to the concessions held by the Group and the impact of its first-time adoption are described below.

4.2 Scope of application and Criteria used of the interpretation

4.2.1 Scope of application of the interpretation

IFRIC 12 applies to public-to-private concession arrangements if:
a) the grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price; and
b) the grantor controls — through ownership, beneficial entitlement or otherwise — any significant residual interest in the infrastructure at the end of the term of the arrangement.

Following analysis of the Group's existing concessions, the new interpretation was deemed applicable to all the concession arrangements to which the Atlantia Group's operators are party, with particular regard to the motorway concessions awarded to the subsidiaries, Autostrade per l'Italia SpA, Strada dei Parchi SpA, Società Italiana pA per il Traforo del Monte Bianco, Raccordo Autostradale Valle d'Aosta SpA, Società Autostrada Tirrenica pA, Tangenziale di Napoli SpA, Autostrade Meridionali SpA, Autostrada Torino-Savona SpA, Stalexport Autostrada Malopolska SA and Sociedad Concesionaria de Los Lagos SA, and the concession for port mobility services held by the subsidiary Port Mobility SpA.
The interpretation is also applicable to concession arrangements involving the Group's associates and joint ventures. The most important of these, with respect to IFRIC 12, regard the concessions indirectly held by Autostrade Sud America Srl (which merged Autostrade per il Cile on 1 January 2010), sub-holding company owning controlling interests or investments in companies that operate motorways under concessions in Chile.

4.2.2 First-time adoption of the interpretation

In accordance with IAS 8, on first-time adoption the provisions of IFRIC 12 must be applied retrospectively, reassessing the effects that adoption would have had as at 1 January 2009 (the beginning of the reporting period used for comparative purposes) and attributing the effects to components of equity.

However, should it be impracticable to apply the interpretation retrospectively, paragraph 30 of IFRIC 12 allows the operator, at the above date of 1 January 2009, to alternatively apply the interpretation prospectively and:
a) identify and recognise the financial assets and intangible assets that existed at that date;
b) use the previous carrying amounts of those financial and intangible assets (however previously classified) as their carrying amounts under IFRIC 12 as at that date;
c) test the financial and intangible assets recognised at that date for impairment.

Retrospective application was adopted for the concession arrangements entered into by the subsidiaries, Autostrade per l'Italia SpA, Società Autostrada Tirrenica pA, Autostrada Torino-Savona SpA, Stalexport Autostrada Malopolska SA and Sociedad Concesionaria de Los Lagos SA.
Given the significant difficulties in reconstructing the related historical data, due to the peculiar characteristics of the respective concessions and their development over time, prospective application was adopted in the case of the subsidiaries, Strada dei Parchi SpA, Società Italiana per azioni per il Traforo del Monte Bianco, Raccordo Autostradale Valle d'Aosta SpA, Tangenziale di Napoli SpA, Autostrade Meridionali SpA and Port Mobility SpA.
In the case of Autostrade per l'Italia SpA, Società Autostrada Tirrenica pA and Autostrada Torino-Savona SpA, retrospective application regarded the period after 28 February 2003, the date of the business combination that resulted in the Parent 's acquisition of control of the Group companies and in respect of which, on transition to IFRS, the Group elected to apply the option granted by IFRS 1 and not restate this transaction in accordance with IFRS 3.
With reference to Stalexport Autostrada Malopolska SA and Sociedad Concesionaria de Los Lagos SA, and to the investment in associates and joint ventures held through Autostrade Sud America Srl, retrospective application of IFRIC 12 has involved reassessment of the effects of the business combinations that resulted in the acquisition of the investments in these companies (dated 30 June 2007 and 30 June 2009, respectively).

4.2.3 Presentation of the impact of adoption of the interpretation on the income statement and statement of financial position

In order to show the impact of IFRIC 12 adoption, this section includes a number of accounting schedules reconciling statement of financial position and income statement components pre- and post-application of IFRIC 12. These are:
a) the reconciliation of consolidated equity as at 1 January and 31 December 2009 and consolidated profit for 2009;
b) the comparative consolidated statements of financial position as at 1 January 2009 and 31 December 2009;
c) the comparative consolidated income statements and statements of cash flows for 2009.

Application of the interpretation required the Group to restate and adapt a number of components of the (statutory and reclassified) consolidated financial statements and, consequently, the results of operations, financial position and cash flows presented.

4.2.4 Key elements in the accounting presentation of IFRIC 12 by the Atlantia Group

On the basis of the concession arrangements falling within the scope of application of IFRIC 12, the operator provides the following services: (i) construction and/or upgrade of the infrastructure used in supplying the public service; and (ii) management and maintenance of the infrastructure for a fixed period of time. Due to the fact that the construction and upgrade of infrastructure is analogous with the operations of a construction company, construction costs and revenue, during the period of providing these services, are recognised in profit or loss in accordance with IAS 11.

As indicated in IFRIC 12, in return for the construction and/or upgrade services provided by the operator, the grantor gives the operator a consideration to be recognised at fair value. This consideration may be rights to:
a) a financial asset (the financial asset model), or
b) an intangible asset (the intangible asset model).

The financial asset model is applied to the extent that the operator has an unconditional contractual right to receive contractually guaranteed cash payments for the construction services rendered, regardless of the extent to which the public uses the service.

Under the intangible asset model, on the other hand, in return for the construction and/or upgrade services provided, the operator receives the right to charge users of the public service. Therefore, the cash received by the operator is not guaranteed by the grantor, but is contingent on the extent to which the public uses the service, thus resulting in the operator's exposure to demand risk. This is the risk that cash flows generated by the right to charge users of the public service will not be sufficient to recover the operator's investment.
If the operator is paid for the construction and upgrade services partly by a financial asset and partly by an intangible asset, a mixture of the two models is used. In this case, it is necessary to account separately for the financial asset and intangible asset components of the consideration. In this case, IFRIC 12 requires the operator to first calculate the financial asset component and then the intangible asset for the remainder (with respect to the value of the construction and/or upgrade services rendered).
The intangible asset model is applicable to a number of concession arrangements to which Atlantia Group companies are party, whilst the mixed model (where the financial asset and intangible asset models apply to the same concession arrangement) is applicable to others.

In cases where the intangible asset model applies, the arrangements include:
a) arrangements involving the construction of infrastructure;
b) arrangements involving the management of existing infrastructure and specific obligations to extend or upgrade it, in return for which the operator does not receive additional economic benefits;
c) arrangements involving the management of existing infrastructure and its extension or upgrade, in return for which the operator receives additional economic benefits.

On the other hand, in cases in which the operator receives the right to a financial asset in return for the construction and/or upgrade services provided, this asset is represented by:
a) a right to receive a fixed amount in the form of a grant to cover the costs incurred for the construction of the works, and/or
b) a right to receive a fixed amount in the form of guaranteed minimum toll revenue.

If, however, the grantor awards the operator a "takeover right" at the end of the concession term, this right qualifies as a financial asset only if payment for this right to the outgoing operator is no longer subject to demand risk. In other cases, the estimated amount of the "takeover right" represents the residual value of the intangible asset recognised under IFRIC 12, not subject to amortisation.

4.2.5 Summary of the main components of the financial statements impacted by IFRIC 12 or presented for the first time

Based on the above, the main effects of IFRIC 12 adoption on the statement of financial position in the Atlantia Group's consolidated financial statements regard:
a) property, plant and equipment: as a result of elimination of assets to be handed over, previously accounted for in proprietary assets;
b) intangible assets: following recognition of the concession rights accruing from construction and/or upgrade services, to be recovered via the receipt of payment for use of the public service, to the extent of the portion not guaranteed by the grantor. These concession rights, recognised less accumulated amortisation to date, are attributable to the following categories:
    1) rights acquired from third parties, if costs have been incurred to acquire concessions from the grantor or from third parties (the latter relating to the acquisition of companies that hold a concession);
    2) rights accrued in return for the commitment to provide construction services for which the operator does not receive additional economic benefits. These rights are initially recognised at the present fair value of the construction services to be provided in future (excluding any financial expenses incurred during the construction period), with a contra entry of an equal amount in "provisions for construction services required by contract"; in addition to the impact of amortisation, the initial value of the rights changes over time as a result of periodic reassessment of the present fair value of the part of the construction services still to be rendered to date;

3) rights accrued in return for construction services rendered (measured at fair value, including any financial expenses incurred during the construction period) for which the operator receives additional economic benefits, represented by specific tariff increases and/or significant increases in the number of expected users from realization of the infrastructure increases;
4) rights accruing from construction work carried out by service area operators, represented by investments carried out by these entities and to be handed over free of charge to motorway operators.

In accordance with IAS 38, the above intangible assets are amortised over the related concession terms, on a basis that reflects the manner in which the economic benefits of the activity flow to the entity. For this purpose, the rates of amortisation are calculated taking account of expected changes in traffic over the concession term, if significant. Concession rights are amortised from the accounting period in which they commence generating economic benefits;

c) <u>financial assets and liabilities</u>: in terms of financial assets, the following receivables have been recognised:
   1) the "takeover rights" to be unconditionally paid by new operators;
   2) the present value of the minimum toll charges guaranteed by the grantor;
   3) the amounts payable by public entities as grants related to construction services.

   Financial liabilities have been adjusted on the basis of the accounting models described above, applying certain reclassifications;
d) <u>provisions for construction services required by contract</u>: in arrangements involving the management of existing infrastructure and specific obligations to extend or upgrade it, in return for which the operator does not receive additional economic benefits, the obligation to provide future construction services is deemed to be part of the consideration deriving from the arrangement. As previously described, in this case the operator initially recognises a liability equal to the present fair value of the construction services to be rendered in future, with a contra entry for the concession rights recognised in intangible assets. Measurement of this liability is periodically reassessed and changes to the measurement of the liabilities for the residual obligation (such as, for example, changes to the estimated cash outflows necessary to extinguish 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;
e) <u>provisions</u>: as a result of the new models used to account for concession arrangements, provisions for repair and mantainance obligations, representing the contractual obligation to maintain and replace infrastructure in order to ensure that it is in good working condition, have been adjusted. This is because operators, under IFRIC 12, are not required to replace proprietary assets (for which the accounting treatment would have been the disposal of the asset replaced and recognition of a new asset), but rather have an obligation to the grantor to maintain infrastructure in good working condition;
f) <u>other liabilities</u>: deferred income relating to the portion of toll revenue collected as a result of tariff increases applied on the basis of investments not yet completed by Autostrade per l'Italia (the so-called "X investments") has been eliminated given that, following IFRIC 12 adoption, these tariff increases are received in connection with the provision of specific construction services giving rise to additional economic benefits. As mentioned above, these are recognised as a specific form of concession right, which is amortised from the date on which the rights begin to produce the related economic benefits.

The most significant effects on components of the Atlantia Group's consolidated income statement, in addition to those previously described and regarding the absence of depreciation of property, plant and equipment to be handed over (no longer recognised), recognition of the amortisation of concession rights and changes to net provisions regard:

a) <u>toll revenue</u>: (i) the minimum guaranteed portion of which receivable from the Grantor and the financial income accrued on amounts to be received in future accounting periods are lower than the pre IFRIC accounting model; whereas (ii) revenue on toll rate increases received for construction services and/or the upgrading of works not yet completed increased due to their immediate recognition whilst prior to IFRIC 12 they were treated as deferred income until the works entered service;
b) <u>construction service revenue and costs</u>: the costs incurred in the execution of construction services for which additional economic benefits are received are recognised in profit or loss based on the stage of completion. Construction and/or upgrade service revenue represents the consideration receivable by the operator for the services provided and is measured at fair value, calculated on the basis of the total construction costs incurred. These primarily consist of the costs of materials and external services, the cost of internal staff used to provide the services, and attributable financial expenses (the latter only in the case of construction and/or upgrade services for which the

operator receives additional economic benefits). These costs are classified in profit or loss by nature. Solely in the case of construction services for which no additional economic benefits are received, the related costs are, in addition to grants recognised in construction service revenue, also offset by use of the provisions for construction services required by contract, which is allocated with a positive balance to a specific component of operating costs;

c) financial income and expenses: compared with the pre-IFRIC 12 accounting model, financial income and expenses are adjusted for:
   1) expenses accruing during the period on the discounting of provisions and for construction services required by contract;
   2) financial expenses relating to construction services for which the operator does not receive additional economic benefits, which are no longer capitalised under assets;
   3) financial income accruing on financial assets recognised on the basis of the present value of minimum toll revenue guaranteed by the grantor.

In accordance with IAS 12, the tax effects of the impact of first-time adoption of IFRIC 12, determined applying the above criteria, have been calculated, resulting in recognition of deferred tax assets and liabilities.

4.3 Reconciliation of consolidated equity as at 1 January and 31 December 2009 and consolidated profit for 2009

The following paragraphs present and comment the reconciliations of equity at the beginning and end of 2009 and the profit/(loss) for 2009 before and after IFRIC 12 adoption, showing the nature of the adjustments and reclassifications made on adoption of the accounting interpretation.

(€000)	Equity 01.01.2009	Equity 31.12.2009
Amounts attributable to owners of the parent, before IFRIC 12 adoption	3,615,483	3,865,202
Amounts attributable to non–controlling interests, before IFRIC 12 adoption	370,609	390,261
Amounts before IFRIC 12 adoption	**3,986,092**	**4,255,463**
IFRIC 12 adjustments, before taxation	**–1,397,079**	**–1,563,084**
Elimination of property, plant and equipment to be handed over	–8,971,354	–9,845,041
Adjustment of intangible assets – Concession rights acquired from third parties	682,884	639,992
Recognition of intangible assets – Concession rights accruing from construction services for which no additional economic benefits are received	8,962,533	9,380,460
Recognition of intangible assets – Concession rights accruing from construction services for which additional economic benefits are received	1,868,783	2,089,042
Recognition of intangible assets – Concession rights accruing from construction services provided by sub–operators	43,946	74,760
Recognition of financial assets – Takeover rights	146,626	235,675
Recognition of financial assets – Guaranteed minimum revenues	–	66,639
Recognition of financial assets – Government grants related to construction services	234,882	268,362
Adjustment of financial liabilities – Government grants related to construction services	37,948	41,442
Recognition of provisions for construction services required by contract – Construction services for which no additional economic benefits are received	–4,798,942	–4,966,046
Adjustment of provisions for repair and replacement obligations	277,105	306,461
Elimination of deferred income	45,860	70,591
Adjustment of carrying amounts of investments accounted for using the equity method	28,152	44,432
Other minor adjustments and reclassifications from other components of the financial position	44,498	30,147
Tax effect of IFRIC 12 adjustments	**448,038**	**504,831**
Amounts after IFRIC 12 adoption	**3,037,051**	**3,197,210**
Amounts attributable to owners of the parent, after IFRIC 12 adoption	2,677,790	2,810,815
Amounts attributable to non–controlling interests, after IFRIC 12 adoption	359,261	386,395
Total difference	**–949,041**	**–1,058,253**
of which:		
attributable to owners of the parent	–937,693	–1,054,387
attributable to non–controlling interests	–11,348	–3,866
% difference	**–23.8%**	**–24.9%**

(€000)	Profit/(Loss) for 2009
Amounts attributable to owners of the parent, before IFRIC 12 adoption	690,672
Amounts attributable to non–controlling interests, before IFRIC 12 adoption	–8,285
Amounts before IFRIC 12 adoption	**682,387**
IFRIC 12 adjustments, before taxation	**–184,964**
Elimination of deferred income	24,731
Adjustment of toll revenue for operators with guaranteed minimum revenue	–4,148
Adjustments to other operating income/(costs)	–13,875
Elimination of depreciation of property, plant and equipment to be handed over	348,734
Adjustment of amortisation of intangible assets – Concession rights acquired from third parties	–33,983
Recognition of amortisation of intangible assets – Concession rights accruing from construction services for which no additional economic benefits are received	–299,024
Recognition of amortisation of intangible assets – Concession rights accruing from construction services for which additional economic benefits are received	–77,239
Recognition of amortisation of intangible assets – Concession rights accruing from construction services provided by sub–operators	–2,582
Adjustment of impairments of intangible assets – Concession rights acquired from third parties	26,136
Adjustment of provisions for repair and replacement obligations	63,296
Adjustment of financial income – Guaranteed minimum revenue and government grants	5,508
Adjustment of financial expenses from discounting to present value of provisions and for construction services required by contract	–184,065
Adjustment of capitalised financial expenses	–44,063
Adjustment of share of profit/(loss) of investee companies accounted for using the equity method	5,610
Tax effect of IFRIC 12 adjustments	**64,041**
Amounts after IFRIC 12 adoption	**561,464**
Amounts attributable to owners of the parent, after IFRIC 12 adoption	562,539
Amounts attributable to non–controlling interests, after IFRIC 12 adoption	–1,075
Total difference	**–120,923**
of which:	
attributable to owners of the parent	–128,133
attributable to non–controlling interests	7,210
Percentage change	**–17.7%**

4.3.1 Impact on the consolidated statement of financial position

a) Property, plant and equipment:
for the reasons described above, the item "assets to be handed over", included in property, plant and equipment in the pre-IFRIC 12 statement of financial position, has been derecognised. The derecognised amounts total €8,971,354 thousand as at 1 January 2009 and €9,845,041 thousand as at 31 December 2009.
A part of the assets to be handed over, relating to the motorway infrastructure acquired from the grantor in previous financial years by the subsidiary, Strada dei Parchi, has been reclassified to intangible assets, as concession rights acquired from third parties. A smaller part of assets to be handed over, relating to prepayments made to suppliers for the construction of motorway infrastructure, has been reclassified to trading assets, in current assets.

b) Intangible assets:
the restatement and recognition of concession rights, less accumulated amortisation to date, is attributable to the following categories:

1) concession rights acquired from third parties, the value of which has been adjusted by €682,884 thousand as at 1 January 2009 and €639,992 thousand as at 31 December 2009, following the above reclassification of

the cost of acquiring its concession incurred by the subsidiary, Strada dei Parchi, in addition to adjustment of the value of the concession rights held by the Polish operator, Stalexport Autostrada Malopolska and, solely as at 31 December 2009, by the Chilean operator, Sociedad Concesionaria de Los Lagos, both included in the consolidated financial statements following the business combination by which control of the companies was obtained;

2) rights accruing from construction services for which no additional economic benefits are received, amounting to €8,962,533 thousand as at 1 January 2009 and €9,380,460 thousand as at 31 December 2009, essentially regarding Autostrade per l'Italia's investment commitments under the Agreement of 1997, as confirmed in the Single Concession Arrangement of 2007, the most significant of which regards widening of the Florence-Bologna section. The increase in the figure at the end of 2009, compared with the figure at the beginning of the year, primarily reflects adjustment of the present value of investments through to completion (up €739,949 thousand), partially offset by the recognition of amortisation for the year (€299,024 thousand);
3) rights accruing from the commitment to provide construction services for which additional economic benefits are received, amounting to €1,868,783 thousand as at 1 January 2009 and €2,089,042 thousand as at 31 December 2009, the increase in which primarily derives from investments carried out during the year (€352,291 thousand), less accrued amortisation (€77,239 thousand) and the reclassification of the investment in works generating additional economic benefits constructed by Autostrade Meridionali to financial assets: takeover rights;
4) rights accruing from construction services provided by service area operators (sub-operators), amounting to €43,946 thousand as at 1 January 2009 and €74,760 thousand as at 31 December 2009; the increase of €30,814 thousand derives from recognition of the appraisal value of buildings handed over free of charge in 2009 (€33,396 thousand), less amortisation for the year (€2,582 thousand).

c) Financial assets — takeover rights:
financial assets of €146,626 thousand have been recognised as at 1 January 2009 and €235,675 thousand as at 31 December 2009, representing the takeover right to be awarded to the subsidiary, Autostrade Meridionali, at the end of the related concession term.

d) Financial assets — guaranteed minimums:
financial assets of €66,639 thousand as at 31 December 2009 have been recognised in relation to the right of the Chilean operator, Sociedad Concesionaria de Los Lagos, which has been consolidated from the second half of 2009, to receive a fixed payment from the grantor in the form of guaranteed minimum toll revenue.

e) Financial assets and liabilities — government grants related to construction services:
receivables relating to grants payable by grantors or other public entities in relation to investments carried out to date amount to €234,882 thousand as at 1 January 2009 and €268,362 thousand as at 31 December 2009.
In application of the new accounting model adopted, a part of the financial debt payable by Autostrade per l'Italia to ANAS (deriving from the grantor's repayment of loans obtained by the operator to finance specific construction work) has been reclassified as a reduction in financial assets. This has resulted in reductions in these liabilities of €37,948 thousand as at 1 January 2009 and a €41,442 thousand as at 31 December 2009.

f) Provisions for construction services required by contract:
as previously noted, provisions have been recognised in relation to the obligation to provide future construction and/or upgrade services for which no additional economic benefits are received. Measurement of this liability (€4,798,942 thousand as at 1 January 2009 and €4,966,046 thousand as at 31 December 2009) was, in compliance with IAS 37, based on the best estimate of the present value of the construction services expected to be provided in the future in order to fulfil the commitments given to grantors to provide construction and/or upgrade services.

g) Provisions for repair and maintenance obligations:
these provisions are made to cover the obligation to maintain the infrastructure operated under concession in good working condition and, in accordance with the accounting model adopted, the provisions for the repair and replacement of assets to be handed over have been accordingly reassessed, based on the best estimate of the present value of the future cost of restoring the infrastructure. This has resulted in reductions in provisions of €277,105 thousand as at 1 January 2009 and €306,461 thousand as at 31 December 2009.

h) Other liabilities:
deferred income relating to the portion of toll revenue collected as a result of tariff increases applied on the basis of investments not yet completed by Autostrade per l'Italia (the so-called "X investments") has been eliminated in full, resulting in reductions in liabilities of €45,860 thousand as at 1 January 2009 and €70,591 thousand as at 31 December 2009.

i) Investments:
the carrying amounts of investments accounted for using the equity method, and to which IFRIC 12 is applicable, have been adjusted to reflect the accounting effects of application of IFRIC 12 to the related components of the financial statements. This has resulted in increases in the value of these investments of €28,152 thousand as at 1 January 2009 and €44,432 thousand as at 31 December 2009, essentially reflecting increases in the value of the Group's investments in the Chilean operators held, in that period, by Autostrade Sud America and Autostrade per il Cile.

j) Other adjustments and reclassifications of sundry components of the financial position:
this item primarily includes the impact of reclassifications of a number of items referred to above to other components of assets and liabilities, the most significant of which were trading assets, prepayments to suppliers for the construction of assets to be handed over.

k) Tax effects:
following the above adjustments, the Group recognised deferred tax assets and liabilities, resulting in net assets of €448,038 thousand as at 1 January 2009 and €504,831 thousand as at 31 December 2009.

Finally, the following reclassifications were made due to the first time adoption of IFRIC 12 and ensure the propriety of the balances affected, without impacts on equity attributable to the owners of the parent and to non controlling interest:

a) amounts due from and to the operators of interconnected motorway networks have been reclassified from other current assets and liabilities to trading assets (€16,545 thousand as at 1 January 2009 and €18,046 thousand as at 31 December 2009) and trading liabilities (€371,851 thousand as at 1 January 2009 and €420,433 thousand as at 31 December 2009), respectively, to provide a more accurate presentation of the related amounts;
b) concession fees payable to the grantor have been reclassified from trade liabilities to other current liabilities (€46,988 thousand as at 1 January 2009 and €60,151 thousand as at 31 December 2009).

4.3.2 Impact on the consolidated income statement

The most significant effects of IFRIC 12 adoption on the consolidated income statement for 2009 regard:

a) the increase in toll revenue, due to the derecognition of deferred income relating to tariff increases applied on the basis of investments not yet completed by Autostrade per l'Italia (the so-called "X investments"), amounting to €24,731 thousand, partly offset by the reduction in Sociedad Concesionaria de Los Lagos's toll revenue, compensated for by the financial income recognised as a result of the guaranteed minimum (down €4,148 thousand);
b) elimination of depreciation of property, plant and equipment to be handed over, amounting to €348,734 thousand;
c) the recognition of amortisation of concession rights, totalling €412,828 thousand, attributable to (i) the adjustment of amortisation of rights acquired from third parties (€33,983 thousand), and (ii) the recognition of amortisation of rights accruing from construction services for which no additional economic benefits are received (€299,024 thousand), rights accruing from construction services for which additional economic benefits are received (€77,239 thousand), and rights accruing from construction services provided by service area operators (€2,582 thousand);
d) the reduction (€26,136 thousand) in the impairment loss on the concession right held by the Polish operator, Stalexport Autostrada Malopolska, recognised at the end of 2009 (amounting to €42,547 thousand) and calculated on the basis of the present value of expected future cash flows generated through to expiry of the related concession term (March 2027), in application of impairment testing; the reduction of the impairment reflects the difference in the carrying amount of the concession right before the impairment loss as a result of the impact of IFRIC 12 adoption on the financial statements of Stalexport Autostrada Malopolska;
e) the reduction in provisions for the repair and replacement of assets to be handed over, totalling, €63,296 thousand;

f) the portion of financial expenses from the discounting of provisions and of provisions for construction services required by contract, totalling €184,065 thousand;
g) the reduction in capitalised financial expenses (down €44,063 thousand), which may no longer be recognised in respect of construction services for which no additional economic benefits are received, essentially referring to Autostrade per l'Italia.

After deferred taxation on the above effects (resulting in the recognition of a €64,041 thousand increase in net deferred tax assets), profit for 2009 is down €120,923 thousand.

4.3.3 Impact on the consolidated statement of cash flows

The impact of IFRIC 12 on the statement of cash flows for 2009 was a reduction in cash flows from operating activities of €58,527 thousand, substantially corresponding to a €60,840 thousand decrease in cash flows for investing activities. This reflects reduced investments in motorway infrastructure after IFRIC 12 adoption, compared with investments in property, plant and equipment before IFRIC 12 adoption.
As explained above, the decrease was a result of a lower level of financial expenses capitalised as non-current assets since they no longer generated additional economic benefits, as well as the change in the accounting treatment of prepayments to suppliers for investments in assets to be handed over which are now recognised as trading assets and, therefore, no longer relevant to cash flows from investing activities.

4.4 Comparative consolidated statements of financial position as at 1 January 2009 and 31 December 2009 and the consolidated income statement and consolidated statement of cash flows for 2009 before and after IFRIC 12 adoption

The following consolidated schedules show a comparison of consolidated amounts before IFRIC 12 adoption and the corresponding amounts restated in accordance with the interpretation, at the dates and for the reporting period specified in the above heading.
With regard to amounts shown in the consolidated income statement, it should be noted that, following the start of talks at the end of the first half of 2010, with a view to selling the Group's controlling interest in the operator, Strada dei Parchi, with an agreement having been signed for the sale of 60% of the company's share capital, this company's contribution to the 2010 consolidated results is accounted for in "Profit/(Loss) from discontinued operations", in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", instead of being included in each component of the consolidated income statement referring to continuing operations. As a result, in accordance with IFRS 5, Strada dei Parchi's contribution to the consolidated financial statements as at and for the year ended 31 December 2010 and to the comparative consolidated income statement for 2009 has also been reclassified with respect to the statements previously published in the financial statements as at and for the year ended 31 December 2009.
Therefore, the column headed "2009 before IFRIC 12" in the comparative consolidated income statement for 2009 also shows different amounts for the individual components of the consolidated income statement with respect to those previously published in the annual report as at and for the year ended 31 December 2009, in which Strada dei Parchi's contribution to the income statement was classified in continuing operations. Despite this, profit attributable to owners of the parent and profit attributable to non-controlling interests reported in the comparative consolidated income statement for 2009 are the same as the previously published amounts.

Consolidated statement of financial position as at 1 January 2009

ASSETS (€000)	01.01.2009 after IFRIC 12	01.01.2009 before IFRIC 12	Increase/(Decrease)
NON–CURRENT ASSETS			
Property, plant and equipment	200,705	9,145,766	–8,945,061
Intangible assets	16,146,500	4,588,348	11,558,152
Investments	215,989	187,837	28,152
Other non–current financial assets	865,012	583,247	281,765
Deferred tax assets	2,186,300	1,758,817	427,483
Other non–current assets	8,020	4,816	3,204
TOTAL NON–CURRENT ASSETS	**19,622,526**	**16,268,831**	**3,353,695**
CURRENT ASSETS			
Trading assets	891,590	857,239	34,351
Cash and cash equivalents	129,833	129,833	–
Other current financial assets	338,780	234,271	104,509
Current tax assets	37,790	37,790	–
Other current assets	126,204	150,322	–24,118
TOTAL CURRENT ASSETS	**1,524,197**	**1,409,455**	**114,742**
TOTAL ASSETS	**21,146,723**	**17,678,286**	**3,468,437**

EQUITY AND LIABILITIES (€000)	01.01.2009 after IFRIC 12	01.01.2009 before IFRIC 12	Increase/(Decrease)
EQUITY			
Equity attributable to owners of the parent	2,677,790	3,615,483	–937,693
Equity attributable to non–controlling interests	359,261	370,609	–11,348
TOTAL EQUITY	**3,037,051**	**3,986,092**	**–949,041**
NON–CURRENT LIABILITIES			
Non–current portion of provisions for construction services required by contract	4,191,013	–	4,191,013
Non–current provisions	873,971	1,150,308	–276,337
Non–current financial liabilities	9,786,217	9,862,121	–75,904
Deferred tax liabilities	6,376	26,931	–20,555
Other non–current liabilities	56,166	101,386	–45,220
TOTAL NON–CURRENT LIABILITIES	**14,913,743**	**11,140,746**	**3,772,997**
CURRENT LIABILITIES			
Current portion of provisions for construction services required by contract	607,929	–	607,929
Current provisions	215,008	215,776	–768
Trading liabilities	1,103,702	666,000	437,702
Current financial liabilities	877,978	840,022	37,956
Current tax liabilities	48,563	48,563	–
Other current liabilities	342,749	781,087	–438,338
TOTAL CURRENT LIABILITIES	**3,195,929**	**2,551,448**	**644,481**
TOTAL LIABILITIES	**18,109,672**	**13,692,194**	**4,417,478**
TOTAL EQUITY AND LIABILITIES	**21,146,723**	**17,678,286**	**3,468,437**

Consolidated statement of financial position as at 31 December 2009

ASSETS (€000)	31.12.2009 after IFRIC 12	31.12.2009 before IFRIC 12	Increase/(Decrease)
NON–CURRENT ASSETS			
Property, plant and equipment	214,240	10,033,527	–9,819,287
Intangible assets	16,781,557	4,597,351	12,184,206
Investments	394,792	350,360	44,432
Other non–current financial assets	850,079	379,293	470,786
Deferred tax assets	2,184,636	1,680,486	504,150
Other non–current assets	7,508	38,011	–30,503
TOTAL NON–CURRENT ASSETS	**20,432,812**	**17,079,028**	**3,353,784**
			–
CURRENT ASSETS			
Trading assets	986,578	940,011	46,567
Cash and cash equivalents	1,222,270	1,222,270	–
Other current financial assets	374,981	269,518	105,463
Current tax assets	46,294	46,341	–47
Other current assets	59,793	87,284	–27,491
Non–current assets held for sale or related to discontinued operations	84,331	84,331	–
TOTAL CURRENT ASSETS	**2,774,247**	**2,649,755**	**124,492**
			–
TOTAL ASSETS	**23,207,059**	**19,728,783**	**3,478,276**

EQUITY AND LIABILITIES (€000)	31.12.2009 after IFRIC 12	31.12.2009 before IFRIC 12	Increase/(Decrease)
EQUITY			
Equity attributable to owners of the parent	2,810,815	3,865,202	–1,054,387
Equity attributable to non–controlling interests	386,395	390,261	–3,866
TOTAL EQUITY	**3,197,210**	**4,255,463**	**–1,058,253**
NON–CURRENT LIABILITIES			
Non–current portion of provisions for construction services required by contract	4,383,829	–	4,383,829
Non–current provisions	923,731	1,230,992	–307,261
Non–current financial liabilities	11,304,537	11,305,956	–1,419
Deferred tax liabilities	30,253	30,934	–681
Other non–current liabilities	56,479	126,335	–69,856
TOTAL NON–CURRENT LIABILITIES	**16,698,829**	**12,694,217**	**4,004,612**
CURRENT LIABILITIES			
Current portion of provisions for construction services required by contract	582,217	–	582,217
Current provisions	213,783	216,164	–2,381
Trading liabilities	1,190,764	720,126	470,638
Current financial liabilities	914,316	954,339	–40,023
Current tax liabilities	19,303	19,303	–
Other current liabilities	390,637	869,171	–478,534
TOTAL CURRENT LIABILITIES	**3,311,020**	**2,779,103**	**531,917**
TOTAL LIABILITIES	**20,009,849**	**15,473,320**	**4,536,529**
TOTAL EQUITY AND LIABILITIES	**23,207,059**	**19,728,783**	**3,478,276**

Consolidated income statement for the year ended 31 December 2009

(€000)	2009 after IFRIC 12	2009 before IFRIC 12	Increase/(Decrease)
REVENUE			
Toll revenue	2,845,195	2,824,612	20,583
Revenue from construction services	455,362	–	455,362
Contract revenue	50,225	50,225	–
Other operating income	559,514	595,214	–35,700
TOTAL REVENUE	**3,910,296**	**3,470,051**	**440,245**
COSTS			
Raw and consumable materials	**–244,036**	**–133,716**	**–110,320**
Purchases of materials	–232,131	–162,556	–69,575
Change in inventories of raw and consumable materials and goods	–11,905	–11,905	–
Capitalised cost of materials	–	40,745	–40,745
Service costs	**–1,373,060**	**–411,517**	**–961,543**
Service costs	–1,373,060	–554,154	–818,906
Capitalised service costs	–	142,637	–142,637
Gain/(loss) on sale of property, plant and equipment	**64**	**331**	**–267**
Net personnel expense	**–614,168**	**–572,345**	**–41,823**
Net personnel expense	–614,168	–614,178	10
Capitalised personnel expense	–	41,833	–41,833
Other operating costs	**–285,578**	**–318,018**	**32,440**
Concession fees	–158,138	–158,138	–
Lease expense	–17,952	–17,580	–372
Change in provisions for the repair and replacement of assets to be relinquished	–32,021	–94,774	62,753
Other provisions	–4,100	–4,100	–
Other operating costs	–73,367	–46,234	–27,133
Other capitalised operating costs	–	2,808	–2,808
Use of provisions for construction services required by contract	**716,610**	**–**	**716,610**
Amortisation and depreciation	**–443,507**	**–379,413**	**–64,094**
Depreciation of assets to be relinquished	–	–304,230	304,230
Depreciation of property, plant and equipment	–45,580	–42,450	–3,130
Depreciation of property, plant and equipment held under finance leases	–220	–220	–
Depreciation of investment property	–71	–71	–
Amortisation of intangible assets deriving from concession rights	–374,014	–	–374,014
Amortisation of other intangible assets	–23,622	–32,442	8,820
(Impairment losses) and reversals of impairment losses	**7,581**	**–18,555**	**26,136**
TOTAL COSTS	**–2,236,094**	**–1,833,233**	**–402,861**
OPERATING PROFIT	**1,674,202**	**1,636,818**	**37,384**

(€000)	2009 after IFRIC 12	2009 before IFRIC 12	Increase/(Decrease)
Financial income	**145,453**	**139,945**	**5,508**
Financial income	144,817	139,309	5,508
Revaluations of financial assets	196	196	–
Dividends received from investee companies	440	440	–
Net financial expenses	**–805,636**	**–571,021**	**–234,615**
Financial expenses from discounting of provisions	–192,310	–8,390	–183,920
Other financial expenses after government grants	–613,399	–613,154	–245
Capitalised financial expenses	73	50,523	–50,450
Foreign exchange gains/(losses)	**–246**	**–997**	**751**
FINANCIAL INCOME/(EXPENSES)	**–660,429**	**–432,073**	**–228,356**
Share of (profit)/loss of associates and joint ventures accounted for using the equity method	**–51,102**	**–56,712**	**5,610**
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	**962,671**	**1,148,033**	**–185,362**
Income tax (expense)/benefit	**–380,741**	**–444,910**	**64,169**
Current tax expense	–372,668	–372,629	–39
Differences on current tax expense for previous years	13,355	13,355	–
Deferred tax income and expense	–21,428	–85,636	64,208
PROFIT/(LOSS) FROM CONTINUING OPERATIONS	**581,930**	**703,123**	**–121,193**
Profit/(Loss) from discontinued operations/assets held for sale	**–20,466**	**–20,736**	**270**
PROFIT FOR THE YEAR	**561,464**	**682,387**	**–120,923**
of which:			
Profit attributable to owners of the parent	562,539	690,672	–128,133
Profit/(loss) attributable to non–controlling interests	–1,075	–8,285	7,210

(€)	2009 after IFRIC 12	2009 before IFRIC 12	Increase/(Decrease)
Basic earnings per share attributable to the owners of the parent	**0.96**	**1.17**	**–0.21**
of which:			
from continuing operations	0.99	1.20	–0.21
from discontinued operations/assets held for sale	–0.03	–0.03	–
Diluted earnings per share attributable to the owners of the parent	**0.96**	**1.17**	**–0.21**
of which:			
from continuing operations	0.99	1.20	–0.21
from discontinued operations/assets held for sale	–0.03	–0.03	–

Consolidated statement of comprehensive income for the year ended 31 December 2009

(€000)	2009 after IFRIC 12	2009 before IFRIC 12	Increase/(Decrease)
Profit for the year (A)	**561,464**	**682,387**	**–120,923**
Fair value gains/(losses) on cash flow hedges	–50,087	–50,087	–
Gains/(losses) from actuarial valuations (IAS 19)	4,815	4,815	–
Translation gains on financial statements with functional currencies other than the euro	1,686	618	1,068
Gains/(losses) from measurement of associates and joint ventures using the equity method	22,437	11,794	10,643
Other fair value gains/(losses)	–466	–466	–
Other comprehensive income for the period after related taxation (B)	**–21,615**	**–33,326**	**11,711**
of which: discontinued operations	*260*	*260*	–
Comprehensive income for the year (A + B)	**539,849**	**649,061**	**–109,212**
of which:			
attributable to owners of the parent	539,172	655,866	–116,694
attributable to non–controlling interests	677	–6,805	7,482

Consolidated statement of cash flows for the year ended 31 December 2009

(€000)	2009 after IFRIC 12	2009 before IFRIC 12	Increase/(Decrease)
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES			
Profit for the year	**561,464**	**682,387**	**–120,923**
Adjusted by:			
Amortisation and depreciation	488,656	424,562	64,094
Provisions	47,259	97,749	–50,490
Financial expenses from discounting of provisions	192,936	8,872	184,064
Share of (profit)/loss of associates and joint ventures accounted for using the equity method	51,104	56,712	–5,608
Impairment losses/(Reversal of impairment losses) and adjustments of other non–current assets	–13,748	10,386	–24,134
(Gain)/Loss on sale of non–current assets	–3,695	–1,138	–2,557
Net change in deferred tax (assets)/liabilities	16,573	80,362	–63,789
Other non–cash costs (income)	–57,554	–32,823	–24,731
Change in working capital and other changes	34,256	48,709	–14,453
Net cash from/(used in) operating activities (A)	**1,317,251**	**1,375,778**	**–58,527**
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES			
Investments in motorways infrastructure	–1,188,325	–	–1,188,325
Government grants related to motorway infrastructure	136,424	–	136,424
Increase in financial assets deriving from takeover rights (related to investments in motorway infrastructure)	89,049	–	89,049
Purchases of property, plant and equipment	–61,832	–1,313,319	1,251,487
Purchases of intangible assets	–24,455	–24,455	–
Change in government grants relating to property, plant and equipment and other intangible assets	–	241,552	–241,552
Purchase of investments, net of unpaid called–up issued capital	–91,576	–91,576	–
Purchase of new consolidated investments, net of cash acquired	–220,492	–220,492	–
Proceeds from sales of property, plant and equipment, intangible assets and unconsolidated investments	12,017	12,017	–
Proceeds form sales of consolidated investments net of cash and cash equivalents	1,290	1,290	–
Net change in other non–current assets	512	–4,639	5,151
Net change in current and non–current financial assets not held for trading purposes	185,365	176,759	8,606
Net cash from/(used in) investing activities (B)	**–1,162,023**	**–1,222,863**	**60,840**
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES			
Dividends paid	–420,218	–420,218	–
Net change in the currency translation reserve and other reserves	931	133	798
Net change in issued capital and reserves attributable to non–controlling interests	28,008	28,008	–
Issuance of bonds	1,642,240	1,650,195	–7,955
Increase in medium/long term borrowings (excluding finance lease liabilities)	8,004	13,771	–5,767
Increase in finance lease liabilities	1,353	1,266	87
Repayments of medium/long term borrowings (excluding finance lease liabilities)	–138,092	–138,092	–
Payment of finance lease liabilities	–780	–780	–
Net change in other current and non–current financial liabilities	–136,859	–147,383	10,524
Net cash from/(used in) financing activities (C)	**984,587**	**986,900**	**–2,313**
Net effect of foreign exchange rate movements on net cash and cash equivalents (D)	422	422	–
Increase/(decrease) in cash and cash equivalents (A + B + C + D)	**1,140,237**	**1,140,237**	**–**
Net cash and cash equivalents at beginning of year	**39,590**	**39,590**	**–**
Net cash and cash equivalents at end of year	**1,179,827**	**1,179,827**	**–**

5. Concession arrangements

The Group's core business is the operation of motorways under concessions in Italy and overseas, under which the Group's operators are responsible for the construction and operation of motorways. The following key information is provided as required by SIC 29 with respect to concession arrangements pertinent to consolidated Group companies.

Very briefly, these concessions give the operators, on the one hand, the right to retain tolls collected from motorway users less, in some cases, a minimum guaranteed value payable by the grantor, with such tolls being revised annually based on a toll formula contained in the concessions while, on the other hand, requiring the operators to paid the concession fees, perform works and to maintain and operate roads under such concessions.
At the end of the concession period, the concessions are not automatically renewed but rather publicly re-tendered in accordance with law as may be in force from time to time. For that reason, all motorway construction by the operator during the period (the so-called assets to be handed over) must be handed over free of charge and in a good state of repair, except for those concessions requiring payment by the replacement operator of the residual carrying amount of assets handed over.

Further to the situation reported in the consolidated financial statements for 2009, the process was completed in 2010 that will render effective the single concession arrangements signed by the subsidiaries, Società Autostrada Tirrenica, Autostrade Meridionali, Tangenziale di Napoli, Strada dei Parchi, Autostrada Torino-Savona and Raccordo Autostradale Valle d'Aosta.
CIPE provided its conditional consent on 13 May with respect to concession arrangements signed in 2009 by ANAS with certain motorway companies including Società Autostrada Tirrenica, Strada dei Parchi, Autostrada Torino-Savona and Raccordo Autostradale Valle d'Aosta and also reformulated its opinion with conditions on the Tangenziale di Napoli and Autostrade Meridionali single arrangements. CIPE then reformulated its opinion on 22 July 2010 on Società Autostrada Tirrenica's arrangements requiring the addition of a new finance plan, within three months of the signature of the ratification, forecasting a replacement value of practically zero.
The CIPE resolutions containing the requirements for the Group's single concession arrangements were published in the Official Journal in October 2010. The signature of the document ratifying the CIPE requirements resulted in the effectiveness of the single concessions for the subsidiaries of Autostrade per l'Italia.
Raccordo Autostradale Valle d'Aosta, Società Autostrada Tirrenica and Tangenziale di Napoli signed the ratification on 24 November 2010, Strada dei Parchi and Autostrade Meridionali on 29 November 2010 and Autostrada Torino-Savona on 22 December 2010.
With respect to the concession of the Chilean subsidiary Sociedad Concesionaria de Los Lagos SA, the Grantor opted to pay the operator the amount owing pursuant to the second addendum to the Concession. The assumption of a renewal of the concession for a maximum period of ten years in lieu of payment has now, consequently, been dropped. The term of the concession has now, therefore, been confirmed as 25 years from 1998 to 2023.

The following table lists the Group's motorway operators consolidated on a line-by-line basis, indicating the related sections as at 31 December 2010, as well as the expiry dates of concessions currently in effect.

Operator	Section of motorway	Kilometres in service	Expiry
Autostrada Torino–Savona	A6 Turin–Savona	130.9	31 December 2038
Autostrade Meridionali	A3 Naples–Salerno	51.6	31 December 2012
Autostrade per l'Italia	A1 Milan–Naples	803.5	
	A4 Milan–Brescia	93.5	
	A7 Genoa–Serravalle	50.0	
	A8/9 Milan–lakes	77.7	
	A8/A26 link road	24.0	
	A10 Genoa–Savona	45.5	
	A11 Florence–coast	81.7	
	A12 Genoa–Sestri Levante	48.7	
	A12 Rome–Civitavecchia	65.4	
	A13 Bologna–Padua	127.3	
	A14 Bologna–Taranto	781.4	
	A16 Naples–Canosa	172.3	
	A23 Udine–Tarvisio	101.2	
	A26 Genoa–Gravellona Toce	244.9	
	A27 Venice–Belluno	82.2	
	A30 Caserta–Salerno	55.3	
		2,854.6	31 December 2038
Raccordo Autostradale Valle d'Aosta	A5 Aosta–Mont Blanc	32.3	31 December 2032
Sociedad Concesionaria de Los Lagos	Rio Bueno–Puerto Montt	135.0	20 September 2023
Società Autostrada Tirrenica	A12 Livorno–Rosignano	36.6	31 December 2046 (*)
Società Italiana per azioni per il Traforo del Monte Bianco	Mont Blanc Tunnel	5.8	31 December 2050
Stalexport Autostrada Malopolska	A4 Krakow–Katowice (Poland)	61.0	15 March 2027
Strada dei Parchi	A24 Rome–Teramo	166.5	
	A25 Torano–Pescara	114.9	
		281.4	31 December 2030
Tangenziale di Napoli	Tangenziale di Napoli	20.2	31 December 2037

(*) The renewal of concession from 2028 to 2046 is subject to approvation by the Grantor of final plan and of the related Financial Plan's Cecina–Civitavecchia motorway with 206 km (in total 242.6 km in concession).

6. Basis and scope of consolidation

The scope of consolidation includes the Parent Atlantia SpA and all entities over which it exercises direct and indirect control.
Those entities are consolidated which Atlantia SpA controls because of its direct and indirect holding of the majority of shares eligible to vote at shareholders' meetings or because it is able to exercise an express dominant influence on the entity's financial and operating decisions and obtain the relevant benefits independently of its percentage shareholding. Entities are not included in the line-by-line consolidation if their operations would make them quantitatively or qualitatively irrelevant (e.g., dormant companies, companies that are nearly liquidated) to a true and fair view of the Group's financial position and results of operations.
All entities, over which control is exercised, are consolidated from the date on which control is obtained. Entities are deconsolidated from the date on which the Group loses control.

For the purposes of preparing the IFRS consolidated financial statements, all consolidated companies have, as in previous years, prepared a special "reporting package", based on the previously described IFRS adopted by the Group.

The exchange rates used for the translation of financial statements denominated in functional currencies other than the euro, as shown below, are those published by the Bank of Italy:

Currency	2010		2009	
	31 December	Average exchange rate for year	31 December	Average exchange rate for year
Euro/US Dollar	1.336	1.326	1.441	1.395
Euro/Polish Zloty	3.975	3.995	4.105	4.328
Euro/Chilean Peso	625.275	675.346	730.744	776.509
Euro/Brazilian Real	2.218	2.331	2.511	2.621
Euro/Indian Rupee	59.759	60.588	67.040	68.925

There have been no changes in the scope of consolidation as at 31 December 2010 compared with 31 December 2009. The scope of consolidation at that date included the sub-holding company, Autostrade dell'Atlantico Srl, and the companies it had acquired or incorporated as part of the acquisition of a number of assets from the Itinere group (as described in note 6 in the notes to the consolidated financial statements as at and for the year ended 31 December 2009), These companies were:

a) Autostrade Holding do Sur SA, a Chilean-registered company (a 99.99% interest);
b) Sociedad Concesionaria de Los Lagos SA, a Chilean-registered motorway operator (a wholly owned subsidiary);
c) Autostrade Portugal SA (formerly Somague Itinere SA), a Portuguese-registered sub-holding company (a wholly owned subsidiary of Autostrade dell'Atlantico);
d) Autostrade Concessões e Participações Brasil Limitada (previously Itinere Brasil), a Brazilian-registered sub-holding company (a wholly owned subsidiary of Autostrade Portugal SA).

These companies were consolidated from 30 June 2009, the date that the Group obtained control. Their corresponding income statement items and cash flows for 2009, therefore, only relate to the second half of 2009.

Also, note that following the opening of a negotiating process aimed at selling to a third-party controlling interest in Strada dei Parchi, which led to the signing of an agreement for the sale of a 60% stake in the company, the contribution of the same to the 2010 consolidated financial results is presented under "Income (loss) from discontinued operations", as required by IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", instead of being included in each of the consolidated income statement items relating to continuing operations. Consequently, even in the comparative consolidated income statement for 2009 the contribution of the Strada dei Parchi has been reclassified, in accordance with IFRS 5, compared to that published in the annual reports at 31 December 2009.
With reference to the data of the statement of financial position, it is stated that, again in accordance with IFRS 5, the balances of consolidated assets and liabilities of Strada dei Parchi are presented among the assets and liabilities related to discontinued operations, maintaining the presentation of comparative data as at 31 December 2009 unchanged.

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 2010. Corresponding amounts as at 31 December 2009 are shown in brackets.
As explained in note 6, above, movements in assets in 2010 include the reclassification of certain assets and liabilities of Strada dei Parchi as at 31 December 2010 to the specific items related to discontinued operations. Details of the assets included in those items as at 31 December are contained in note 7.11.

7.1 Property, plant and equipment / €216,432 thousand (€214,240 thousand)

Property, plant and equipment primarily increased in 2010 due to the combined effect of the following movements:

a) new investments of €56,904 thousand;

b) depreciation of €50,467 thousand.

Property, plant and equipment attributable to Strada dei Parchi (amounting to €4,575 thousand) has been reclassified to assets related to discontinued operations.

The following tables show movements in property, plant and equipment during the year, including amounts at the beginning and end of the year.
There were no material changes during the year in the expected useful lives of these assets.

Property, plant and equipment as at 31 December 2010 are free of mortgages, liens or other collateral guarantees of a material amount restricting use.

(€000)	31.12.2009				Changes during the year		
	Gross assets				Cost		
	Cost	Total	Accumulated depreciation	Carrying amount	Purchases and capitalisations	Assets entering service	Disposals
Property, plant and equipment:							
Land	9,014	9,014	–	9,014	10	–	–29
Buildings	84,617	84,617	–29,923	54,694	2,561	1,259	–60
Plant and machinery	110,096	110,096	–60,938	49,158	7,190	1,285	–1,372
Industrial and trading machinery	121,927	121,927	–75,756	46,171	20,314	2,421	–7,369
Other assets	158,455	158,455	–112,497	45,958	21,552	143	–2,861
Property, plant and equipment under construction and payments on account	6,288	6,288	–85	6,203	4,681	–5,108	–
Total	**490,397**	**490,397**	**–279,199**	**211,198**	**56,308**	**–**	**–11,691**
Property, plant and equipment held under finance leases:							
Property, plant and equipment acquired under finance leases	14,096	14,096	–14,087	9	14	–	–
Equipment acquired under finance leases	538	538	–520	18	32	–	–144
Other assets acquired under finance leases	3,827	3,827	–1,900	1,927	548	–	–373
Total	**18,461**	**18,461**	**–16,507**	**1,954**	**594**	**–**	**–517**
Investment property:							
Land	38	38	–	38	–	–	–
Buildings	3,052	3,052	–2,002	1,050	2	–	–
Total	**3,090**	**3,090**	**–2,002**	**1,088**	**2**	**–**	**–**
TOTAL PROPERTY, PLANT AND EQUIPMENT	**511,948**	**511,948**	**–297,708**	**214,240**	**56,904**	**–**	**–12,208**

	Changes during the year							31.12.2010			
	Cost			Accumulated depreciation				Gross assets			
	Currency translation differences	Reclassifica-tions and other adjustments	Additions	Disposals	Currency translation differences	Reclassifica-tions and other adjustments	Net reclassifica-tions to assets related to discontinued operations	Cost	Total	Accumulated depreciation	Carrying amount
	1	–24	–	–	–	–	–	8,972	8,972	–	8,972
	153	406	–3,565	31	–38	–488	–	88,936	88,936	–33,983	54,953
	72	–	–10,825	1,127	–17	–	–	117,271	117,271	–70,653	46,618
	420	1,704	–17,956	6,259	–302	–1,671	–1,380	137,344	137,344	–88,733	48,611
	453	1,160	–17,761	2,784	–230	238	–1,183	176,571	176,571	–126,318	50,253
	15	88	–	–	–14	–	–	5,964	5,964	–99	5,865
	1,114	**3,334**	**–50,107**	**10,201**	**–601**	**–1,921**	**–2,563**	**535,058**	**535,058**	**–319,786**	**215,272**
	–	–	–15	–	–	–	–	14,110	14,110	–14,102	8
	16	–230	–36	144	–15	387		212	212	–40	172
	55	–1,574	–233	348	–48	1,422	–2,012	97	97	–37	60
	71	**–1,804**	**–284**	**492**	**–63**	**1,809**	**–2,012**	**14,419**	**14,419**	**–14,179**	**240**
	–	–	–	–	–	–	–	38	38	–	38
	97	–175	–76	–	–63	47	–	2,976	2,976	–2,094	882
	97	**–175**	**–76**	**–**	**–63**	**47**	**–**	**3,014**	**3,014**	**–2,094**	**920**
	1,282	**1,355**	**–50,467**	**10,693**	**–727**	**–65**	**–4,575**	**552,491**	**552,491**	**–336,059**	**216,432**

Investment property refers to land and buildings not used in operations and measured at cost, amounting to €920 thousand.
The total fair value of those assets are estimated to be approximately €5 million, based on independent appraisals and information on property markets relevant to these types of investment properties.

7.2 Intangible assets / € 16,187,581 thousand (€16,781,557 thousand)

Intangible assets recorded a net reduction of approximately €593,976 thousand in 2010, due to the combined effect of the following changes:

a) reclassification of €950,491 thousand in assets, attributable to the subsidiary Strada dei Parchi and primarily regarding this company's concession rights, to assets related to discontinued operations;
b) increases accruing from construction and/or upgrade services for which additional economic benefits are received, totalling €582,167 thousand, including the takeover financial right related to construction activities carried out, during the year, by Autostrade Meridionali and reclassified under financial assets (€68,712 thousand);
c) depreciation of €455,378 thousand;
d) an increase of €202,480 thousand in concession rights accruing from construction and/or upgrade services for which no additional economic benefits are received, with a corresponding increase in provisions for construction services required by contract, deriving from the updated estimate of the present value of the construction services to be provided in the future.

There were no changes during the year in the expected useful lives of intangible assets.

€11,751,981 thousand of intangible assets (€12,345,107 as at 31 December 2009) relates to intangible concession rights, which have been categorised as follows:

1) rights obtained from third parties in consideration of payments made to the acquired concessions from the Grantor or third parties (€201,796 thousand);
2) rights accruing from construction services for which no additional economic benefits are received (€9,257,335 thousand);
3) rights accruing from construction services for which additional economic benefits were received (€2,216,866 thousand);
4) rights accruing from construction work carried out by service area operators, represented by investments carried out by these entities and handed over free of charge to Group's operators (€75,984 thousand).

The Group, including the company Strada dei Parchi, invested total of €1,443,370 thousand in motorway infrastructure in 2010 (€1,188,325 thousand in 2009). In application of IFRIC 12, in the income statement for the year, the Group recognised operating and financial costs, by nature, and the fair value of related construction services provided.

The following table shows the components of investment in infrastructure recognised in return for construction services provided:

(€000)	31.12.2010	31.12.2009	Increase/(Decrease)
Increase in rights acquired	38,817	–	38,817
Use of non–current provisions for construction services required by contract	605,191	716,610	–111,419
Revenue from government grants for construction services without additional benefits	217,195	119,424	97,771
Increase of intangible concession rights relating to works with additional economic benefits	582,167	352,291	229,876
Total investments in motorways infrastructure	**1,443,370**	**1,188,325**	**255,045**

In 2010, moreover, research and development expenditure of approximately €0.7 million was recognised in the income statement. These activities are carried out in order to improve infrastructure, the services offered, safety levels and environmental protection.

With regard to investments made by the subsidiaries, Raccordo Autostradale Valle d'Aosta (RAV) and Stalexport Autostrada Malopolska, which are Cash Generating Units (CGU) as are all the other operators, at the end of 2009 there was an impairment loss on those companies' concession rights of, respectively, €209,949 thousand and €16,363 thousand, before the related deferred taxation of, respectively, €65,924 thousand and €3,109 thousand. This was the result of the impairment tests required by IAS 36, and was essentially due to the modest value of the cash flows expected in future years through to the end of the concession term.
Raccordo Autostradale Valle d'Aosta, in addition to having signed the document with the Grantor in 2010 ratifying the observations of CIPE on the single concession arrangement that resulted in the agreement coming into effect, joined the tax consolidation arrangements established by its direct parent, Società per il Traforo del Monte Bianco, thus enabling Raccordo Autostradale Valle d'Aosta to improve its cash flows. An impairment test (as described below) was performed as at 31 December 2010, based on the revised business and financial plan appended to the single concession arrangement. This resulted in a reversal of impairment losses of €16,106 thousand with respect to concession rights and a consequent release of deferred tax assets of €5,057 thousand (deferred tax provision of €1,703 thousand with the estimate benefit of joining the tax consolidation arrangement).

€4,396,851 thousand (€4,395,847 thousand as at 31 December 2009) of "Goodwill and other assets with indefinite lives" of €4,401,445 thousand relates to goodwill.
Rather than being systematically amortised, goodwill is impairment tested at least once a year.
Goodwill of €4,382,941 thousand (the same as at 31 December 2009) relates to the acquisition of a majority interest in the former Autostrade – Concessioni e Costruzioni Autostrade SpA in 2003. The value of this goodwill has been determined under Italian GAAP and is consistent with the net carrying amount as at 1 January 2004, the IFRS transition date. It has been allocated entirely to the CGU represented by the operator, Autostrade per l'Italia.
The remaining goodwill of €18,504 thousand includes €18,443 thousand relating to the excess of purchase consideration for the controlling interest in ETC at the end of 2007, as determined by the identification of the fair value of the assets acquired and liabilities assumed.

The recoverability of goodwill, Group companies' concession rights and other intangible assets of indefinite lives (being the ETC trademark, the value of which as at 31 December 2010 was €4,566 thousand) was impairment tested for those CGU where there were indications of impairment in addition to any of the other above-mentioned goodwill and other intangible assets with indefinite lives.

Methodology of impairment tests:

a) as previously explained, each operator is a separate CGU since the cash flows generated by the motorways operated under concession arrangements are closely related to each other. Subsidiaries that are not motorway concession operators are also treated as separate CGU;
b) impairment tests for motorway concession operators are performed to confirm the recoverability of the assets of each CGU (net of any impairment losses recognised in previous years) by estimating value in use. In detail for the subsidiary Raccordo Autostradale Valle d'Aosta, the impairment test resulted in a partial reversal of previous years' impairment losses, as explained above.
   Value in use was estimated with reference to long-term plans approved by the relevant Boards of Directors derived from the business and financial plans annexed to concession arrangements signed with the Grantor which contain traffic, investment, cost and revenue projections for the full term of the concession period. The projected after tax cash flows of Italian motorway concession operators (except for the subsidiary Raccordo Autostradale Valle d'Aosta) were discounted to present value at 5.6% which is the after tax weighted average cost of capital (5.9% in 2009), whereas projected cash flows of Raccordo Autostradale Valle d'Aosta and the Polish company Stalexport Autostrada Malopolska were discounted at the after tax WACC of those companies, respectively 6.9% and 9.0%. After tax cash flows and discount rates are used because the results are substantially the same as pre-tax computations;
c) the impairment testing of ETC's CGU confirmed the recoverability of that CGU's assets by estimating the fair value of the entity based on a valuation performed by an independent third party.

The following statement shows intangible assets at the beginning and end of the year and movements in the different categories of intangible assets during 2010.

(€000)	31.12.2009				Changes during the year					
					Cost					
	Cost	Accumulated impairment losses	Accumulated amortisation	Carrying amount	Additions: purchases and capitalisations	Additions: free of charge	Additions/ Reductions due to update of concession plans	Additions due to execution of construction services	Disposals	Currency translation differences
Intangible assets deriving from concession rights:										
Intangible assets – Acquired concession rights	1,072,713	–17,252	–254,616	800,845	38,817	–	–	–	–	8,501
Intangible assets – Concession rights accruing from construction services for which no additional economic benefits are received	11,198,224	–	–1,817,764	9,380,460	–	–	202,480	–	–	5,219
Intangible assets – Concession rights accruing from construction services for which additional economic benefits are received	3,034,079	–212,306	–732,731	2,089,042	–	–	–	582,167	–	1,012
Intangible assets – Concession rights accruing from construction services provided by sub-operators	84,381	–	–9,621	74,760	–	4,665	–	–	–	–
Total	**15,389,397**	**–229,558**	**–2,814,732**	**12,345,107**	**38,817**	**4,665**	**202,480**	**582,167**	**–**	**14,732**
Goodwill and other intangible assets with indefinite lives:										
Goodwill	4,395,910	–63	–	4,395,847	–	–	–	–	–	1,004
Trademarks	4,263	–	–	4,263	–	–	–	–	–	331
Total	**4,400,173**	**–63**	**–**	**4,400,110**	**–**	**–**			**–**	**1,335**
Other intangible assets:										
Development costs	112,831	–	–94,492	18,339	14,559	–	–	–	–	198
Industrial patents and intellectual property rights	45,014	–8	–36,142	8,864	5,343	–	–	–	–36	146
Concessions and licenses	5,258	–13	–3,430	1,815	726	–	–	–	–215	20
Other	4,032	–	–712	3,320	46	–	–	–	–62	309
Intangible assets under development and advances	4,160	–158	–	4,002	3,726	–	–	–	–	36
Total	**171,295**	**–179**	**–134,776**	**36,340**	**24,400**	**–**	**–**	**–**	**–313**	**709**
TOTAL INTANGIBLE ASSETS	**19,960,865**	**–229,800**	**–2,949,508**	**16,781,557**	**63,217**	**4,665**	**202,480**	**582,167**	**–313**	**16,776**

Cost	Impairment losses			Changes during the year	Accumulated amortisation					31.12.2010			
Reclassifica-tions and other adjustments	Additions	Reversals	Reclassifica-tions and other adjustments	Currency translation differences	Additions	Disposals	Currency translation differences	Reclassifica-tions and other adjustments	Net reclassifica-tions to assets included in disposal groups	Cost	Accumulated impairment losses	Accumulated amortisation	Carrying amount
–	–	–	–	562	–25,965	–	–685	–	–619,155	277,669	–17,814	–58,059	201,796
–4,784	–	–	–	–	–325,098	–	–942	–	–	11,401,139	–	–2,143,804	9,257,335
–63,348	–	–16,106	–	–	–78,487	–	–107	–391	–329,128	3,182,332	–196,200	–769,266	2,216,866
–	–	–	–	–	–2,729	–	–	–	–712	88,249	–	–12,265	75,984
–68,132	**–**	**–16,106**	**–**	**562**	**–432,279**	**–**	**–1,734**	**–391**	**–948,995**	**14,949,389**	**–214,014**	**–2,983,394**	**11,751,981**
–	–	–	–	–	–	–	–	–	–	4,396,914	–63	–	4,396,851
–	–	–	–	–	–	–	–	–	–	4,594	–	–	4,594
–	**–**		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**4,401,508**	**–63**	**–**	**4,401,445**
–2,078	–	–	–	–	–16,760	–	–59	55	–	125,510	–	–111,256	14,254
–	–1,275	–2	–	–	–5,662	36	–37	–	–470	49,852	–1,281	–41,660	6,911
–2	–	–13	–	–	–285	215	–14	31	–394	5,345	–	–3,435	1,910
61	–	–	–	–	–392	62	–47	–	–	4,386	–	–1,089	3,297
1,774	–1,280	–	157	–	–	–	–	–	–632	9,064	–1,281	–	7,783
–245	**–2,555**	**–15**	**157**	**–**	**–23,099**	**313**	**–157**	**86**	**–1,496**	**194,157**	**–2,562**	**–157,440**	**34,155**
–68,377	**–2,555**	**–16,121**	**157**	**562**	**–455,378**	**313**	**–1,891**	**–305**	**–950,491**	**19,545,054**	**–216,639**	**–3,140,834**	**16,187,581**

7.3 Investments / €431,547 thousand (€394,792 thousand)

The following table shows carrying amounts at the beginning and end of the year, grouped by category, and changes in investments during 2010. The table shows a net increase of €36,755 thousand.

The increase primarily regards investments accounted for using the equity method, and essentially reflects the combined effect of the following:

a) a €36,319 thousand increase of the investment in the Autostrade Sud America group (which includes Autostrade per il Cile from 1 January 2010) as a result of valuing the investment using the equity method. €17,282 thousand of the increase was recognised in profit or loss with the remaining €19,037 thousand being recognised in other comprehensive income;
b) a €7,204 thousand increase in the carrying amount of the Brazilian operator, Triangulo do Sol as a result of measuring the investment using the equity method. €3,166 thousand of the increase was recognised in profit or loss with the remaining €14,118 thousand being recognised in other comprehensive income, which, however, was partially offset by dividends distributed by the company of €10,080 thousand;
c) a €15,170 thousand decrease in the carrying amount of IGLI resulting in the recognition of a €24,235 thousand charge to income and a €9,065 thousand gain in comprehensive income as a result of measuring the investment using the equity method and an impairment loss, which is fully described below;
d) recognition of the Group's share of the profits or losses for the year reported by associates and joint ventures, other than those already cited, amounting to a profit of €1,707 thousand, and of income recognised in other comprehensive income and attributable to these companies, totalling €501 thousand;
e) further capital contributions for existing investments, the most significant of which was the capital call by Pune Solapur Expressways Pvt Ltd, totalling €4,709 thousand.

The process of accounting for investments using the equity method was based on the latest available approved financial statements of associates and joint ventures, supplemented by certain estimates, based on available information, if the financial statements as at and for the year ended 31 December 2010 were not available and, where necessary, adjusted to be consistent with Group accounting policies.

Furthermore, the merger of Autostrade per il Cile Srl into Autostrade Sud America Srl was completed on 30 August 2010. Those companies individually and jointly indirectly control certain Chilean motorway operators.
On the completion of the merger, Autostrade per l'Italia, which had held 50% of the share capital of the merged company and 45% of the share capital of the merging company, increased its shareholding in Autostrade Sud America to 45.765%.

(€000)				Changes during the year	
		31.12.2009		Cost	
	Gross amount	Accumulated reversal of impairment losses/ (impairment losses)	Carrying amount	Capital contribution	Disposals and redemptions
Investments accounted for at cost or fair value	112,352	–7,890	104,462	–	–6
Investments accounted for using the equity method	316,035	–25,705	290,330	6,194	–
Total	**428,387**	**–33,595**	**394,792**	**6,194**	**–6**

The same percentage is held by Società Iniziative Autostradali e Servizi, with Mediobanca holding the remaining 8.470% of share capital. The merger, which had no effect on governance, brought the two companies together under a single parent. In December 2010 this was followed by the merger of the Chilean sub-holdings owned, in turn, by Autostrade Sud America. The mergers, which simplified the group's structure, enhanced the value of the group, which could be important from the viewpoint of a potential stock market listing.

With specific reference to the investment in IGLI, which is the main shareholder of Impregilo SpA, measurement of the related value was based on the statement of financial position and income statement of the Impregilo group at 30 September 2010, given that the financial statement as at and for the year ended 31 December 2010 were not yet available. Moreover, as a result of the existence of evidence of impairment, the investment was tested exclusively with reference to its fair value (as evidenced by its stock market price) since the estimated value was not considered reliable. The test resulted in the recognition of an impairment loss of €15,170 thousand.
With regard to developments in 2010 relating to the administrative and criminal investigation involving Impregilo, previously described in Atlantia's previous consolidated financial statements, a press release was issued on 18 June 2010 announcing that the Supreme Court of Cassations had upheld the Impregilo group's appeal, thereby annulling the preventive seizure of assets with a value of approximately €266 million belonging to the group, ordered in February 2010 by the Naples Court of Review in relation to the investigation of the recycling of urban refuse in the Campania region. In addition, the Supreme Court of Cassations rejected the appeal brought by the Naples District Attorney and ordered the immediate return of the assets seized.
Reporting on the above litigation in the Impregilo group's quarterly report as at and for the three months ended 30 September 2010, the company's directors stated that, despite the improvement in the legislative and legal environment, the group continues to report both the impairments losses on the assets held for sale recognised in previous years, relating to urban refuse projects in Campania, and provisions of €50 million made at that date in response to the ongoing legal proceedings.
At the date of preparation of these consolidated financial statements, Impregilo has not announced any further material developments regarding the above litigation, or any further potential effects on the Impregilo group's results of operations, financial position or cash flows.

Since trigger events occurred, represented by the losses recorded by Alitalia-Compagnia Aerea Italiana SpA, the impairment test has been performed based on the determination of its value in use. The test is based on the latest projections of cash flows, net of taxes, using a discount rate after tax (representative of the WACC) of 8.75%. The results of the impairment tests have not revealed the need to record impairment losses on the carrying amount of the investment.

	Changes during the year			31.12.2010		
	Measurement using equity method through comprehensive income	Measurement using equity method through profit or loss	Other changes	Gross amount	Accumulated reversal of impairment losses/ (impairment losses)	Carrying amount
	–	–	–6	112,346	–7,896	104,450
	42,721	–2,080	–10,068	322,229	4,868	327,097
	42,721	**–2,080**	**–10,074**	**434,575**	**–3,028**	**431,547**

The following table shows an analysis of the Group's principal investments included in this item in addition to the Group's interest, the relevant carrying amount net of unpaid, called-up issued capital.

(€000)	31.12.2010		31.12.2009	
	% interest	Carrying amount	% interest	Carrying amount
Investments accounted for at cost or fair value				
Alitalia – Compagnia Aerea Italiana SpA	8.85%	100,000	8.85%	100,000
Firenze Parcheggi SpA	5.36%	2,582	5.36%	2,582
Tangenziale Esterna SpA	1.25%	625	1.25%	625
Uirnet SpA	1.62%	427	1.70%	427
Emittente Titoli SpA	6.02%	277	6.02%	277
Veneto Strade SpA	5.00%	258	5.00%	258
Other smaller companies		281		293
		104,450		**104,462**
Investments accounted for using the equity method				
Autostrade Sud America Srl	45.76%	163,037	45.00%	75,502
Autostrade per il Cile Srl (*)		-	50.00%	51,216
Triangulo do Sol Autoestradas SA	50.00%	116,535	50.00%	109,331
IGLI SpA	33.33%	13,079	33.33%	28,249
Tangenziali Esterne di Milano SpA	32.00%	9,509	32.00%	8,341
Società Infrastrutture Toscane SpA	45.77%	6,345	46.60%	6,613
Pune Solapur Expressways Private Limited	50.00%	9,161	50.00%	3,785
Bologna & Fiera Parking SpA	32.50%	4,444	32.50%	4,338
Arcea Lazio SpA	34.00%	1,920	34.00%	420
Pedemontana Veneta SpA	28.00%	1,410	28.00%	1,438
GEIE del Traforo del Monte Bianco	50.00%	1,000	50.00%	1,000
Other smaller companies		658		98
		327,097		**290,330**
Total		**431,547**		**394,792**

(*) Company merged into Autostrade Sud America effective 1 January 2010.

Annex 1 contains a list of all the Group's investments as at 31 December 2010.

7.4 Other financial assets
(non-current) / €935,422 thousand (€850,079 thousand)
(current) / €435,819 thousand (€374,981 thousand)

The following table shows the composition of other financial assets at the beginning and end of the year:

(€000)	Note	31.12.2010 Total financial assets	31.12.2010 Current portion	31.12.2010 Non-current portion	31.12.2009 Total financial assets	31.12.2009 Current portion	31.12.2009 Non-current portion
Financial assets deriving from concession rights	(1)	**382,572**	**8,853**	**373,719**	302,314	14,280	288,034
Financial assets deriving from government grants related to construction services	(1)	**390,974**	**189,436**	**201,538**	268,362	88,007	180,355
Convertible term deposits	(2)	**466,877**	**180,947**	**285,930**	518,337	181,620	336,717
Derivative assets	(3)	62,073	21,864	40,209	67,826	66,969	857
Loans and receivables due from ANAS	(1)	10,008	–	10,008	16,499	–	16,499
Staff loans	(1)	10,306	97	10,209	8,644	111	8,533
Other loans and receivables	(2)	6,207	27	6,180	14,629	754	13,875
Non-current prepayments	(1)	7,629	–	7,629	5,209	–	5,209
Medium/long-term borrowings		**96,223**	**21,988**	**74,235**	112,807	67,834	44,973
Other financial assets	(4)	**34,595**	**34,595**	**–**	23,240	23,240	–
		1,371,241	**435,819**	**935,422**	1,225,060	374,981	850,079

(1) These assets have been classified as "loans and receivables" under IAS 39.
(2) These assets have been classified as "available-for-sale" financial instruments and in level 2 of the fair value hierarchy.
(3) These assets mainly include derivative financial instruments and in level 2 of the fair value hierarchy.
(4) This item primarily consists of financial instruments classifiable as "available-for-sale" financial instruments and in level 1 of the fair value hierarchy.

Financial concession rights include:

a) the takeover rights (€304,387 thousand as at 31 December 2010) to be paid to the subsidiary, Autostrade Meridionali, at the end of its concession term;

b) the present value of the guaranteed minimum payment to be made by the grantor under the concession arrangement signed by the Chilean subsidiary, Sociedad Concessionaria de Los Lagos (€78,185 thousand as at 31 December 2010).

The increase for the year, totalling €80,258 thousand, essentially reflects construction services provided by Autostrade Meridionali during the year, which are represented by investments in motorway infrastructure.

Financial assets deriving from government grants include receivables from grantors or other public bodies paying grants for construction services, accounted for the investments and increased by €122,612 thousand.

Convertible term deposits primarily relate to loans disbursed by Intesa Sanpaolo and Crediop as a condition precedent for the grants financing the new construction required by Laws 662/1996, 345/1997 and 135/1997.

Non-current financial assets of €40,209 thousand relating to derivative contracts primarily represent fair value gains on derivatives hedging the 20,000 million yen bond issue, which increased in value by €39,352 thousand following the strengthening of the currency in which the bonds were issued with respect to the euro, as reflected in a change in the hedged liability. The €45,105 thousand decrease in the current portion is primarily due to the reduction in accrued income following the payment of differentials during the year. Further details of derivatives subscribed to by the Group for hedging purposes at the end of the year are contained in note 9.3 "Financial risk management".

Other current financial assets (totalling €34,595 thousand as at 31 December 2010) essentially regard the investment of liquidity by the Stalexport Autostrady group, whose assets are managed by major financial institutions.

There are no indications of impairment losses on any financial assets to be reported.

7.5 Deferred tax assets and liabilities
Deferred tax assets / €2,101,817 thousand (€2,184,636 thousand)
Deferred tax liabilities / €33,666 thousand (€30,253 thousand)

The following tables show the amount of deferred tax assets and liabilities both offsettable and not offsettable in addition to movements on the deferred tax account in 2010 with respect to temporary timing differences between consolidated carrying amounts and the corresponding tax bases.

(€000)	31.12.2010	31.12.2009
Deferred tax assets	2,206,874	2,294,240
Offsettable deferred tax liabilities	–105,057	–109,604
Net deferred tax assets	**2,101,817**	**2,184,636**
Non–offsettable deferred tax liabilities	**33,666**	**30,253**

(€000)	31.12.2009	Changes during the year					31.12.2010
		Provisions	Releases	Deferred tax assets/liabilities on gains and losses recognised in comprehensive income	Other changes	Riclassifications to assets/ liabilities attributable to discontinued operations/held for sale	
Deferred tax assets on:							
Deductible intercompany goodwill	1,199,525	–	–105,800	–	–	–	1,093,725
Effects deriving from application of IFRIC 12 by Autostrade per l'Italia (*)	612,059	66,381	–	–	7,700	–	686,140
Provisions	220,910	59,722	–32,780	–	927	–10,782	237,997
Impairments and depreciation/ amortisation of non–current assets	123,476	6,096	–5,714	–	7,612	–44,293	87,177
Measurement of cash flow hedges	58,176	–	–	–23,546	3	–	34,633
Impairment of receivables and write–down inventories	25,246	2,429	–4,188	–	89	–	23,576
Tax loss carryforwards	7,608	1,625	–188	–	–644	–8,059	342
Other temporary differences	47,240	4,751	–5,330	–198	–3,068	–109	43,286
Deferred tax assets	**2,294,240**	**141,004**	**–154,000**	**–23,744**	**12,619**	**–63,243**	**2,206,876**
Deferred tax liabilities on:							
Accelerated depreciation	–39,400	–6,133	2,057	–	–1,698	–	–45,174
Gain subject to deferred taxation	–33,922	–755	–	–	–5,861	–	–40,538
Fair value measurement of assets and liabilities deriving from business combinations	–18,967	–	1,114	–	–615	–	–18,468
Measurement of cash flow hedges	–10,945	–	–	1,243	–	–	–9,702
Effects of fair value measurement of assets held for sale	–9,551	–	3,068	–	–	–	–6,483
Other temporary differences	–27,072	–10,130	1,318	–184	9,119	8,591	–18,358
Deferred tax liabilities	**–139,857**	**–17,018**	**7,557**	**1,059**	**945**	**8,591**	**–138,723**
Total	**2,154,383**	**123,986**	**–146,443**	**–22,685**	**13,564**	**–54,652**	**2,068,153**

(*) The figure does not include the adjustment resulting from application of IFRIC 12 regarding the restatement of provisions for the repair and replacement obligations of Autostrade per l'Italia. The impact on deferred tax assets is accounted for in the item "Provisions".

As shown in the table, the carrying amount as at 31 December 2010 primarily consists of residual deferred tax assets that were recognised in connection with the reversal of intercompany gains that arose in 2003 following the contribution of the portfolio of motorways to Autostrade per l'Italia (€1,093,725 thousand) and advance taxes recognised on adoption of IFRIC 12 by Autostrade per l'Italia (€686,139 thousand) as described in detail in note 4.
The carrying amount also includes deferred tax assets of €237,997 thousand relating to the non-deductible portion of Autostrade per l'Italia's provisions primarily consisting of provisions for repair and maintenance obligations, and deferred tax assets in connection with accumulated impairment losses and depreciation of property, plant and equipment (totalling €87,177 thousand) related principally to Raccordo Autostradale Valle d'Aosta.

Changes during the year include:

a) the release of deferred tax assets amounting to €105,800 thousand, being the deductible portion of the goodwill in Autostrade per l'Italia that arose in 2003 on the above contribution of assets;
b) the reclassification to non-current assets and liabilities related to discontinued operations of the carrying amount of deferred tax assets as at 31 December 2010 attributable to Strada dei Parchi, amounting to €54,652 thousand;
c) deferred tax assets totalling €66,381 thousand recognised by Autostrade per l'Italia for additional temporary differences arising in 2010 as a result of the adoption of IFRIC 12;
d) the net increase in deferred tax assets of €26,942 thousand relating to the non-deductible portion of provisions mainly for expenditure on the repair and replacement of assets held by Autostrade per l'Italia's under concessions;
e) the €22,300 thousand net decrease in deferred tax liabilities on the measurement of cash flow hedge derivative financial instruments.

7.6 Other non-current assets / €5,472 thousand (€7,508 thousand)

Other non-current assets consist primarily of amounts due from the tax authorities in the form of withholding tax paid on provisions for post-employment benefits in 2010.

7.7 Trading assets / €973,176 thousand (€986,578 thousand)

Trading assets include inventories (stocks and spare parts used in the maintenance or assembly of plant), contract work in progress, advance payments of concession-related work, and trade receivables, which constitute the largest component.

The following tables show the composition of trade receivables at the end of the year, and the related aging schedule as at 31 December 2010.

(€000)	31.12.2010				
	Amounts due from customers	Other trade receivables	Prepayments for construction services	Other trading assets	Total
Direct debit road users and similar: outstanding bills	402,894				
Service area concessionaires	147,064				
Receivable from sundry customers and retentions	175,320				
Road users for unpaid tolls	48,657				
Gross trade receivables	**773,935**	**150,239**	**42,707**	**13,289**	980,170
Allowance for impairment	**76,269**	**12,379**	**–**	**–**	88,648
Net trade receivables	**697,666**	**137,860**	**42,707**	**13,289**	891,522

(€000)	Total receivables 31.12.2010	Total not yet due and payable	More than 90 days overdue	Between 90 and 365 days overdue	More than one year overdue
Trade receivables	980,170	831,363	12,924	56,657	79,226

Receivables due from customers, after allowance for impairment, are down €6,647 thousand on 31 December 2009, primarily due to the decrease in receivables (down €4,029 thousand) because of payments received, decreased receivables without recourse (down €4,771 thousand) and unpaid tolls (down €2,934 thousand). These decreases were partially offset by an increase in tolls receivable from road users who pay by direct debit (up €8,179 thousand) substantially because of changes in traffic volumes during the year and the net increase in toll rates including the surcharge payable to the Grantor.

Overdue receivables regard uncollected and unpaid tolls, in addition to royalties due from service area operators and sales of other goods and services, such as authorisations to cross motorways, the sale of services and proprietary assets and the lease of land and buildings. The relevant allowance for impairment is adequate and has been determined with reference to experience gained with specific customers and historical data regarding losses on receivables, taking guarantee deposits and other collateral given by customers into account.

Changes during the year in allowance for impairment are shown in the following table:

(€000)	31.12.2009	Additions	Uses	Reclassifications and other changes	Reclassifications to discontinued operations/ assets held for sale	31.12.2010
Allowance for impairment	96,517	11,977	20,907	1,380	–319	88,648

The carrying amount of trade receivables approximates to fair value.

Advance payments for concession-related work of €42,707 thousand (€22,129 thousand as at 31 December 2009) increased by €20,578 thousand due to the increase in the volume of work during the year.

	31.12.2009				
	Amounts due from customers	Other trade receivables	Prepayments for construction services	Other trading assets	Total
	394,715				
	148,972				
	184,116				
	60,748				
	788,551	**184,532**	**22,129**	**11,003**	**1,006,215**
	84,238	**12,279**	**–**	**–**	**96,517**
	704,313	**172,253**	**22,129**	**11,003**	**909,698**

7.8 Cash and cash equivalents / €2,533,250 thousand (€1,222,270 thousand)

This item includes cash balances and investments for terms shorter than the redemption date of the €2,000 million bond issue (9 June 2011). These balances have increased €1,310,980 thousand since 31 December 2009 due to the combined effect of:

a) cash flows from operating activities;
b) 2010 bond issues;
c) the receipt on the unwinding of derivatives hedging the bond issue maturing in 2016;
d) cash flows used in investing activities;
e) dividend payments;
f) repayments of medium to long-term loans.

7.9 Current tax assets and liabilities
Current tax assets / €29,715 thousand (€46,294 thousand)
Current tax liabilities / €17,278 thousand (€19,303 thousand)

Current tax assets and liabilities at the beginning and end of the year are shown below.

(€000)	Assets		Liabilities	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
IRAP	6,074	22,148	3,989	3,605
IRES	12,054	13,738	9,408	10,164
Other income taxes	11,587	10,408	3,881	5,534
Total	**29,715**	**46,294**	**17,278**	**19,303**

With effect from 1 January 2010 Autostrade Tech SpA and Newpass SpA joined the tax consolidation arrangement headed by the Parent, Atlantia SpA, on the basis of Legislative Decree 344/2003. As a result, these companies' current tax assets and liabilities in connection with IRES are also consolidated by Atlantia SpA.
The other Group companies that have been participating in the tax consolidation arrangement since 1 January 2009 for the three-year period 2009-2011 are: Autostrade Meridionali SpA, Tangenziale di Napoli SpA, EsseDiEsse Società di Servizi SpA, TowerCo SpA, Autostrada Torino–Savona SpA, Spea Ingegneria Europea SpA, Infoblu SpA, AD Moving SpA, Autostrade dell'Atlantico Srl, Pavimental SpA, Port Mobility SpA, Società Autostrada Tirrenica SpA and Telepass SpA.
Autostrade per l'Italia SpA joined the arrangement in 2008 for the three-year period 2008-2010.

7.10 Other current assets / €74,667 thousand (€59,793 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.

(€000)	31.12.2010	31.12.2009	Increase/(Decrease)
Receivables due from end users and insurance companies for damages	30,817	26,993	3,824
Other tax assets	21,026	15,528	5,498
Receivable from public entities	4,623	4,829	–206
Other current assets	49,502	42,023	7,479
	105,968	**89,373**	**16,595**
Allowance for impairments	–31,301	–29,580	–1,721
Total	**74,667**	**59,793**	**14,874**

The increase was essentially due to for increased VAT receivable and because of greater amounts due from insurance companies in connection with claims, which were recognised in accordance with the new methods of accounting for the settlement of claims

7.11 Non-current assets held for sale and related to discontinued operations / €1,107,734 thousand (€84,331 thousand) Liabilities related to discontinued operations / €1,072,633 thousand (-)

These amounts included as at 31 December 2010:

a) the value of minority interests (€39,852 thousand) and loans and receivables attributable to the related companies (€1,643 thousand) acquired in 2009 as part of the transaction with the Itinere group and held for sale in the short term;
b) the carrying amount of the assets and liabilities of the subsidiary, Strada dei Parchi (amounting respectively to €1,066,239 thousand and €1,072,633 thousand), classified in these components following the start-up of talks with a view to selling a controlling shareholding in Strada dei Parchi with an agreement having been signed for the sale of 60% of the company's share capital.

The following tables show an analysis of non-current assets held for sale and the assets and liabilities of Strada dei Parchi classified as discontinued operations for the purposes of IFRS 5.

Non-current assets held for sale and related to discontinued operations/Liabilities related to discontinued operations

(€000)	31.12.2010	31.12.2009
Assets related to discontinued operations of Strada dei Parchi	1,066,239	–
Other assets held for sale – Investments	39,852	67,255
Other assets held for sale – Non–current financial assets	1,643	17,076
Total assets related to discontinued operations	**1,107,734**	**84,331**
Liabilities related to discontinued operations of Strada dei Parchi	1,072,633	–
Total liabilities related to discontinued operations	**1,072,633**	**–**

Assets and liabilities related to discontinued operations attributable to the subsidiary, Strada dei Parchi

ASSETS (€000)		LIABILITIES (€000)	
Non–current assets		**Non–current liabilities**	
Property, plant and equipment	4,575	Non–current provisions	15,741
Intangible assets	950,491	Non–current financial liabilities	658,841
Investments	5	Deferred tax liabilities	8,591
Non–current financial assets	8,132	Other non–current liabilities	–
Deferred tax assets	63,243		
Other non–current assets	–		
Total non–current assets	**1,026,446**	**Total non–current liabilities**	**683,173**
		of which bank overdrafts	*8,056*
Current assets		**Current liabilities**	
Trading assets	18,710		
Cash and cash equivalents	15,494	Current provisions	20,208
Other current financial assets	–	Trading liabilities	56,664
Current tax assets	3,156	Current financial assets	299,980
Other current assets	2,433	*of which bank overdrafts*	*8,056*
		Current tax liabilities	2,869
		Other current liabilities	9,739
Total current assets	**39,793**	**Total current liabilities**	**389,460**
TOTAL ASSETS	**1,066,239**	**TOTAL LIABILITIES**	**1,072,633**

7.12 Equity / €3,586,901 thousand (€3,197,210 thousand)

Atlantia's issued capital is fully subscribed and paid-in and consists of 600,297,135 ordinary shares (571,711,557 as at 31 December 2009) with a par value of €1 each, amounting to €600,297 thousand. The number of shares increased by 28,585,578 in 2010 as a result of the bonus issue approved by shareholders at the Extraordinary General Meeting held on 14 April 2010, which decided to issue 1 new share for every 20 shares in issue. This resulted in an increase in treasury shares of 573,831, with the total number of treasury shares held rising from 11,476,616 to 12,050,447.

Equity attributable to owners of the parent, totalling €3,183,391 thousand, has increased by €372,576 thousand compared with 31 December 2009. The main changes during the year regard:

a) net comprehensive income for the year (€820,120 thousand), reflecting profit for the year (€682,952 thousand) and the recognition of other comprehensive income (total income of €117,168 thousand), which include primarily the combined effect of a fair value loss on the cash flow hedge reserve (€50,003 thousand), the recognition of gains on the translation of the financial statements of foreign operations (€19,021 thousand), and the recognition of gains on the measurement of associates and joint ventures using the equity method (€42,721 thousand);
b) payment of the final dividend of €219,054 thousand for 2009 (€0.39 per share) and the interim dividend of €208,827 thousand for 2010 (€0.35 per share).

Equity attributable to non-controlling interests of €403,510 thousand has increased by €17,115 thousand on 31 December 2009 (€386,395 thousand). This essentially reflects the net comprehensive income for the year (€20,327 thousand), after deducting the dividends approved (€2,633 thousand).

Finally, equity as at 1 January 2009 was derived from the consolidated financial statements as at and for the year ended 31 December 2008 prepared in line with the new interpretation IFRIC 12. To represent more clearly the impacts of IFRIC 12 adoption on equity at 1 January 2009 in the consolidated statement of changes in equity, the 2008 profit was appropriated to Other reserves and retained earnings as at 1 January 2009. The distribution of 2008 dividends as approved by the shareholders at their meeting of 23 April 2009 resulted in a reduction of Other reserves and retained earnings.
Atlantia manages its capital in order to create value for shareholders, ensure the Group can function as a going concern, safeguard the interests of stakeholders, and guarantee efficient access to external sources of financing to adequately support the growth of its businesses and fulfil the commitments given in the concession arrangements.

Other comprehensive income

The section "Consolidated financial statements" includes the "Statement of comprehensive income", which includes other comprehensive income, after the related taxation.

The following table shows the gross amounts of these other components and the related taxation.

(€000)	2010			2009		
	Before tax	Tax effect	After tax	Before tax	Tax effect	After tax
Fair value gains/(losses) on cash flow hedges	72,306	–22,303	50,003	–67,390	17,303	–50,087
Gains/(losses) from actuarial valuations (IAS 19)	5,922	–382	5,540	5,183	–368	4,815
Gains/(losses) from translation of financial statements of foreign operations	21,258	–	21,258	1,686	–	1,686
Gains/(losses) from measurement of associates and joint ventures using the equity method	42,721	–	42,721	22,437	–	22,437
Other fair value gains/(losses)	–97	–	–97	–466	–	–466
Other comprehensive income for the year	**142,110**	**–22,685**	**119,425**	**–38,550**	**16,935**	**–21,615**

Disclosures regarding share-based payments

The Group has put in place a plan to provide incentives for personnel and foster the loyalty of certain directors and managers of the Atlantia Group, linked to the achievement of pre-established corporate and individual objectives, and designed to boost their entrepreneurial spirit and creation of value for shareholders. With effect from 2009, the Group has launched incentive schemes entailing, on the achievement of certain pre-established objectives for the period 2009-2013, the granting of rights to shares in Atlantia SpA.
The share option plan ("SOP") approved at the Annual General Meeting of 23 April 2009 envisages the granting of options to buy up to 850,000 of the Company's ordinary shares, each of which gives the right to purchase 1 ordinary Atlantia share held by the Company, at that date at a price equal to the normal value of the shares at the date on which Atlantia's Board of Directors selects the beneficiary and establishes the number of options to be granted. The terms and

conditions of the SOP are detailed in the Information Memorandum prepared pursuant to art. 84-*bis* of CONSOB Regulation 11971/1999 and subsequent amendments and additions.

In the following table are shown the options granted to directors and employees of the Group by 31 December 2010 and movements during the year and the vesting and exercise period.

	Number of options granted	Maximum number of Atlantia shares under options	Vesting date	Exercise date	Exercise price (€)
Options outstanding at 1 January 2010					
– grants with BoD's resolution of 8 May 2009	534,614	534,614	23 April 2013	30 April 2014	12.97
– grants with BoD's resolution of 16 July 2009	174,987	174,987	23 April 2013	30 April 2014	14.00
	709,601	**709,601**			
Options granted in 2010					
– grant with BoD's resolution of 15 July 2010	140,399	140,399	23 April 2013	30 April 2014	15.08
Options outstanding at 31 December 2010	**850,000**	**850,000**			

In execution of the rights granted, beneficiaries can purchase Atlantia shares at their excercise price. The options will vest only if, at the end of the vesting period, the final value (the market value of each share, by convention calculated on the basis of the average official price of Atlantia's ordinary shares at the end of each trading day in the period from 23 January 2013 to 23 April 2013, plus any dividends paid from the grant date to the end of the vesting period) is equal to or greater than €15.00. Should the final value be less than €15.00, beneficiaries will definitively lose their right to exercise the options granted, unless otherwise decided by the Board of Directors. Should the final value be equal to or greater than €15.00, the number of vested options will be equal to a percentage of the options granted, based on the final value, as shown in the following table.

Final share price (€)	Percentage of options granted that have vested
15	20%
16	27%
17	35%
18	42%
19	49%
20	56%
21	64%
22	71%
23	78%
24	85%
25	93%
26	100%
Over 26	A percentage calculated by the formula: [(26 – Exercise Price)/(Final Share Price – Exercise Price)] x 100

The terms and conditions of the SOP expressly state that any capital gains realised as a result of the exercise of vested options may under no circumstances exceed twice (three in the case of the Chief Executive Officer) the beneficiary's gross annual fixed salary as at 1 January 2009.
The options are under no circumstances transferable inter vivos and their non-transferability only ceases on the unilateral termination of employment or fair dismissal by the beneficiary within three years of the date of giving such a commitment.
As a result of the above bonus issue approved by the Shareholders at their General Meeting of 14 April 2010, on 15 July 2010 the Board of Directors of Atlantia approved certain alterations to the incentive plans to ensure that there is no change in the substantial and financial terms of the existing plans, the conditions of which would otherwise have deteriorated in respect of the beneficiaries, given the reduced intrinsic value of each share. These changes, which are to be put to the vote at the first available Shareholders' General Meeting, essentially involve (i) reductions in the exercise prices for the options granted at the

Board of Directors' meeting of 8 May 2009 from €12.966 to €12.349 and in the exercise price for the options granted at the Board of Directors' meeting of 16 July 2009 from €13.999 to €13.332; (ii) the granting to beneficiaries of the options already granted of 1 new option for every 20 options previously granted; (iii) the reduction to €14.286 (previously €15.00) of the final minimum value for purpose of the vesting of shares granted and certain changes to the conversion table from vested options to options granted; and, (iv) the decision to grant Gian Maria Gros-Pietro, the Company's former Chairman, the option of maintaining his right to exercise, in accordance with the same conditions applied to other beneficiaries, the options previously granted to him and (v) in the case of termination of the employee relationship for reasons other than those mentioned above, the possibility to mantain the rights granted by Board of Directors' resolution.

At the same meeting, the Board of Directors approved the grant of 140,399 options to the Chairman, Fabio Cerchiai, with a vesting period of 15 July 2010 - 23 April 2013 and an exercise period of 24 April 2013 to 30 April 2014 at an exercise price of €15.079. The fair value of each stock option granted as determined by a specially appointed expert was €1.42.
The Monte Carlo model was used to determine fair value using the following parameters:

- risk-free interest rate: 1.62%
- expected expiry: 3.8 years
- expected volatility (equal to historic volatility): 26.7%
- expected dividends: 3.67%
- share price on grant date: €15.17

The weighted average price of an Atlantia ordinary share in 2010 was €15.61 whereas it was €15.56 for the period between 15 July and 31 December 2010. As at 31 December 2010 the price was €15.27 per share.
As a result of implementation of the plan, as at 31 December 2010 the Group has recognised, in accordance with the requirements of IFRS 2, an increase in equity reserves of €319 thousand, based on the accrued fair value of the options granted in the year, with a contra entry in the income statement in personnel expense.

7.13 Provisions for construction services required by contract (non-current) / €4,315,051 thousand (€4,383,829 thousand) (current) / €386,660 thousand (€582,217 thousand)

The following table shows provisions for construction services for which no additional economic benefits are received at the beginning and end of the year and changes in 2010, showing the non-current and current portions.
These provisions represent the present value of motorway infrastructure construction and/or upgrade services that certain of the Group's operators and, particularly, Autostrade per l'Italia are required to provide and for which no additional economic benefits are received, in terms of specific toll charge increases and/or significant increases in expected traffic.

(€000)	31.12.2009			Changes during the year	
	Balance	Non-current	Current	Financial provisions	Additions to revise present value of contract commitments
Provisions for construction services required by contract					
Provisions construction services required by contract – Upgrade of Florence–Bologna section	2,281,060	1,791,747	489,313	51,224	157,101
Provisions construction services required by contract – Third and fourth lanes	19,585	18,986	599	399	847
Provisions construction services required by contract – Other construction services	2,665,401	2,573,096	92,305	82,685	44,532
Total	**4,966,046**	**4,383,829**	**582,217**	**134,308**	**202,480**

7.14 Provisions
(non-current) / €941,982 thousand (€923,731 thousand)
(current) / €224,778 thousand (€213,783 thousand)

The following table shows provisions at the beginning and end of the year, 2010 movements in the non-current and current portions.

Provisions for employee benefits

(non-current) / €130,604 thousand (€173,782 thousand)

(current) / €46,615 thousand (€15,462 thousand)

As at 31 December 2010 this item essentially consists of provisions for post-employment benefits and for the long-term incentive plan for the Group's management.

Provisions for post-employment benefits, of €177,219 thousand (including both current and non-current components), decreased €22,618 thousand. This is essentially the difference between:

a) uses of €13,342 thousand for benefits and advances paid;
b) the reclassification to liabilities related to discontinued operations of vested benefits of Strada dei Parchi employees (€9,292 thousand);
c) operating and financial provisions, totalling €7,316 thousand;
d) actuarial gains of €5,922 thousand recognised in the statement of comprehensive income.

The main actuarial assumptions applied in estimating provisions for post-employment benefits as at 31 December 2010 are shown below:

<u>financial assumptions</u>:

– annual discount rate:	4.55%
– annual inflation rate:	2.0%
– annual rate of increase in post-employment benefits:	3.00%
– annual rate of increase in real salaries:	0.65%
– annual turnover rate:	2.0-5.0%
– annual rate of advances paid:	2.0-3.5%

Changes during the year			31.12.2010		
Reductions for completed works	Grants accrued on completed works	Currency translation differences	Balance	Non-current	Current
–626,752	217,195	–	2,079,828	1,757,220	322,608
344	–	–	21,175	19,804	1,371
–195,978	–	4,068	2,600,708	2,538,027	62,681
–822,386	**217,195**	**4,068**	**4,701,711**	**4,315,051**	**386,660**

demographic assumptions:

- mortality: Government General Accounting Office projections
- disability: INPS tables by age and sex
- retirement age: Mandatory state pension retirement age

Provisions for the 2008-2010 three-year incentive plan for the Group's management have risen €10,613 thousand due to provisions to cover the estimated cost for the year.

Provisions for repair and replacement obligations
(non-current) / €790,281 thousand (€728,122 thousand)
(current) / €121,341 thousand (€126,384 thousand)

This item regards the present value of provisions for the repair and replacement of assets operated under concession, in accordance with commitments given by the Group's operators in their arrangements with the related grantors.

(€000)	31.12.2009			Changes during the year	
	Balance	Non–current	Current	Operating provisions	Financial provisions
Provisions for employee benefits					
Post–employment benefits	166,384	151,070	15,314	906	6,410
Other employee benefits	22,634	22,591	43	10,125	–
Pensions and similar obligations	226	121	105	6	–
	189,244	**173,782**	**15,462**	**11,037**	**6,410**
Provisions for repair and replacement obligations	**854,506**	**728,122**	**126,384**	**440,670**	**36,280**
Other provisions					
Provisions for impairment losses exceeding carrying amounts of investments	3,579	–	3,579	12	–
Provisions for disputes, liabilities and sundry charges	90,185	21,827	68,358	9,700	–
	93,764	**21,827**	**71,937**	**9,712**	**–**
Total provisions	**1,137,514**	**923,731**	**213,783**	**461,419**	**42,690**

There was a net increase in total provisions, including current and non-current portions, of €57,116 thousand being the difference between new operating and financial provisions (totalling €476,950 thousand) and uses (€412,231 thousand) in connection with repairs and replacements carried out during 2010.

Other provisions

(non-current) / €21,097 thousand (€21,827 thousand)

(current) / €56,822 thousand (€71,937 thousand)

These provisions essentially regard liabilities expected to be incurred in connection with pending litigation and disputes, including those with maintenance contractors regarding contract reserves.
The change during the year essentially relates to the reclassification of Strada dei Parchi's provisions to liabilities related to discontinued operations (€20,208 thousand).
Group companies are party to a number of disputes with the tax authorities. The related amounts are not significant.

Changes during the year							31.12.2010		
Actuarial gains/ (losses) deferred to equity	Reductions due to post-employment benefits paid and advances	Reductions due to reversal of exercise provisions	Uses	Reclassifications and other changes	Reclassifications to liabilities related to discontinued operations	Currency translation differences	Balance	Non-current	Current
–5,922	–13,342	–	–	–1,433	–9,292	55	143,766	128,005	15,761
–	–	–275	–43	671	–	93	33,205	2,382	30,823
–	–	–	–	9	–	7	248	217	31
–5,922	**–13,342**	**–275**	**–43**	**–753**	**–9,292**	**155**	**177,219**	**130,604**	**46,615**
–	**–**	**–303**	**–412,231**	**–2**	**–6,449**	**1,183**	**911,622**	**790,281**	**121,341**
–	–	–	–24	–	–	–	3,567	–	3,567
–	–	–1,759	–3,646	–1	–20,208	81	74,352	21,097	53,255
–	**–**	**–1,759**	**–3,670**	**–1**	**–20,208**	**81**	**77,919**	**21,097**	**56,822**
–5,922	**–13,342**	**–2,337**	**–415,944**	**–756**	**–35,949**	**1,419**	**1,166,760**	**941,982**	**224,778**

7.15 Financial liabilities
(non-current) / €10,066,909 thousand (€11,304,537 thousand)
(current) / €2,561,332 thousand (€914,316 thousand)

The following two tables provide an analysis of financial liabilities.
The first compares carrying amounts as at 31 December 2010 with those as at 31 December 2009 by term to maturity (current and non-current portions).

(€000)	31.12.2009		
	Total financial liabilities	Current portion	Non-current portion
Medium/long-term financial liabilities			
Bond issues			
Bond 2004-2011	1,987,211	–	1,987,211
Bond 2004-2014	2,695,077	–	2,695,077
Bond 2004-2022 (Gbp)	550,148	–	550,148
Bond 2004-2024	971,989	–	971,989
Bond 2009-2016	1,482,041	–	1,482,041
Bond 2009-2038 (Jpy)	149,553	–	149,553
Bond 2010-2017	–	–	–
Bond 2010-2025	–	–	–
Total bond issues	**7,836,019**	**–**	**7,836,019**
Medium/long-term borrowings			
Bank borrowings			
Term Loan Facility	786,087	76,504	709,583
EIB	1,039,969	89,338	950,631
Cassa Depositi e Prestiti	143,531	–	143,531
Other banks	171,540	15,220	156,320
Total borrowings linked to grants	419,861	38,692	381,169
Total bank borrowings	**2,560,988**	**219,754**	**2,341,234**
Other borrowings			
ANAS	783,191	142,486	640,705
Central Guarantee Fund	56,664	19,810	36,854
Other borrowings	53,219	3,736	49,483
Total other borrowings	**893,074**	**166,032**	**727,042**
Total medium/long-term borrowings	**3,454,062**	**385,786**	**3,068,276**
Derivative financial instruments liability	**374,778**	**–**	**374,778**
Other financial liabilities	**49,712**	**24,248**	**25,464**
Accrued expenses on medium/long-term financial liabilities	**276,219**	**276,219**	**–**
Total medium/long-term financial liabilities	**11,990,790**	**686,253**	**11,304,537**
Short-term financial liabilities			
Bank overdrafts	40,990	40,990	–
Short-term borrowings	185,390	185,390	–
Current account payables to unconsolidated Group companies	1,453	1,453	–
Other current financial liabilities	230	230	–
Total short-term financial liabilities	**228,063**	**228,063**	**–**
Total	**12,218,853**	**914,316**	**11,304,537**

	31.12.2010		Non–current maturities as at 31.12.2010	
Total financial liabilities	Current portion	Non–current portion	Maturing between 13 and 60 months	Maturing after 60 months
1,996,056	1,996,056	–	–	–
2,706,363	–	2,706,363	2,706,363	–
568,940	–	568,940	–	568,940
973,244	–	973,244	–	973,244
1,549,877	–	1,549,877	–	1,549,877
183,444	–	183,444	–	183,444
990,510	–	990,510	–	990,510
494,222	–	494,222	–	494,222
9,462,656	**1,996,056**	**7,466,600**	**2,706,363**	**4,760,237**
709,580	76,830	632,750	632,750	–
950,631	50,176	900,455	173,151	727,304
143,912	–	143,912	11,953	131,959
233,080	12,299	220,781	96,452	124,329
381,202	40,634	340,568	190,277	106,224
2,418,405	**179,939**	**2,238,466**	**1,104,583**	**1,089,816**
32,611	32,611	–	–	–
56,479	19,953	36,526	2,873	33,653
52,101	3,820	48,281	10,868	37,413
141,191	**56,384**	**84,807**	**13,741**	**71,066**
2,559,596	**236,323**	**2,323,273**	**1,118,324**	**1,160,882**
279,593	**25,994**	**253,599**	**47,683**	**207,369**
47,676	**24,239**	**23,437**	**6,918**	**17,497**
251,167	**251,167**	**–**	**–**	**–**
12,600,688	**2,533,779**	**10,066,909**	**3,879,288**	**6,145,985**
19,857	19,857	–	–	–
6,574	6,574	–	–	–
881	881	–	–	–
241	241	–	–	–
27,553	**27,553**	**–**	**–**	**–**
12,628,241	**2,561,332**	**10,066,909**	**3,879,288**	**6,145,985**

The second table compares the aggregate carrying amount (current and non-current portions) of medium/long-term financial liabilities with relevant par and fair values. This table also summarises the terms and conditions applied to each material financial liability.
The fair value reported for bond issues was measured on the basis of closing market prices, whilst the fair value of other financial liabilities was measured by discounting expected future cash flows, using the yield curve at the end of the year.

(€000)	Par value as at 31.12.2009 (1)	Carrying amount as at 31.12.2009 (1)	Fair value as at 31.12.2009
Bond issues			
Bond 2004–2011	2,000,000	1,987,211	1,998,200
Bond 2004–2014	2,750,000	2,695,077	2,925,450
Bond 2004–2022 (Gbp)	750,000	550,148	785,250
Bond 2004–2024	1,000,000	971,989	1,099,700
Bond 2009–2016	1,500,000	1,482,041	1,632,150
Bond 2009–2038 (Jpy)	149,176	149,553	183,155
Bond 2010–2017	–	–	–
Bond 2010–2025	–	–	–
Total bond issues (A)	**8,149,176**	**7,836,019**	**8,623,905**
Medium/long–term borrowings			
Bank borrowings			
Term Loan Facility	800,000	786,087	810,156
EIB	1,039,969	1,039,969	1,123,043
Cassa Depositi e Prestiti SpA	150,000	143,531	170,492
Other banks	173,395	171,540	171,710
Total borrowings linked to grants	419,901	419,861	419,901
Total bank borrowings	**2,583,265**	**2,560,988**	**2,695,302**
Other borrowings			
ANAS			
Autostrade per l'Italia SpA	110,553	110,553	110,553
Strada dei Parchi SpA	672,638	672,638	798,096
Central Guarantee Fund	**106,378**	**56,664**	**56,664**
Other	**53,219**	**53,219**	**53,219**
Total other borrowings	**942,788**	**893,074**	**1,018,532**
Total medium/long–term borrowings (B)	**3,526,053**	**3,454,062**	**3,713,834**
Medium/long–term bond issues and borrowings (C = A + B)	**11,675,229**	**11,290,081**	**12,337,739**
Derivative financial instruments liability (D)		**374,778**	**374,778**
Other financial liabilities (E)		**49,712**	
Accrued expenses on medium/long–term financial liabilities (F)		**276,219**	
Total medium/long–term financial liabilities (G = C + D + E + F)		**11,990,790**	

(1) The value of medium/long–term financial liabilities shown in the table includes both the non–current and current portions.
(2) As at 31 December 2010 interest rate and foreign exchange hedges with a notional amount of €3,667 million were in place that were classified as cash flow hedges in accordance with IAS 39.
(3) The par value includes the change rate of the currency hedged.
(4) Financial instrument classified as a financial liability measured at amortised cost in accordance with IAS 39.
(5) Loans repayable between 2011 and 2033.
(6) Strada dei Parchi SpA's medium/long–term borrowings as at 31 December 2010 of €695,327 thousand have been reclassified to liabilities related to discontinued operations.
(7) Financial instrument classified as a financial liability measured at fair value in accordance with IAS 39.
(8) Instrument classified as a hedging derivative in accordance with IAS 39 and in level 2 of the fair value hierarchy.
(9) Item includes borrowings classified as financial liabilities measured at fair value in accordance with IAS 39.

Par value as at 31.12.2010 [1]	Carrying amount as at 31.12.2010 [1]	Fair value as at 31.12.2010	Reference interest rate	Effective interest rate	Note	Spread	Maturity
2,000,000	1,996,056	1,998,800	3m Euribor	1.96%	(2)	0.45%	09.06.2011
2,750,000	2,706,363	2,883,100	5.00%	5.52%			09.06.2014
750,000	568,940	615,801	5.99%	6.47%	(2) (3)		09.06.2022
1,000,000	973,244	1,106,700	5.88%	6.17%			09.06.2024
1,500,000	1,549,877	1,609,650	5.63%	4.90%			06.05.2016
149,176	183,444	238,185	5.30%	5.48%	(2) (3)		10.12.2038
1,000,000	990,510	946,330	3.38%	3.54%			18.09.2017
500,000	494,222	458,580	4.38%	4.48%			16.09.2025
9,649,176	**9,462,656**	**9,857,146**			(4)		
720,000	709,580	727,591	6m Euribor	2.08%	(2)	0.33%	30.06.2015
950,631	950,631	1,054,627			(5)		
150,000	143,912	170,979	6m Euribor	2.75%		1.23%	19.12.2034
238,404	233,080	233,080			(2)		
381,202	381,202	381,202	Non–interest bearing				
2,440,237	**2,418,405**	**2,567,479**			(4)		
32,611	32,611	32,611	Non–interest bearing		(4)		
–	–	–					
104,155	**56,479**	**56,479**	**Non–interest bearing**		**(7)**		
52,101	**52,101**	**52,101**					
188,867	**141,191**	**141,191**					
2,629,104	**2,559,596**	**2,708,670**					
12,278,280	**12,022,252**	**12,565,816**			(6)		
	279,593	**279,593**			(8)		
	47,676				(9)		
	251,167						
	12,600,688						

The following table shows the par value of medium/long-term financial liabilities by currency as at 31 December 2010 and 31 December 2009, not including accrued borrowing costs at those dates, and changes during 2010.

(€000)	Par value as at 31.12.2009	Par value as at 31.12.2010
Euro	10,558,501	11,088,601
GBP	750,000	750,000
JPY	149,176	149,176
PLN	81,515	140,944
CLP	134,083	147,758
USD	1,954	1,801
Total	**11,675,229**	**12,278,280**

(€000)	Par value as at 31.12.2009	Repayments	New borrowings	Currency translation differences	Other changes	Reclassifications to liabilities related to discontinued operations	Par value as at 31.12.2010
Bond issues	8,149,176	–	1,500,000	–	–	–	9,649,176
Bank borrowings	2,583,265	–223,822	57,804	23,217	–	–227	2,440,237
Other borrowings	924,788	–22,013	36,673	1,805	–75,286	–695,100	188,867
Total	**11,765,229**	**–245,835**	**1,594,477**	**25,022**	**–75,286**	**–695,327**	**12,278,280**

The Group uses derivative financial instruments to hedge the risks associated with certain financial liabilities, including Interest Rate Swaps (IRS) and Cross Currency Swaps (CCS), which under IAS 39 were classified as at 31 December 2010 as cash flow hedges. The market value of the above hedging instruments as at 31 December 2010 were recognised in Derivative liabilities and assets.
More detailed information on financial risks and the manner in which they are managed in addition to outstanding financial instruments is contained in note 9.3 "Financial risk management".

Bond issues

(non-current) / €7,466,600 thousand (€7,836,019 thousand)
(current) / €1,996,056 thousand (–)

This item refers to bonds issued by the Parent as part of its €10 billion Medium Term Note (MTN) Programme.

The non-current portion as at 31 December 2010 amounts to €7,466,600 thousand, having decreased by €369,419 thousand. This essentially reflects the combined effect of:

a) the reclassification to current liabilities of the bond issue with a par value of €2,000 million (carried at €1,996,056 thousand as at 31 December 2010) maturing on 9 June 2011;
b) new fixed rate bonds issued during the year with par values of €1,000 million maturing in 2017 and of €500 million maturing in 2025;
c) an increase (€67,836 thousand) in the fair value of the bond issue with a par value of €1,500,000 thousand issued in May 2009 in line with movements in interest rates. Since the fair value of the bond had been hedged by derivatives it was measured at fair value. In September 2010 derivatives classified as fair value hedges that had put in place in May 2009 to cover the interest rate risk of the bond issue, were unwound. The unwinding of the derivatives meant the bonds were exposed to interest rate risk, which, however, was lower than the original exposure as a result of the gain of €69,435 thousand on unwinding the derivative, €58,451 thousand of which will gradually be recognised in the income statement starting from the derivative instruments expiration date to May 2016;
d) an increase of €51,772 thousand in foreign currency bond issues (GBP and YEN) resulting from a strengthening in the value of the two currencies with respect to the euro.

Medium/long-term borrowings

(non-current) / €2,323,273 thousand (€3,068,276 thousand)

(current) / €236,323 thousand (€385,786 thousand)

These liabilities, which were detailed in the previous tables, include a non-current portion of €2,323,273 thousand, which has decreased by €745,003 thousand during the year. The reduction essentially reflects the combined effect of the reclassification to current liabilities of both Strada dei Parchi's borrowings (€658,841 thousand), now accounted for liabilities related to discontinued operations, and the portion of borrowings that will mature in the next twelve months (€179,918 thousand). These changes were partially offset by an increase in foreign currency liabilities (€24,703 thousand), reflecting exchange rate movements, and new borrowings of the year (€91,612 thousand).
The current portion, totalling €236,323 thousand, is down €149,463 thousand compared with 31 December 2009, primarily due to repayments of medium/long-term borrowings during the year (€245,835 thousand), partially offset by the above reclassifications of current portion of financial liabilities maturing to medium/long term.
The Term Loan Facility agreement (€709,580 thousand as at 31 December 2010) imposes certain covenants with which the borrower must comply over the term of the facility and which have always been complied with.
In particular, the ratios of Funds from Operations (FFO) to other net financial expenses and FFO to net debt and the borrower's equity must remain within a certain range. The variables used for the calculation of the ratios are specifically defined in the agreement.

Derivative liabilities

(non-current) / €253,599 thousand (€374,778 thousand)

(current) / €25,994 thousand (–)

This item represents fair value losses on outstanding derivatives as at 31 December 2010, classified as cash flow hedges depending on the hedged risk, as required by IAS 39.

Cash flow hedges include a Cross Currency Interest Rate Swap (CCIRS) entered into by Atlantia to hedge exposure to currency and interest rate risk associated with the medium/long-term bond issue with a par value of GBP500,000 (the fair value of €217,990 thousand of which reflects the impact of the movement in the euro/sterling exchange rate, amounting to €169,110 thousand, thereby offsetting the movement in the underlying liability), and Interest Rate Swaps entered into by certain Group companies, hedging interest rate risk on the non-current financial liabilities set out below:

a) a Senior Secured Long Term Facility (Term Loan Facility) with a par value of €720,000 thousand on the books of Autostrade per l'Italia;
b) Project Financing with a par value of €47,799 thousand on the books of the Stalexport Autostrady group.

The current portion of €25,994 thousand relates entirely to the fair value of cash flow hedges in respect of the above bond issue with a par value of €2,000,000 thousand maturing in June 2011.

Further details of derivatives subscribed to by the Group for hedging purposes are contained in note 9.3 "Financial risk management".

Other medium to long-term financial liabilities

(non-current) / €23,437 thousand (€25,464 thousand)

(current) / €24,239 thousand (€24,248 thousand)

Other medium to long-term financial liabilities consist predominantly of long-term deferred income relating to interest rate subsidies in future years related to Società Autostrada Tirrenica and Tangenziale di Napoli.

Short-term borrowings / €278,720 thousand (€504,282 thousand)

The carrying amount as at 31 December 2010 essentially consists of:
a) current account overdrafts of €19,857 thousand, marking a reduction of €21,133 thousand compared with 31 December 2009;
b) short-term borrowings of €6,574 thousand, which are down €178,816 thousand primarily due to the reclassification to liabilities related to discontinued operations of the loan granted to Strada dei Parchi (total carrying amount €181,337 thousand);
c) accrued borrowing costs on medium/long-term borrowings of €251,167 thousand, down €25,052 thousand, essentially because of the reclassification to liabilities related to discontinued operations of accrued borrowing costs payable to other lenders to Strada dei Parchi (€40,714 thousand), partially offset by the increase in accrued interest on medium-term borrowings (€15,484 thousand).

7.16 Other non-current liabilities / €44,151 thousand (€56,479 thousand)

The €12,328 thousand decrease is essentially due to the release to income statement of a part of the decrease in accrued expenses because of higher revenue associated with the X variable collected in previous years by Autostrade Meridionali.

7.17 Trading liabilities / €1,307,428 thousand (€1,190,764 thousand)

The increase in trading liabilities essentially derives from the greater exposure to suppliers because of the increase in investments during the year, particularly those of Pavimental, which recorded an increase of €97,699 thousand, and Spea where the increase was €12,001 thousand. The balance as at 31 December 2010 was also affected by the reclassification of Strada dei Parchi trading liabilities of €56,664 thousand to liabilities related to discontinued operations.

(€000)	31.12.2010	31.12.2009	Increase/(Decrease)
Trade payables	746,702	647,254	99,448
Payable to operators of interconnecting motorways	446,037	420,433	25,604
Tolls in the process of settlement	110,367	117,835	–7,468
Deferred costs and other current liabilities	4,323	5,243	–920
Total	**1,307,429**	**1,190,765**	**116,664**

7.18 Other current liabilities / €473,863 thousand (€390,637 thousand)

An analysis of the carrying amount is shown below.

(€000)	31.12.2010	31.12.2009	Increase/(Decrease)
Concession fees payable to ANAS	114,968	65,530	49,438
Payable to expropriated companies	63,167	50,773	12,394
Guarantee deposits by users who pay by direct debit	55,460	52,171	3,289
Payable to staff	51,625	50,450	1,175
Social security contributions payable	39,819	36,230	3,589
Taxation other than income taxes	18,110	17,992	118
Other current liabilities	130,714	117,491	13,223
Total	**473,863**	**390,637**	**83,226**

The change was predominantly a result of the increased payable to ANAS and the Ministry of the Economy and Finance for concession fees caused by the increases in concession fees provided by Law 102/2009 and Law 122/2010.

8. Notes to the consolidated income statement

This section analyses the main income statement items. Amounts for 2009 are shown in brackets.

8.1 Toll revenue / €3,118,872 thousand (€2,845,195 thousand)

Toll revenue of €3,118,872 thousand increased by a total of €273,677 thousand (9.6%) on the figure for 2009 (€2,845,195 thousand), primarily reflecting:

a) toll rate increases for the Group's Italian operators from 1 January 2010 whereas the 3.1% toll rate increase in 2009 was only from 1 May;
b) the improvement in the traffic mix caused by the significant increase in volumes three axle heavy vehicles (3.2% on the network operated by Autostrade per l'Italia), with total volumes substantially unchanged, thus resulting in an increase in toll revenue estimated to be 0.5%;
c) an increase in tolls collected by the Polish operator, Stalexport Autostrada Malopolska (up €8,966 thousand on 2009), primarily as a result of tariff increases applied from December 2009 (average increases of 17.0%), increased traffic (up 5.0%) and the stronger Polish zloty (up 10.0%) resulting in an overall increase of 0.3%;
d) toll revenue for the Chilean operator, Sociedad Concesionaria de Los Lagos was up in 2010 to €13,084 thousand, €7,615 thousand above 2009, primarily because the company had only been consolidated from 1 July 2009, with an overall increase of 0.3%;
e) the increased toll revenue of Autostrade Meridionali (uo €6,141 thousand on 2009), which, following the signature of the Single Concession Arrangement, is no longer entitled to the X variable from the year ended 31 December 2009. This resulted in the reversal of prior year deferrals (+0.1%); and,
f) the increase in tolls from 5 August 2009 caused by the increase in the concession fee pursuant to Law 102/2009 in addition to the 1 July 2010 increase in application of Law 122/2010 (up €148,600 thousand on 2009) (5.2%).

Further information on toll charge increases applied by the Group's motorway operators and traffic trends is provided in the relevant section of the report on operations.
The portion of toll revenue relating to the latter part of the year is calculated on the basis of reasonable estimates.

8.2 Revenue from construction services / €782,558 thousand (€455,362 thousand)

An analysis of this revenue is shown below.

(€000)	2010	2009	Increase/(Decrease)
Construction service revenue – services for which additional economic benefits are received	560,919	302,542	258,377
Construction service revenue – government grants for services for which additional economic benefits are not received	217,195	119,424	97,771
Revenue from services provided by sub–operators	4,444	33,396	–28,952
Total	**782,558**	**455,362**	**327,196**

Construction services provided during the year are significantly above 2009 particularly with respect to works providing additional economic benefits. Consistent with the accounting model adopted pursuant to IFRIC 12, this revenue, which represents the consideration for services rendered, is recognised at fair value based on total costs incurred. The latter are recognised as operating costs. Moreover, in 2010 the Group executed additional construction services for which no additional benefits are received amounting to €605,191 thousand, for which the Group made use of a portion of the specifically allocated "Provisions for construction services required by contract" (accounted for as a reduction in operating costs for the year).
Details of investments in motorway infrastructure are provided in note 7.2 above.

8.3 Contract revenue / €60,807 thousand (€50,225 thousand)

Contract revenue includes the change in contract work in progress as determined by the stage of completion of contracts and is included in the change in work in progress. The increase of €10,582 thousand compared with 2009 is essentially due to an increase in work carried out by the subsidiaries, Pavimental (for the Montichiari Ring Road).

8.4 Other operating income / €565,829 thousand (€559,514 thousand)

Other operating income consists of the following items.

(€000)	2010	2009	Increase/(Decrease)
Revenue from service areas	251,891	238,998	12,893
Revenue from Telepass and Viacard fees	112,352	104,472	7,880
Advertising revenue	12,610	13,116	–506
Revenue on the sale of technology devices and services	10,316	11,356	–1,040
Other recurring operating income	171,566	184,260	–12,694
Other non–recurring operating income	7,094	7,312	–218
Total	**565,829**	**559,514**	**6,315**

Other operating income of €565,829 thousand has risen €6,315 thousand (+1.1%) on the figure for 2009 (€559,514 thousand). The principal variations during the year included increased service area revenue primarily as a result of increased current royalties following the renewal of sub-concessions which had expired at the end of 2009 and increased Telepass and Viacard fees that was partially offset by lower sundry revenue essentially due to the decrease in sales revenue (particularly Pavimental's) and the recognition in 2009 of the release of over-provisions.

8.5 Raw and consumable materials / -€325,907 thousand (-€244,036 thousand)

This item, which consists of purchases of materials and the change in inventories of raw and consumable materials, increased in 2010 as a result of a rise in construction services executed by the subsidiary Pavimental.

8.6 Service costs / -€1,459,329 thousand (-€1,373,060 thousand)

Service costs include building, transport and professional services primarily in connection with motorway construction and maintenance services. The balance is analysed below:

(€000)	2010	2009	Increase/(Decrease)
Construction and similar	–1,089,723	–1,059,519	–30,204
Professional services	–116,078	–86,499	–29,579
Transport and similar	–77,467	–66,595	–10,872
Utilities	–43,300	–40,308	–2,992
Insurance	–19,352	–17,087	–2,265
Statutory Auditors' fees	–1,389	–1,391	2
Other services	–112,020	–101,661	–10,359
Total	**–1,459,329**	**–1,373,060**	**–86,269**

The increase in net service costs, totalling €86,269 thousand, is primarily linked to increases in construction activity carried out in 2010, compared with the previous year. In accordance with the accounting model adopted for the purposes of the interpretation IFRIC 12, for external costs, personnel expense and financial expenses (the latter incurred for the construction work with additional economical benefits provided by contract), the Group recognized revenue for construction services in addition to the utilization of provisions for construction services required by contract without additional economical benefits.

8.7 Net personnel expense / -€636,677 thousand (-€614,168 thousand)

An analysis of staff costs is shown below:

(€000)	2010	2009	Increase/(Decrease)
Wages and salaries	–438,025	–414,862	–23,163
Social security contributions	–129,251	–124,320	–4,931
Post–employment benefits (including payments to supplementary pension funds or to INPS)	–24,210	–23,131	–1,079
Directors' fees	–6,430	–7,216	786
Other personnel expense	–39,468	–44,720	5,252
Staff costs	**–637,384**	**–614,168**	**–23,216**
Capitalised personnel expense related to different activities than works on concession assets	707	–	707
Total	**–636,677**	**–614,168**	**–22,509**

The €22,509 thousand increase in personnel expense over 2009 was the net of the 2.1% increase in average costs per head, primarily as a result of the renewal of operator's employment contracts (up 2.0%), two Sundays more than in 2009 (up 0.4%), the waiver of INPS contributions affecting certain Group companies (down 0.6%) and provisions for other personnel expense for 2010 (up 0.3%). There was also a 158 increase in average headcount (up 1.7%) as shown in the following table. The increase primarily reflects the greater volume of construction work carried out by staff employed by Spea and Pavimental on behalf of the Group's operators.

Average workforce	2010	2009	Increase/(Decrease)
Senior managers	176	175	1
Middle managers and administrative staff	4,624	4,450	174
Toll collectors	3,063	3,186	–123
Manual workers	1,823	1,717	106
Total	**9,686**	**9,528**	**158**

Personnel expense for 2010 includes €319 thousand corresponding to the fair value of share options vesting in 2010 under the plan approved at the Annual General Meeting, which is more fully described in note 7.12, to which reference should be made.

8.8 Other operating costs / -€449,006 thousand (-€285,578 thousand)

An analysis of other operating costs is shown in the table below.

(€000)	2010	2009	Increase/(Decrease)
Concession fees	–309,634	–158,138	–151,496
Grants and donations	–40,398	–11,967	–28,431
Change in provisions for the repair and replacement of assets to be relinquished	–27,142	–32,021	4,879
Lease expense	–19,412	–17,952	–1,460
Direct and indirect taxes	–11,586	–11,817	231
Provisions	–9,700	–4,100	–5,600
Other recurring operating costs	–21,560	–41,264	19,704
Other non–recurring operating costs	–9,574	–8,319	–1,255
Total	**–449,006**	**–285,578**	**–163,428**

The increase in other operating costs, totalling €163,428 thousand, is primarily linked to the increase in concession fees paid by the Group's Italian operators (up €148,665 thousand on 2009) previously descripted in the note 7.18 "Other current liabilities".
The increase in "Grants and donations" regards the greater costs incurred in 2010, as a result of Autostrade per l'Italia's contribution to the cost of upgrading infrastructure operated by other entities, located in the proximity of motorways.

8.9 Use of provisions for construction services required by contract / €605,191 thousand (€716,610 thousand)

This item regards the use, during the year, of provisions for construction services required by contract in relation to works for which no additional economic benefits are received. The provisions used, based on the construction services provided during year, are recognised as indirect adjustments of the relevant categories of cost, classified by nature, incurred in the rendering of construction services during the year by The Group's operators.
Further information on construction services and total investments during the year is provided in notes 7.2 and 8.2.

8.10 (Impairment losses)/Reversal of impairment losses / €2,664 thousand (€7,581 thousand)

An analysis of impairment losses and reversal of impairment losses is shown below:

(€000)	2010	2009	Increase/(Decrease)
Impairment losses			
Trade receivable accounting in previous year	–10,966	–4,934	–6,032
Concession rights	–	–16,363	16,363
Other current assets	–2,555	–83	–2,472
	–13,521	**–21,380**	**7,859**
Reversal of impairment losses			
Concession rights	16,106	28,961	–12,855
Material and immaterial assets	79	–	79
	16,185	**28,961**	**–12,776**
Total	**2,664**	**7,581**	**–4,917**

The changes of figure compared to 2009 reflect essentially the impairment losses on trade receivables accounted for in the previous year, due to evidence that the Group will not be able to collect all or any of the amount. €16,106 thousand of the impairment loss in Raccordo Autostradale Valle d'Aosta's infrastructure was reversed in 2010 and €28,961 thousand in 2009. Whereas an impairment losses on the Polish company Stalexport Autostrada Malopolska's concession rights of €16,363 thousand was recognised in 2009.

8.11 Financial income/(expenses) / -€671,559 thousand (-€660,429 thousand) Income from financial assets / €188,254 thousand (€145,453 thousand) Net financial expenses / -€865,191 thousand (-€805,636 thousand) Foreign exchange gains/(losses) / €5,378 thousand (-€246 thousand)

An analysis of financial income and expenses is shown below.

(€000)	2010	2009	Increase/(Decrease)
Income from transactions in derivative financial instruments	134,005	84,719	49,286
Income from discounting to present value	19,495	8,925	10,570
Interest and fees on bank and post office deposits	25,337	15,511	9,826
Other financial income	6,974	35,662	–28,688
Income from financial assets	**185,811**	**144,817**	**40,994**
Revaluations of financial assets	**–**	**196**	**–196**
Dividends from investments	**2,443**	**440**	**2,003**
Income from financial assets	**188,254**	**145,453**	**42,801**
Financial expenses from discounting of provisions and for construction services required by contract	**–176,382**	**–192,310**	**15,928**
Interest on bonds	–386,340	–352,274	–34,066
Interest on medium/long–term borrowings	–79,459	–96,696	17,237
Losses on derivative financial instruments	–146,931	–155,609	8,678
Interest and fees on bank and post office deposits	–1,053	–1,311	258
Other financial expenses	–77,062	–9,549	–67,513
Grants for interest	2,036	2,040	–4
Other financial expenses	**–688,809**	**–613,399**	**–75,410**
Capitalised financial expenses	**–**	**73**	**–73**
Net financial expenses	**–865,191**	**–805,636**	**–59,555**
Unrealised foreign exchange gains	57,760	39,966	17,794
Realised foreign exchange gains	745	895	–150
Foreign exchange gains	**58,505**	**40,861**	**17,644**
Unrealised foreign exchange losses	–52,447	–40,415	–12,032
Realised foreign exchange losses	–680	–692	12
Foreign exchange losses	**–53,127**	**–41,107**	**–12,020**
Foreign exchange gains/(losses)	**5,378**	**–246**	**5,624**
Total	**–671,559**	**–660,429**	**–11,130**

Net financial expenses, after deducting financial income, total €671,559 thousand, which is substantially in line with the figure for 2009 (€660,429 thousand).

The most important variations were:
a) an increase in net financial income resulting from consolidation of the Autostrade dell'Atlantico group, totalling €19,323 thousand;
b) an approximately €21,658 thousand increase in interest essentially because of the increase in the differential, between funding costs that increased to obtain sufficient funds to finance the intercompany repayment in 2011 and the return on cash investments following the increase in average cash invested, partially offset by an increase in the average return on those balances;
c) an approximately €3,993 thousand increase in interest and fees due to the higher average level of borrowings during the year;
d) the €15,928 thousand reduction for the year of "Financial expenses from the discounting of provisions and provision for construction services required by contract" principally because of the favourable effect of interest rates;
e) the recognition in the first half of 2009 of non-recurring income of €20,465 thousand following the SIAS group's acquisition of 50% of Autostrade per il Cile, the company set up by Autostrade per l'Italia at the beginning of 2009 and used as a vehicle for the acquisition of certain assets from the Itinere group.

The 31 December 2010 balances furthermore reflect the unwinding of derivatives previously classified as the fair value hedges of the bond issue redeemable in 2016.

Interest rate subsidies refer to non-interest bearing loans granted by the Central Guarantee Fund that were recognised in accordance with IAS 39.

8.12 Share of profit/(loss) of associates and joint ventures accounted for using the equity method / -€2,080 thousand (-€51,102 thousand)

This item consists of the effect on the income statement of recognising investments in associated companies and joint ventures using the equity method (see note 7.3).

The variation in 2010 was essentially due to the €24,235 thousand impairment loss on the investment in IGLI (€67,045 thousand in 2009), €15,170 thousand (€67,708 thousand) of which relates to the difference between the carrying amount of IGLI's shareholding in Impregilo and the market value of the shares (the stock market price of Impregilo's shares), which was only partially offset by the prorated recognition of the results for the year of:
a) Autostrade Sud America, totalling €17,282 thousand (€12,196 thousand in 2009), which reflects the positive performance of the subsidiary, Costanera Norte;
b) Triangulo do Sol, totalling €3,166 thousand (€3,763 thousand), in which the Group has a 50% shareholding;
c) other associates accounted for using the equity method, which report an overall profit of €1,707 thousand (-€18 thousand in 2009).

8.13 Income tax (expense)/benefit / -€400,300 thousand (-€380,741 thousand)

A comparison of the tax charges for the two comparative years is shown in the following table.

(€000)	2010	2009
IRES	–286,849	–275,558
IRAP	–101,524	–96,831
Other taxes	–2,621	–1,534
Current tax benefit of tax loss carry–forwards	3,079	1,255
Current taxes	**–387,915**	**–372,668**
Recovery of previous year's income taxes	1,953	16,221
Previous year's income taxes	–5,624	–2,866
Differences on current tax expense for previous years	**–3,671**	**13,355**
Provisions	129,221	146,159
Releases	–151,387	–156,396
Change in estimates for previous years	8,013	–9,338
Deferred tax income	**–14,153**	**–19,575**
Provisions	–9,266	–9,267
Releases	6,078	7,295
Change in estimates for previous years	8,627	119
Deferred tax expense	**5,439**	**–1,853**
Total	**–400,300**	**–380,741**

"Income tax expense" amounted to €400,300 thousand in 2010, a €19,559 increase (5.1%) over 2009 (€380,741 thousand) benefitting from non-recurring income (€13,072 thousand) recognised in 2009 due to the claim for a deductible IRES and IRAP refund. The increase in the 2010 tax charge, which is less than proportional to pre-tax results, was primarily due to the incidence of taxation in combination with lower non-deductible impairment losses than in 2009. It should be noted that in the absence of legislation governing the tax regime, Autostrade per l'Italia asked the Tax Authorities to confirm the tax treatment used following the adoption of IFRIC 12. It is evident, however, that a possible different interpretation by the Tax Authorities, would not produce significant effects on the amount of total taxes, but a possible reclassification between current and deferred taxes.

The following table shows a reconciliation of the theoretical rate of IRES with the effective charge.

(€000)	2010			2009		
	Taxable income	Taxation		Taxable income	Taxation	
		Amount	Effective tax rate		Amount	Effective tax rate
Profit from continuing operations	**1,108,321**			**962,671**		
Theoretical income tax expense/(credit)		304,788	27.50%		264,735	27.50%
Temporary differences deductible in future years	335,838	92,356	8.33%	407,230	111,988	11.63%
Temporary differences taxable in future years	–9,386	–2,581	–0.23%	–29,116	–8,007	–0.83%
Reversal of temporary differences arising in previous years	–428,933	–117,957	–10.64%	–447,328	–123,015	–12.78%
Permanent differences	26,052	7,164	0.65%	104,005	28,601	2.97%
Taxable income for purposes of IRES	**1,031,892**			**997,462**		
Current IRES charge for the year (after deduction of tax losses)		**283,770**	**25.60%**		**274,303**	**28.49%**
Current IRAP charge for the year		**101,524**	**9.16%**		**96,831**	**9.92%**
Other income tax expense for the year payable by non–Italian companies		**2,621**	**0.24%**		**1,534**	**0.40%**
Current tax expense for the year		**387,915**	**35.00%**		**372,668**	**38.82%**

8.14 Profit/(loss) from discontinued operations / -€6,999 thousand (-€20,466 thousand)

"Profit/(loss) from discontinued operations" essentially refers to the operating loss for the year of Strada dei Parchi which, as noted above, is accounted for as discontinued operations due to the fact that negotiations have now been finalised for the sale of a controlling shareholding in Strada dei Parchi with an agreement having been signed for the sale of 60% of the company's share capital.

Net income (expense) from discontinued activities related to Strada dei Parchi

(€000)	2010	2009	Increase/(Decrease)
Operating income	174,294	190,439	–16,145
Operating costs	–128,649	–165,555	36,906
Financial income	374	165	209
Financial expenses	–51,017	–48,318	–2,699
Income tax (expense)/benefit	–1,378	1,996	–3,374
Loss from discontinued operations (Strada dei Parchi)	**–6,376**	**–21,273**	**14,897**
Other net profit/(loss) from discontinued operations	**–623**	**807**	**–1,430**
Profit/(Loss) from discontinued operations	**–6,999**	**–20,466**	**13,467**

8.15 Earnings per share

The following table shows the calculation of basic and diluted earnings per share with comparative amounts.
As required by IAS 33, the weighted average number of shares in issue was recomputed to take account of Atlantia's bonus issue carried out in May 2010, as described in note 7.12 above. An adjustment was also made to the computation of diluted earnings per share to reflect share option plans.

	2010	2009
Number of shares outstanding	600,297,135	600,297,135
Weighted average of treasury shares in portfolio	–12,050,447	–12,050,447
Weighted average of shares outstanding for the calculation of basic earnings per share	**588,246,688**	**588,246,688**
Weighted average shares held under stock option plans with dilutive effect	101,718	50,224
Weighted average of all shares outstanding for the calculation of diluted earnings per share	**588,348,406**	**588,296,912**
Profit for the year attributable to owners of the parent (€000)	682,952	562,539
Basic earnings per share (€)	**1.16**	**0.96**
Diluted earnings per share (€)	**1.16**	**0.96**
Profit from continuing operations attributable to owners of the parent (€000)	687,401	574,496
Basic earnings per share from continuing operations (€)	**1.17**	**0.99**
Diluted earnings per share from continuing operations (€)	**1.17**	**0.99**
Profit/(loss) from discontinued operations attributable to owners of the parent (€000)	–4,449	–11,957
Basic earnings per share from discontinued operations (€)	**–0.01**	**–0.03**
Diluted earnings per share from discontinued operations (€)	**–0.01**	**–0.03**

9. Other financial information

9.1 Notes to the consolidated statement of cash flows

Cash flow in 2010, as reported in the consolidated statement of cash flows, is analysed and compared with the previous year below.
Cash increased by €1,340.1 million during 2010, compared with an increase of €1,140.2 million in 2009.

Operating activities generated cash flows of €1,640.8 million in 2010, compared with €1,317.3 million in 2009. The increase in operating cash flow essentially reflects the improved performance of continuing, and the positive contribution of working capital. This essentially reflects an increase in trading liabilities, partly due to higher amounts payable to the operators of interconnecting motorways and increased trade payables.

Cash used in investing activities totalled €1,345.3 million, €183.3 million more than the €1,162.0 million of 2009. The outflow in 2009 reflected the acquisition of investments (Alitalia, IGLI, Tangenziali Esterne di Milano and companies acquired from the Itinere group), totalling €312.1 million, whilst the figure for 2010 benefitted from the sale of two investments in Portuguese companies. 2010 also witnessed an increase of €189.8 million in investments in motorway infrastructure, net of the related government grants and the increase in financial assets in the form of takeover rights. Finally, cash of €145.8 million used in investing activities in 2010 relates to the increase in current and non-current financial assets compared with 2009 (€185.4 million), essentially due to the greater releases from term deposits in 2009 relating to prior investments.

Financing activities in 2010 generated net cash flows of €1,043.2 million, primarily as a result of a bond issue in September 2010. Cash flow generated in 2009 of €984.6 million, on the other hand, was a result of the May 2009 bond issue.

The following table shows cash flows, as required by IFRS 5, from operating, investing and financing activities of the subsidiary Strada dei Parchi, the assets and liabilities of which have been recognised as assets and liabilities related to discontinued operations:

(€000)	2010	2009
Net cash generated from/(used in) operating activities	49,481	6,544
Net cash generated from/(used in) investing activities	–62,814	–52,326
Net cash generated from/(used in) financing activities	54,351	69,986

9.2 Notes to the analysis of consolidated net debt

The following statement shows the Group's net debt broken down into its principal components, notes on which are set out above in the relevant notes dealing with financial assets and liabilities, and amounts due to and from related parties, as required by CONSOB Communication DEM/6064293 of 28 July 2006.

The financial assets and liabilities as at 31 December 2010 relating to Strada dei Parchi, recognised in "Non-current assets held for sale and related to discontinued operations" and "Liabilities related to discontinued operations" in the consolidated statement of financial position are reported below by nature in the separate accounts for assets and current liabilities.

Consolidated (net funds)/net debt

(€m)	31.12.2010	31.12.2009	Increase/(Decrease)
Non–current financial liabilities	**10,066.9**	**11,304.5**	**–1,237.6**
Bond issues	7,466.6	7,836.0	–369.4
Medium/long–term borrowings	2,323.3	3,068.3	–745.0
Derivative liabilities	253.6	374.8	–121.2
Other financial liabilities	23.4	25.4	–2.0
Current financial liabilities	**3,520.2**	**914.4**	**2,605.8**
Bank overdrafts	19.9	41.0	–21.1
Short–term borrowings	6.6	185.4	–178.8
Current portion of medium/long–term borrowings	2,533.8	686.3	1,847.5
Bank account payables to unconsolidated Group companies	0.9	1.5	–0.6
Other financial liabilities	0.2	0.2	0.0
Bank overdrafts related to discontinued operations	8.0	–	8.0
Financial liabilities related to discontinued operations	950.8	–	950.8
Total financial liabilities	**13,587.1**	**12,218.9**	**1,368.2**
Cash and cash equivalents	**–2,548.7**	**–1,222.3**	**–1,326.4**
Cash	–207.1	–403.3	196.2
Cash equivalents	–2,326.1	–819.0	–1,507.1
Cash and cash equivalents	–15.5	–	–15.5
Other current financial assets	**–445.7**	**–392.0**	**–53.7**
Current portion of medium/long–term financial assets	–22.0	–67.8	45.8
Current financial assets deriving from concession rights	–8.9	–14.3	5.4
Current financial assets deriving from government grants	–189.4	–88.0	–101.4
Term deposits convertible within 12 months	–180.9	–181.6	0.7
Other financial assets	–34.7	–23.2	–11.5
of which due from related parties	*–1.2*	*–5.6*	*4.4*
Financial assets included in disposal groups	–9.8	–17.1	7.3
of which due from related parties	*–1.6*	*–17.1*	*15.5*
Total current financial assets	**–2,994.4**	**–1,614.3**	**–1,380.1**
(Net funds)/Net debt in accordance with CESR recommendation of 10 February 2005	**10,592.7**	**10,604.6**	**–11.9**
Non–current financial assets	**–935.4**	**–850.1**	**–85.3**
Current financial assets deriving from concessions	–373.7	–288.0	–85.7
Current financial assets deriving from government grants	–201.5	–180.4	–21.1
Term deposits convertible after 12 months	–285.9	–336.7	50.8
Derivative assets	–40.2	–0.9	–39.3
Other financial assets	–34.1	–44.1	10.0
(Net funds)/Net debt	**9,657.3**	**9,754.5**	**–97.2**

9.3 Financial risk management

The Atlantia Group's financial risk management objectives and policies

In the normal course of business, the Atlantia Group is exposed to:

a) market risk, principally linked to the effect of variations of 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 Atlantia Group's financial risk management strategy is derived from and consistent with the business goals set by the Atlantia Board of Directors that are contained in the various strategic plans approved by the Board. The strategy aims to both manage and control such risks.

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 on 16 September 2010.
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 strategic 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 derivative hedging instruments as at 31 December 2010 are classified as cash flow hedges in accordance with IAS 39.
The fair value of financial derivative instruments is based on expected discounted cash flows, using the market yield curve at the measurement date. 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 the Group's debt is around 7 years.
The average cost of medium/long-term borrowings in 2010 was approximately 4.9%.

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. In order to reduce floating rate debt, the Group has entered into interest rate swaps (IRS), classified as cash flow hedges. The hedging instruments and the underlying financial liabilities have matching terms to maturity and notional amounts. Tests have shown that the hedges were fully effective during the year. Changes in fair value are recognised in the statement of comprehensive income, with no recognition of any ineffective portion in the income statement. Interest income or expense deriving from the hedged instruments is recognised simultaneously in the income statement;

b) fair value risk: this represents the risk of losses deriving from an unexpected change in the value of fixed rate financial assets and liabilities following an unfavourable shift in the market interest rate curve. There were no hedges on the books as at 31 December 2010 that could be classified as fair value hedges in accordance with IAS 39, partially due to the unwinding of hedges of the bond issue with a par value of €1,500,000 thousand maturing in May 2016.

As a result of hedging interest rates, 96% 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 that present financial statements in a currency other than the euro;

Type (€000)	Purpose of hedge	Currency	Contract term
Cash flow hedges			
Cross Currency Swap	Currency fluctuations	Eur	2004–2022
Cross Currency Swap	Currency fluctuations	Eur	2009–2038
Interest Rate Swap	Interest rate fluctuations	Eur	2004–2011
Interest Rate Swap	Interest rate fluctuations	Eur	2004–2015
Interest Rate Swap	Interest rate fluctuations	Eur	2008–2020
Total cash flow hedges			
Fair value hedges			
Interest Rate Swap	Interest rate fluctuations	Eur	2009–2016
Total fair value hedges			
Total hedging derivatives			
Derivatives not accounted for as hedges			
Eur Put/Usd Call option	Currency fluctuations	Eur	2007–2011
Total derivatives not accounted for as hedges			
Total			

(1) The fair value of hedging derivatives excludes accruals at the end of the reporting period.
(2) Amount included in the current portion of medium/long-term borrowings,
(3) Amount included in the current portion of medium/long-term financial assets,

c) transaction exposure incurred by making deposits or obtaining loans in a currency other than the company's 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 euro. Cross currency swaps (CCIRS) with notional amounts and maturities matching those of the underlying financial liabilities were entered into specifically to eliminate the currency risk to which the sterling and yen denominated bonds are exposed. These swaps also qualify as cash flow hedges and tests have shown that they are fully effective.
9% of the Group's medium/long-term 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 2%), the Group is not exposed to currency risk on translation into euros. The translation risk associated with the investments in companies with functional currencies other than the euro is not hedged.

The following table summarises outstanding derivative financial instruments as at 31 December 2010 (compared with 31 December 2009) and shows the corresponding market value and the hedged financial liability. In order to assure full disclosure, the table also shows outstanding derivative contracts, the contract for the forward purchase of US dollars to hedge any need for USD 21,800 thousand in connection with the possible exercise of the call option on an additional 16% of ETC's share capital. Due to the fact that all of the requirements of IAS 39 have not been satisfied to classify the forward purchase as a hedge, it has been classified as a trading asset recognised at fair value through profit or loss.

Notional amount		Fair value [1]		Hedged financial liability		
31.12.2009	31.12.2010	31.12.2009	31.12.2010	Description	Par value	Term
750,000	750,000	–247,596	–217,990	Bond 2004–2022 (Gbp)	750,000	2004–2022
149,176	149,176	–6,890	40,209	Bond 2009–2038 (Jpy)	149,176	2009–2038
2,000,000	2,000,000	–75,680	–25,994 [2]	Bond 2004–2011	2,000,000	2004–2011
800,000	720,000	–32,962	–34,511	Term Loan Facility	720,000	2004–2015
17,054	47,799	–321	–1,098	50% Project Loan Agreement (Pln)	47,799	2008–2020
		–363,449	**–239,384**			
1,500,000	–	–11,330	–			
		–11,330	**–**			
		–374,779	**–239,384**			
15,133	16,315	857	1,194 [3]	Option to acquire an additional 16% of ETC	16,315	2007–2011
		857	**1,194**			
		–373,922	**–238,190**			

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 income statement and on equity during the year.

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 equity, 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 0.10% shift in market interest rates would have resulted in a negative impact on the income statement, totalling €648 thousand, and on the statement of comprehensive income, totalling €2,546 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 income statement, totalling approximately €119 thousand, before the related taxation.

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 Group believes that its ability to generate cash assures an ample diversification of funding sources and the availability of committed and uncommitted lines of credit provides sufficient alternative sources of finance to meet projected financial needs.

As at 31 December 2010 the Group has cash reserves of €6,166 million, consisting of:

a) €2,533 million in cash or invested for a period shorter than the redemption date of the par value €2,000 million bond issue (9 June 2011);
b) €16 million in cash held by Strada dei Parchi and included in assets related to discontinued operations;
c) €467 million primarily in term deposits allocated to finance the execution of specific construction services;
d) €3,150 million in undrawn committed lines of credit, details of which are shown in the following table.

(€m)	Drawdown period	Final maturity	31.12.2010		
			Available	Drawn	Undrawn lines
Committed Revolving Credit Facility	May 2015	June 2015	1,000	–	1,000
Medium/long-term committed EIB line – Tranche A	30,11,2012	31.12.2036	1,000	500	500
Medium/long-term committed EIB line – Tranche B	31.12.2014	31.12.2036	300	–	300
Medium/long-term committed CDB/EIB line	01,08,2013	19,12,2034	500	150	350
Medium/long-term committed CDB/SACE line	23,09,2014	23,12,2024	1,000	–	1,000
Total lines of credit			**3,800**	**650**	**3,150**

The following tables show the time distributions of financial liabilities by term to maturity as at 31 December 2010 and comparable figures as at 31 December 2009.

31.12.2010 (€000)	Financial liabilities					
	Carrying amount	Total contractual flows	Within 12 months	Between 1 and 2 years	Between 3 and 5 years	After 5 years
Non–derivative financial liabilities [1]						
Bond issues						
Bond 2004–2011	–1,996,056	–2,014,954	–2,014,954	–	–	–
Bond 2004–2014	–2,706,363	–3,300,000	–137,500	–137,500	–3,025,000	–
Bond 2004–2022 (Gbp)	–568,940	–1,016,555	–36,306	–36,306	–108,917	–835,028
Bond 2004–2024	–973,244	–1,822,500	–58,750	–58,750	–176,250	–1,528,750
Bond 2009–2016	–1,549,877	–2,006,250	–84,375	–84,375	–253,125	–1,584,375
Bond 2009–2038 (Jpy)	–183,444	–324,786	–5,025	–5,025	–15,076	–299,659
Bond 2010–2017	–990,510	–1,236,250	–33,750	–33,750	–101,250	–1,067,500
Bond 2010–2025	–494,222	–828,125	–21,875	–21,875	–65,625	–718,750
Total bond issues (A)	**–9,462,656**	**–12,549,421**	**–2,392,535**	**–377,581**	**–3,745,243**	**–6,034,062**
Bank borrowings						
Term Loan Facility	–709,580	–756,253	–91,161	–89,976	–575,116	–
EIB	–950,631	–1,399,494	–92,360	–71,264	–251,890	–983,980
Cassa Depositi e Prestiti SpA	–143,912	–204,874	–3,768	–3,973	–25,437	–171,696
Other banks	–233,080	–171,357	–17,480	–20,041	–55,067	–78,769
Total borrowings linked to grants	–381,202	–381,202	–40,640	–42,680	–181,872	–116,010
Total bank borrowings	**–2,418,405**	**–2,913,181**	**–245,409**	**–227,935**	**–1,089,382**	**–1,350,455**
Other borrowings						
ANAS	–32,611	–32,611	–32,611	–	–	–
Central Guarantee Fund	–56,479	–104,155	–44,192	–2,484	–8,234	–49,244
Other borrowings	–52,101	–69,093	–3,860	–3,694	–5,459	–56,080
Total other borrowings	**–141,191**	**–205,858**	**–80,663**	**–6,178**	**–13,693**	**–105,324**
Total medium/long–term borrowings (B)	**–2,559,596**	**–3,119,039**	**–326,072**	**–234,113**	**–1,103,074**	**–1,455,780**
Total non–derivative financial liabilities (C = A + B)	**–12,022,252**	**–15,668,460**	**–2,718,607**	**–611,694**	**–4,848,317**	**–7,489,842**
Derivatives [2] [3]						
IRS [4]	–61,603	–91,824	–50,544	–15,617	–23,751	–1,912
CCS	–177,781	–329,648	–12,299	–12,607	–36,514	–268,228
Total	**–239,384**	**–421,472**	**–62,843**	**–28,224**	**–60,265**	**–270,140**

(1) Future cash flows relating to floating rate loans have been calculated on the basis of the latest established rate and applied and held constant to final maturity.
(2) Includes derivative instruments hedging the interest rate and currency risks associated with bond issues and loans outstanding as at 31 December 2010.
(3) Expected cash flows are calculated on the basis of exchange rates determined on the measurement date.
(4) Future cash flows deriving from interest rate swap (IRS) differentials are calculated on the basis of the latest established rate and held constant to the maturity of the contract.

31.12.2009 (€000)		Financial liabilities				
	Carrying amount	Total contractual flows	Within 12 months	Between 1 and 2 years	Between 3 and 5 years	After 5 years
Non–derivative financial liabilities [1]						
Bond issues						
Bond 2004–2011	–1,987,211	–2,035,464	–23,664	–2,011,800	–	–
Bond 2004–2014	–2,695,077	–3,437,500	–137,500	–137,500	–3,162,500	–
Bond 2004–2022 (Gbp)	–550,148	–1,020,437	–35,187	–35,187	–105,562	–844,499
Bond 2004–2024	–971,989	–1,881,250	–58,750	–58,750	–176,250	–1,587,500
Bond 2009–2016	–1,482,041	–2,090,625	–84,375	–84,375	–253,125	–1,668,750
Bond 2009–2038	–149,553	–269,105	–4,100	–4,100	–12,301	–248,603
Total bond issues (A)	**–7,836,019**	**–10,734,381**	**–343,577**	**–2,331,713**	**–3,709,738**	**–4,349,353**
Bank borrowings						
Term Loan Facility	–786,086	–841,162	–90,521	–89,427	–500,104	–161,110
EIB	–1,039,969	–1,534,783	–135,288	–92,360	–236,651	–1,070,484
Cassa Depositi e Prestiti SpA	–143,532	–200,970	–4,244	–3,337	–16,957	–176,432
Other banks	–171,540	–172,145	–1,735	–11,517	–53,889	–105,004
Total borrowings linked to grants	–419,861	–801,104	–40,640	–160,991	–179,572	–419,901
Total bank borrowings	**–2,560,988**	**–3,550,164**	**–272,428**	**–357,632**	**–987,173**	**–1,932,931**
Other borrowings						
ANAS	–783,191	–1,283,605	–166,413	–55,860	–167,579	–893,753
Central Guarantee Fund	–56,664	–106,378	–44,062	–2,353	–7,843	–52,120
Other borrowings	–53.219	–71.071	–3.927	–3.745	–8.856	–54.543
Total other borrowings	**–893,074**	**–1,461,054**	**–214,402**	**–61,958**	**–184,278**	**–1,000,416**
Total medium/long–term borrowings (B)	**–3,454,062**	**–5,011,218**	**–486,830**	**–419,590**	**–1,171,451**	**–2,933,347**
Other financial liabilities						
Total non–derivative financial liabilities (C = A + B)	**–11,290,081**	**–15,745,599**	**–830,407**	**–2,751,303**	**–4,881,189**	**–7,282,700**
Derivatives [2] [3]						
IRS [4]	–120,294	41,768	–63,308	–25,627	48,355	82,348
CCS	–254,486	–435,033	–14,298	–14,342	–42,996	–363,397
Total	**–374,780**	**–393,265**	**–77,606**	**–39,969**	**5,359**	**–281,049**

(1) Future cash flows relating to floating rate loans have been calculated on the basis of the latest established rate and applied and held constant to final maturity.
(2) Includes derivative instruments hedging the interest rate and currency risks associated with bond issues and loans outstanding as at 31 December 2009.
(3) Expected cash flows are calculated on the basis of exchange rates determined on the measurement date.
(4) Future cash flows deriving from interest rate swap (IRS) differentials are calculated on the basis of the latest established rate and held constant to the maturity of the contract.

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 payment may be required, unless a better estimate is available.
The distribution for liabilities with repayment 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 the income statement.

(€000)	31.12.2009						31.12.2010					
	Carrying amount	Expected cash flows (1)	Within 12 months	Between 1 and 2 years	Between 3 and 5 years	After 5 years	Carrying amount	Expected cash flows (1)	Within 12 months	Between 1 and 2 years	Between 3 and 5 years	After 5 years
Interest rate swaps												
Assets	–	–	–	–	–	–	–	–	–	–	–	–
Liabilities	–108,963	–113,216	–81,024	–29,306	–3,112	226	–61,603	–65,633	–46,673	–12,843	–6,078	–39
Cross currency swaps												
Assets							40,209	40,026	–2,996	–2,830	–7,412	53,264
Liabilities	–254,486	–260,551	–14,229	–14,088	–40,256	–191,978	–217,990	–223,194	–9,217	–9,413	–25,877	–178,687
Accrued expenses on cash flow hedges	–30,308						–30,087					
Accrued income on cash flow hedges	19,990						20,670					
Total cash flow hedge derivative assets/liabilities	**–373,767**	**–373,767**	**–95,253**	**–43,394**	**–43,368**	**–191,752**	**–248,801**	**–248,801**	**–58,886**	**–25,086**	**–39,367**	**–125,462**

(€000)	31.12.2009					31.12.2010				
	Expected cash flows (1)	Within 12 months	Between 1 and 2 years	Between 3 and 5 years	After 5 years	Expected cash flows(1)	Within 12 months	Between 1 and 2 years	Between 3 and 5 years	After 5 years
Interest rate swaps										
Income on cash flow hedges	–	–	–	–	–	–	–	–	–	–
Losses on cash flow hedges	–108,963	–79,726	–26,799	–2,551	113	–61,603	–42,756	–12,767	–6,040	–41
Cross currency swaps										
Income on cash flow hedges	855,473	38,651	37,656	105,719	673,447	960,657	40,555	40,242	114,403	765,457
Losses on cash flow hedges	–1,109,959	–52,815	–51,767	–145,655	–859,722	–1,138,438	–52,773	–52,116	–147,510	–886,039
Total income (losses) on cash flow hedges	**–363,449**	**–93,890**	**–40,910**	**–42,487**	**–186,162**	**–239,384**	**–54,974**	**–24,641**	**–39,147**	**–120,623**

(1) Expected cash flows from swap differentials are calculated on the basis of market curves at the measurement date.

Credit risk

The Group 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.

Allowances for impairment 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 allowances 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.

10. Other information

10.1 Analysis by geographical segment

The following table shows an analysis of the Group's revenue and non-current assets by geographical segment.

(€000)	Revenue		Non–current assets (*)	
	2010	2009	31.12.2010	31.12.2009
Italy	4,430,193	3,829,723	16,370,285	16,955,421
International (*)	97,873	80,573	473,801	442,676
	4,528,066	**3,910,296**	**16,844,086**	**17,398,097**

(*) Non–current assets do not include financial instruments, deferred tax assets, post–employment benefit assets and insurance claims.

"International" primarily relates to the contributions of companies operating in Poland (the Stalexport Autostrady group), the United States (the Autostrade International US Holdings group) and the Chilean operator, Los Lagos.
The contribution of international, which is not significant in terms of the Group's consolidated financial statements, is not shown in greater detail since the information is not of particular relevance to the Group.

10.2 Guarantees

The Group has certain guarantees in issue to third parties as at 31 December 2010. With the exception of guarantees given for liabilities accounted for in the consolidated financial statements, they are listed by importance:

a) a surety of €120,350 thousand issued in favour of the Chilean holding company, Autopista do Pacifico (a subsidiary of Autostrade Sud America), guaranteeing the loan obtained by this company to finance the acquisition of the motorway operator, Costanera Norte;
b) a guarantee of €69,913 thousand issued by Atlantia in connection with the loan obtained by the sub-holding Autostrade per il Cile, since merged into Autostrade Sud America;
c) the guarantee of €13,479 thousand issued by Autostrade per l'Italia in favour of Assicurazioni Generali for the issue of a surety in favour of ANAS on behalf of Strada dei Parchi.

In addition, as at 31 December 2010 the shares held in foreign operators, Strada dei Parchi and Bologna e Fiera Parking, have been pledged to collateralise loans granted to certain Group companies and to back up commitments made to certain Grantors.

10.3 Reserves

Group companies had contract reserves of €610 million as at 31 December 2010 a portion of which is likely to be paid to contractors.
Any amount paid will be recognised as an increase in the cost of intangible concession rights and subsequently amortised. In the case of other reserves not related to investing activities (contract work and maintenance), any future charges are covered by provisions for disputes.

10.4 Related party transactions

In implementation of the provisions of art. 2391-*bis* of the Italian Civil Code and the Regulation adopted by the Commissione Nazionale per le Società e la Borsa (the CONSOB) in Resolution 17221 of 12 March 2010, as subsequently amended and as interpreted by CONSOB Communication DEM/10078683 of 24 September 2010, on 11 November Atlantia's Board of Directors approved the new Procedure for Related Party Transactions entered into directly by the

Company and/or through subsidiaries. This Procedure sets out the criteria to be used in identifying related parties and the related reporting requirements.

The principal transactions entered into by the Group and Atlantia SpA with related parties, as identified in accordance with the criteria defined in the above Procedure, are described below. Related party transactions are conducted on an arm's length basis.
Related party transactions do not include transactions of an atypical or unusual nature. The Atlantia Group did not engage in material transactions with its direct or indirect parents during 2010.

During 2010 fees, non-monetary benefits, bonuses, incentives and other forms of compensation were paid to the Chairman of Atlantia, Fabio Cerchiai (€0.5 million), and the Chief Executive Officer and General Manager, Giovanni Castellucci (€1.5 million), in relation to positions held in Atlantia and in other Group companies. A total of €0.2 million was also paid to the previous Chairman, Gian Maria Gros-Pietro.

Related party trading and other transactions

Name (€m)	31.12.2010		2010		31.12.2009		2009	
	Assets	Liabilities	Income	Expenses	Assets	Liabilities	Income	Expenses
Parents								
Schemaventotto	11.5	–	–	–	11.2	–	–	–
Total parents	**11.5**	**–**	**–**	**–**	**11.2**	**–**	**–**	**–**
Associates								
GEIE Traforo Monte Bianco	10.4	4.2	0.3	10.5	9.6	4.2	0.3	10.1
Bologna & Fiera Parking SpA	1.1	0.1	0.1	–	1.1	–	2.2	–
Società Infrastrutture Toscane	0.1	–	0.1	–	0.1	–	0.1	–
Uirnet SpA	1.2	–	1.0	–	–	–	0.1	–
Tangenziali Esterne di Milano	–	–	0.1	–	–	0.7	–	–
Total associates	**12.8**	**4.3**	**1.6**	**10.5**	**10.8**	**4.9**	**2.7**	**10.1**
Joint ventures								
Autostrade Sud America Srl	–	–	–	–	0.4	–	–	–
Autostrade per il Cile Srl	–	–	–	–	0.5	–	0.4	–
Pune Solapur Expressways Private Limited	–	–	–	–	0.1	–	0.1	–
Triangulo do Sol Autoestradas SA	2.6	–	3.8	–	0.4	–	–	–
Total joint ventures	**2.6**	**–**	**3.8**	**–**	**1.4**	**–**	**0.5**	**–**
Total unconsolidated subsidiaries								
Affiliates								
Autogrill SpA	37.4	1.0	77.8	2.9	40.8	0.6	101.8	3.6
Benetton Group	–	–	–	0.1	–	–	–	–
Total affiliates	**37.4**	**1.0**	**77.8**	**3.0**	**40.8**	**0.6**	**101.8**	**3.6**
Consortia								
Consorzio Tangenziale Engineering	–	0.6	–	–	–	–	–	–
ELMAS Scarl	0.6	1.3	–	–	0.6	1.4	0.2	4.3
Vespucci Scarl	–	–	–	–	0.1	–	0.1	–
PISTA 1 Scarl	–	–	–	0.2	0.3	0.3	–	0.4
Consorzio Trinacria Scarl	0.1	0.3	–	0.8	–	0.1	–	0.2
Consorzio Galileo Scarl	0.6	0.1	–	–	0.2	1.1	–	–
Consorzio Ramonti Scarl	0.1	19.0	0.1	31.5	0.2	9.6	0.4	17.4
Consorzio RFCC (in liquidation)	0.1	–	–	–	0.1	–	–	–
Quadrante 300	0.9	0.4	0.3	1.3	0.2	1.1	0.2	1.1
Consorzio Italtecnasud	–	–	–	–	0.4	–	–	–
Total consortia	**2.4**	**21.7**	**0.4**	**33.8**	**2.1**	**13.6**	**0.9**	**23.4**
Other related parties								
ITC Italcementi SpA	–	0.7	–	1.0	–	–	–	–
River SpA	–	–	–	–	0.2	–	–	–
Total other related parties	**–**	**0.7**	**–**	**1.0**	**0.2**	**–**	**–**	**–**
Total	**66.7**	**27.7**	**83.6**	**48.3**	**66.5**	**19.1**	**105.9**	**37.1**

Related party financial transactions

Name (€m)	31.12.2010		2010		31.12.2009		2009	
	Assets	Liabilities	Income	Expenses	Assets	Liabilities	Income	Expenses
Associates								
Beskidzi Dom Maklerski SA	–	–	0.1	–	–	–	–	–
Società Infrastrutture Toscane	–	0.9	–	–	–	1.5	–	–
Lusuponte	1.6	–	–	–	1.6	–	–	–
SMNL – Concessoes de Portugal SA	–	–	–	–	8.7	–	–	–
Autoestradas do Oeste	–	–	–	–	6.7	–	–	–
Vialitoral SA	–	–	–	–	0.7	–	–	–
Total associates	**1.6**	**0.9**	**0.1**	**–**	**17.7**	**1.5**	**–**	**–**
Joint ventures								
Autostrade for Russia GmbH	–	–	–	–	0.7	–	–	–
Total joint ventures	**–**	**–**	**–**	**–**	**0.7**	**–**	**–**	**–**
Affiliates								
Autogrill SpA	–	–	1.4	–	–	–	1.4	–
Total affiliates	**–**	**–**	**1.4**	**–**	**–**	**–**	**1.4**	**–**
Consortia								
Consorzio Midra	0.1	–	–	–	–	–	–	–
Consorzio Trinacria Scarl	0.2	–	–	–	0.2	–	–	–
ELMAS Scarl	1.0	–	–	–	1.0	–	–	–
PISTA 1 Scarl	–	–	–	–	1.0	–	–	–
Total consortia	**1.3**	**–**	**–**	**–**	**2.2**	**–**	**–**	**–**
Total	**2.9**	**0.9**	**1.5**	**–**	**20.6**	**1.5**	**1.4**	**–**

Transactions with the parent, Schemaventotto, regard amounts due to the Group in the form of an IRES refund resulting from the tax consolidation arrangement in which certain Group companies participated until 1 January 2008.

In compliance with IAS 24, the Autogrill group, which is under the common control of Edizione Srl, is treated as a related party. With regard to relations between the Atlantia Group's motorway operators and the Autogrill group, it should be noted that, at 31 December 2010, Autogrill holds 140 (134 excluding Strada dei Parchi) food service concessions for service areas along the Group's motorway network.
In 2010 the Group earned revenue of approximately €77.8 million on transactions with Autogrill, including approximately €0.8 million deriving from the handover, free of charge, of buildings located at service areas (following expiry of the related sub-concessions) and €77.0 million in royalties deriving from management of service areas.
This 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.

10.5 Significant regulatory aspects

Single concession arrangements for Italian operators

On 13 May and 22 July 2010, the CIPE (Interministerial Economic Planning Committee) gave clearance, subject to certain requirements, for the single concession arrangements entered into in 2009 by ANAS and a number of motorway operators, including Società Autostrada Tirrenica, Strada dei Parchi, Autostrada Torino-Savona and Raccordo Autostradale Valle d'Aosta, Tangenziale di Napoli and Autostrade Meridionali, and revised its opinion, again subject to certain requirements, on the single concession arrangements of Tangenziale di Napoli and Autostrade Meridionali.
The CIPE resolutions containing the requirements applicable to the Group's single concession arrangements were published in the Official Journal in October 2010. With the signing of the document ratifying adoption of the above requirements, the procedure introduced by Law 191 of 2009 has come to an end. As a result, the single concession arrangements provided for by Law Decree 262 of 2006, as subsequently amended and added to, and signed by the Italian motorway operators controlled by Autostrade per l'Italia in 2009 (with the exception of Società Italiana Traforo del Monte Bianco, which operates under a different concession regime) are now effective. Raccordo Autostradale Valle d'Aosta, Società Autostrada Tirrenica and Tangenziale di Napoli signed the above document on 24 November 2010, Strada dei Parchi and Autostrade Meridionali on 29 November 2010 and Autostrada Torino-Savona on 22 December 2010.

Toll increases for 2011

The following annual toll increases have been introduced by Autostrade per l'Italia and the Group's Italian motorway operators from 1 January 2011:

Toll increases 2011 (excluding increases pursuant to Law 122/2010)

Operator	Increases 2011
Autostrade per l'Italia	1.92%
Autostrada Torino–Savona	0.63%
Raccordo Autostradale Valle d'Aosta	14.15%
Società Autostrada Tirrenica	4.08%
Tangenziale di Napoli	3.80%
Autostrade Meridionali	–6.56% (*)
Strada dei Parchi	8.14%
Società Traforo del Monte Bianco	4.96%

(*) As a result of rounding, the impact on the final tolls paid by road users is limited to class B.

In accordance with the Single Concession Arrangement signed by ANAS and Autostrade per l'Italia on 12 October 2007, the toll increase of 1.92% for 2011 has been calculated on the basis of two components:

- 0.63%, equivalent to 70% of the inflation rate in the period from 1 July 2009 to 30 June 2010;
- 1.29%, relating to the X investments component of the tariff formula, designed to cover the additional capital expenditure inserted into the IV Addendum of 2002.

The inflation-linked component (0.63%) was calculated on the basis of consumer price inflation for the Italian population as a whole, as calculated by ISTAT (the NIC index), for the period between 1 July 2009 and 30 June 2010, equal to 0.90%, compared with the period from 1 July 2008 to 30 June 2009.
The toll component relating to capital expenditure inserted into the IV Addendum (1.29%) is based on the state of progress of work on the individual projects, as reported in the statement of financial position as at 30 September 2010.

The subsidiaries, Raccordo Autostradale Valle d'Aosta, Società Autostrada Tirrenica, Tangenziale di Napoli, Autostrade Meridionali and Strada dei Parchi, whose single concession arrangements, involving the rebalancing of their respective

financial plans, became effective in 2010, have for the first time applied the new formula for calculating their toll increases. The various factors taken into account include the target inflation rate, the rebalancing component and the return on investment, in addition to quality.
The increases granted from 1 January 2011 represented the sum of the increases granted in compliance with the new arrangements for the years 2010 and 2011, after deducting the increase already applied from 1 January 2010 on the basis of the arrangements in force at that time.
The toll increase for Autostrada Torino-Savona is 0.63%, which was granted on the basis of the existing single arrangement, following the signature with ANAS of the document ratifying the CIPE requirements. This increase is equal to 70% of the inflation rate in the period from 1 July 2009 to 30 June 2010.

Società Traforo del Monte Bianco, which operates under a different concession regime based on bilateral agreements between Italy and France, applied a total increase of 4.96% from 1 January 2011, in accordance with the resolution approved by the Intergovernmental Committee for the Mont Blanc Tunnel on 22 October 2010. This increase is based on the combination of two elements:

- 1.46% representing the average inflation rate in France and Italy for the period from 1 September 2009 to 31 August 2010;
- 3.50% in accordance with the agreement between the Italian and French governments dated 24 February 2009, with use of the proceeds still be decided on by the two governments.

Toll increases to be applied and passed on to ANAS

Art. 15.c.4 of Law Decree 78 of 31 May 2010, converted into Law 122/2010, introduced increases to the concession fee payable by motorway operators to ANAS. The increases amount to: (i) 1 thousandth of a euro per kilometre for toll classes A and B and 3 thousandths of a euro per kilometre for classes 3, 4 and 5 with effect from 1 July 2010; and (ii) 2 thousandths of a euro per kilometre for toll classes A and B and 6 thousandths of a euro per kilometre for classes 3, 4 and 5 with effect from 1 January 2011.
At the same time, motorway tolls were increased by a corresponding amount, thereby matching the increases in the concession fee introduced by the above legislation.

Toll increases applied on behalf of ANAS

Art. 15.c.2 of Law Decree 78/2010 also authorised ANAS, from 1 July 2010, to provisionally apply lump-sum toll increases at toll stations interconnecting with motorways and orbital motorways operated directly by ANAS. These lump-sum increases amount to €1.00 for toll classes A and B and €2.00 for classes 3, 4 and 5. The Prime Ministerial Decree of 25 June 2010 specified the stations at which to apply the toll increases from 1 July 2010. Consequently, Autostrade per l'Italia and the other motorway operators have, from 1 July 2010, applied the increases introduced by the above legislation, alongside the above increases in the concession fee.
As a result of the injunctions granted by the Lazio and Piedmont regional administrative courts — subsequently confirmed by the Council of State — suspending application of the above toll increases introduced by art. 15.c.2 of Law Decree 78/2010, ANAS issued instructions on 4 August 2010 requesting motorway operators "to suspend, as soon as technically feasible, application of the toll increases" referred to above. Autostrade per l'Italia has thus proceeded to suspend application of the toll increases introduced by art. 15.c.2 of Law Decree 78/2010.
On 21 February 2011 Lazio Regional Administrative Court upheld the appeal, annulling the Prime Ministerial Decree of 25 June 2010.

Snow events in December 2010

On 14 December 2010 ANAS began an investigation with the aim of verifying Autostrade per l'Italia's compliance with the required procedures for dealing with snow emergencies, following events on the A14 Bologna-Bari-Taranto motorway between 14 and 16 December 2010.
On 20 December 2010 ANAS launched a similar investigation in relation to snow events in the Florence area on the A1 Milan-Naples and A11 Florence-Pisa motorways on 17 and 18 December 2010. As a result of the same events on 17 December 2010, the Antitrust Authority has also launched an investigation into whether or not Autostrade per l'Italia

(i) omitted to provide or provided incomplete or delayed information to consumers (motorway users) regarding effective conditions on the motorway sections during the snow emergency, and (ii) had adequate emergency measures in place to enable users to avoid or reduce the disruption caused by the subsequent road closures.
On 20 December 2010 ANAS initiated a similar investigation with the aim of verifying whether or not the Group's operators, Società Autostrada Tirrenica and Strada dei Parchi, had complied with the required procedures for dealing with snow emergencies, following events on the A12 Livorno-Rosignano Marittimo motorway and on the Tivoli-Carsoli section of the A24 Rome-L'Aquila-Teramo motorway on 17 and 18 December 2010.
The investigations are ongoing and so far have not found evidence of either non-compliance or omissions.
Autostrade per l'Italia has also received claims from individual motorway users and consumers' associations in relation to the same events.
With regard to the snow event of 17 December 2010, the Florence District Attorney's office has begun an investigation into whether or not, as a result of the disruption experienced by motorway, road and rail users due to the snow event, there are grounds for criminal prosecutions. Autostrade per l'Italia has provided the District Attorney's office with all the support needed to understand what warnings were received prior to the event and verify whether or not the company responded to the event in line with the snow plans approved by the grantor, ANAS.
In response to the above snow event, AVCP (the regulator that oversees public contracts) has launched an investigation to see if the existing concession arrangement with ANAS was fully complied with by both the operator and ANAS, which is responsible for supervising implementation of the arrangement.
At a hearing held by AVCP, representatives from ANAS and Autostrade per l'Italia presented details of the concession arrangement, focusing above all on the provisions governing the management of events that have an impact on motorway traffic, including serious weather events, such as those that took place.
The regulator was informed that ANAS, in the form of its Motorway Concession Inspectorate, has, as noted above, launched an investigation of the event.
Following the above snow event, Autostrade per l'Italia held talks with the "Safety Advisory Committee", which includes representatives of the consumers' associations, ADoc, Adusbef, Adiconsum, Codacons and Federconsumatori, in order to identify initiatives that could be taken to show customers that the company acknowledges the disruption caused.
Autostrade per l'Italia has adopted this approach, despite the fact that the company believes that it cannot be held responsible for the disruption and any inconvenience caused to motorway users, given that it responded to the event in accordance with the approved snow plans. The resulting agreement with the consumers' associations is thus simply intended as a gesture of goodwill towards the users who were affected by the disruption caused on the motorway sections it directly operates.
A specific form has been prepared on the basis of the agreement with the consumers' associations, enabling customers to initiate the conciliation procedure. The form is available on Autostrade per l'Italia's websites and on those of the various associations.
The charges for settling the conciliation procedures have been estimated by Autostrade per l'Italia and recognised in expenses for 2010.

Dispute over tolls applied by Strada dei Parchi

On 1 March 2010 Codacons (a consumers' association) filed suit at Lazio Regional Administrative Court against ANAS, the Ministry of Infrastructure, the Ministry of the Economy and Finance and the Abruzzo and Lazio regional authorities, contesting the basis for the increase in motorway toll charges for 2010, applied by Strada dei Parchi from 1 January 2010. Briefly, Codacons contests i) the violation of CIPE Directive 319 of 20 December 1996, given that the increase for 2010 is alleged not to be linked to investments carried out; (ii) the alleged failure by ANAS to oversee Strada dei Parchi's compliance with its contractual obligations.
Following further requests for documents by Codacons, the hearing held on 31 March 2010 did not discuss the application for an injunction brought by the plaintiff.
Lazio Regional Administrative Court adjourned the hearing on the merits until a later date, which is still to be set.
The Lazio Regional Administrative Court sentence deposited on 30 March 2010 upheld the appeals brought in 2006 by the Abruzzo Regional Authority, Teramo Provincial Authority and the Gran Sasso Mountain Community against ANAS and Strada dei Parchi, annulling the tariff increase introduced in 2006, and the revised toll charge for the Basciano-Teramo section introduced in 2008.

Following this, Strada dei Parchi filed appeal against the above Lazio Regional Administrative Court sentences before the Council of State, requesting a suspension and petitioning for a presidential decree to provide immediate suspension whilst awaiting the hearing to discuss the application for interim relief.
On 20 April 2010 Lazio Regional Administrative Court upheld Strada dei Parchi's request, suspending application of the sentence and scheduling a hearing on the merits for 15 June 2010. This hearing was further adjourned until 26 October 2010, following a request for revocation submitted by the Abruzzo Regional Authority.

The Fourth Section of the Council of State, sitting in its judicial capacity, issued a sentence on 9 December 2010, upholding the company's appeals and, as a result, cancelling the appealed sentences. The Council found that the toll increase applied was legitimate, as was the revised toll charge for the Basciano-Teramo section introduced in 2008.

Council of State sentence regarding award of the concession to Pedemontana Veneta

Following the Council of State sentence that upheld the appeal brought by the permanent consortium led by SIS Scpa, and the ensuing decision by the Veneto Regional Authority to award the concession to the afore-mentioned SIS Scpa, the temporary consortium that includes Pedemontana Veneta SpA (in which Autostrade per l'Italia holds a direct 28% interest) appealed the above Council of State sentence. This appeal was turned down. The above award to SIS Scpa was also challenged before Veneto Regional Administrative Court.
In addition, the Pedemontana Veneta temporary consortium has filed a request for pre-trail relief before Lazio Regional Administrative Court, which, on 21 October 2009, granted an injunction blocking execution of the contract, which had, however, already been signed by the government-appointed Extraordinary Commissioner, who had in the meantime taken over responsibility for the infrastructure project from the Veneto Regional Authority, on the same date.
A further appeal was filed before Lazio Regional Administrative Court on 16 December 2009, again requesting the court, which has jurisdiction over the Commissioner's actions, to exclude SIS Scpa from the tender process for failing to meet the necessary requirements for participation in the tender. This request had, as noted, already been filed with Veneto Regional Administrative Court, although it was decided to withdraw it whilst awaiting examination of the principal appeal brought before Lazio Regional Administrative Court.
On 30 July 2010 Veneto Regional Administrative Court issued a sentence acknowledging the plaintiffs' decision to withdraw their appeal. This sentence was then deposited with Lazio Regional Administrative Court. The Lazio Regional Administrative Court hearing on the merits has been scheduled for 8 June 2011.
On 28 September 2010 the company asked the Extraordinary Commissioner to grant access to the documents regarding the final design, following press reports on 20 September 2010 that the related decree of approval had been signed.
On 4 October 2010 the Extraordinary Commissioner sent Pedemontana Veneta a letter including a copy of the decree approving the final design, but refused access to the design documents.
Pedemontana Veneta has recently decided to file a legal challenge with Lazio Regional Administrative Court, contesting the letter refusing access to the documents regarding the final design.
The action challenging the letter refusing access to the documents regarding the final design for the highway was discussed at a Lazio Regional Administrative Court hearing held on 26 January 2011. The sentence of the court is pending.

Other ongoing litigation

Autostrade per l'Italia is the defendant in two actions, which are still pending, brought before Lazio Regional Administrative Court regarding toll charges. The actions, which have been brought by Codacons and other consumers' associations, aim to challenge the toll increases introduced in 1999 and 2003.

With regard to the preliminary design for the "Rosignano Marittimo-Civitavecchia" section of the A12 motorway approved by the CIPE resolution of 18 December 2008 (published in the Official Journal of 14 May 2009), Società Autostrada Tirrenica SpA is party, together with the other public bodies involved, to a number of legal actions pending before Lazio Regional Administrative Court, and to a number of extraordinary appeals to the Head of State, contesting the above CIPE resolution of 18 December 2008.

The Antitrust Authority's appeal to the Council of State requesting annulment of Lazio Regional Administrative Court sentences 4994/09 and 5005/09 is still pending. These sentences at first instance partly upheld the appeals brought by ACI Global SpA and Europ Assistance VAI SpA requesting annulment of Antitrust Authority ruling 19021 of 23 October 2008 regarding emergency breakdown services. Autostrade per l'Italia is a party to the appeals with file numbers R.G. no. 8813/09 and no. 8814/09.

On 21 October 2010, Varese Provincial Authority filed suit at Lombardy Regional Administrative Court, requesting cancellation, and an immediate injunction halting application, of Autostrade per l'Italia's letter dated 28 September 2010, in which the operator informed the Authority that it was not possible to satisfy its request to eliminate the toll charge on the Varese-Gallarate section of motorway, in addition to all arrangements governing tolls on the above motorway section.
Autostrade per l'Italia presented its defence on 1 December 2010. The Lombardy Regional Administrative Court sentence of 2 December 2010 turned down the request for an injunction, scheduling a hearing on the merits for 26 May 2011.

Finally, Autostrade per l'Italia is the defendant in a number of legal actions regarding expropriations, tenders and claims for damages deriving from motorway activities.
At the present time, the outcomes of the above litigation proceedings are not expected to result in significant charges to be incurred by Group companies, in addition to the amounts already provided at 31 December 2010 and reported in the consolidated financial statements.

10.6 Events after 31 December 2010

Agreement for the sale of Strada dei Parchi

As announced on 3 January 2011, Autostrade per l'Italia SpA has agreed to sell its 60% interest in Strada dei Parchi SpA to Toto SpA for a total price of €89m. Under the terms of the agreement, Toto is to buy 58% of the company for €86m, with a first instalment of €60m to be paid on transfer of the shares and the remaining €26m to be paid within 36 months of the sale. The value of the second instalment will be revalued at an annual interest rate agreed by the parties and backed by an independent first demand guarantee provided by a bank. The remaining 2% stake held by Autostrade per l'Italia is subject to a call/put option (at a price of €3m), execution of which is deferred until the conditions described in art. 156, paragraph 3 of Legislative Decree 163/2006 have been met (for example, on certification of the infrastructure).
Execution of the sale agreement is subject to the following conditions, which have already been or are in the process of being met: the positive outcome of the procedure required by Strada dei Parchi's Single Concession Arrangement, which means that ANAS must approve any change in control of the company; the receipt of antitrust clearance; signature of the project finance loan agreement and completion of the first drawdown of funds to fund the company's investment programme.
In this regard, on 25 February 2011 Strada dei Parchi and a syndicate of leading Italian and international banks entered into a project financing agreement worth €571 million.

Eco Taxe Poids Lourds

Following a tender launched in May 2009, on 18 January 2011 France's Ministry of Ecology, Sustainable Development, Transport and Housing chose Autostrade per l'Italia as the preferred bidder in the process to award a contract for the implementation and operation of a satellite-based toll system for heavy vehicles weighing over 3.5 tonnes using the country's 15,000-km road network (Eco Taxe Poids Lourds). Subsequently, on 8 February 2011 Ministry notified Autostrade per l'Italia that it was awarded the contract.
The contract will have a duration of thirteen years and is worth over €2 billion in terms of total expected revenue. The contract envisages an initial twenty-one month design and construction phase, followed by operation and maintenance of the system for eleven and a half years. Some major French industrial groups, sub-contractors for the project, have pledged to take over shares of the project company, following the signing of the Contract, as allowed by the rules of the tender, up to a maximum of 30% of capital, and in particular Thales, SNCF, SFR and Steria. On 11 March 2011 the Administrative

Court of Cergy-Pontoise, following the appeal lodged by members of a rival consortium, however, has cancelled the tender process. Advancements are underway for bringing a legal action before the French Council of State.

Tender to provide tolling system for ANAS

Law Decree 125 of 5 August 2010 — containing urgent transport-related and financial measures, and later converted into Law 163 of 1 October 2010 — brought forward to 30 April 2011 the application of tolls on the motorway sections and link roads directly operated by ANAS.
On 13 September 2010 ANAS published a call for tenders "*for the supply and installation of a free-flow toll system on the motorways and motorway link roads operated by ANAS and provision of the related maintenance services, operation of the tolling and toll collection system and provision of on-the-job training for ANAS personnel to prepare them to take over operation of the system*". Autostrade per l'Italia bid for the contract as the agent for a Temporary Consortium, acting on behalf of the principals, Autostrade Tech SpA and Sinelec SpA.
On 18 January 2011, having examined the bids submitted by the qualifying bidders, the Evaluation Committee provisionally awarded the contract to the Consortium for which Autostrade per l'Italia is acting as agent.

ANNEX 1

The Atlantia Group's basis of consolidation and investments as at 31 December 2010

Name	Registered office	Business	Currency
PARENT COMPANY			
Atlantia SpA	ROME	Holding company	Euro
SUBSIDIARIES CONSOLIDATED ON A LINE–BY–LINE BASIS			
AD Moving SpA	Rome	Advertising services	Euro
Autostrade Concessões e Participações Brasil Limitada	São Paulo, Brazil	Holding company	Real
Autostrade dell'Atlantico Srl	Rome	Holding company	Euro
Autostrade Holding do Sur SA	Santiago, Chile	Holding company	Peso
Autostrade Indian Infrastructure Development Private Limited	Mumbai, Maharashtra, India		Rupee
Autostrade International of Virginia O&M Inc.	Virginia, Usa	Motorway operator	Dollar
Autostrade International US Holdings Inc.	Delaware, Usa	Holding company	Dollar
Autostrada Mazowsze SA	Katowice, Poland	Motorway operator	Zloty
Autostrade Meridionali SpA	Naples	Motorway construction and concessions	Euro
Autostrade Participations SA	Luxembourg	Holding company of international investments	Euro
Autostrade per l'Italia SpA	Rome	Motorway construction and concessions	Euro
Autostrade Portugal – Concessões de Infraestruturas SA	Sintra, Portugal	Holding company	Euro
Autostrade Service – Servizi al Territorio SpA	Rome	Maintenance and safety improvements for the Italian motorway network	Euro
Autostrade Tech SpA	Rome	Information systems and equipment for the control and automation of traffic and road safety	Euro
Autostrada Torino – Savona SpA	Turin	Motorway construction and concessions	Euro
Biuro Centrum Spzoo	Katowice, Poland	Administrative services	Zloty
Electronic Transaction Consultants Co.	Richardson, Texas, USA	Automated toll collection services	Dollar
EsseDiEsse Società di Servizi SpA	Rome	General administrative services	Euro
Giove Clear Srl	Rome	Cleaning services	Euro
Infoblu SpA	Rome	Traffic information	Euro
Mizard Srl	Rome	Acquisition, sale and management of investments in information services/radio and television/telecommunications companies	Euro
Newpass SpA	Verona	Transport control and automated information systems and equipment	Euro
Pavimental SpA	Rome	Motorway and airport construction and maintenance	Euro

(1) Company listed on Borsa Italiana SpA's Expandi market.

Share capital/ Consortium fund at 31.12.2010	Held by		% interest in share capital/ consortium fund	Overall group interest (%)	Note
600,297,135.00					
1,000,000.00	Autostrade per l'Italia SpA		75.00%	75.00%	
70,000,000.00	Autostrade Portugal – Concessões de Infraestruturas SA		100%	100%	
1,000,000.00	Autostrade per l'Italia SpA		100%	100%	
51,496,771,000.00	Autostrade dell'Atlantico Srl		99.99%	99.99%	
500,000.00			100%	100%	
	Autostrade per l'Italia SpA	99.99%			
	Spea Ingegneria Europea SpA	0.01%			
1.00	Autostrade International US Holdings Inc.		100%	100%	
4.00			100%	100%	
	Autostrade per l'Italia SpA	75.00%			
	Autostrade Participations SA	25.00%		100%	
20,000,000.00			100%	86.87%	
	Atlantia SpA	70.00%			
	Stalexport Autostrady SA	30.00%			
9,056,250.00	Autostrade per l'Italia SpA		58.98%	58.98%	(1)
5,000,800.00			100%	100%	
	Autostrade per l'Italia SpA	99.9996%			
	Spea Ingegneria Europea SpA	0.0004%			
622,027,000.00	Atlantia SpA		100%	100%	
30,000,000.00	Autostrade dell'Atlantico Srl		100%	100%	
1,671,000.00	Autostrade per l'Italia SpA		100%	100%	
1,120,000.00	Autostrade per l'Italia SpA		100%	100%	
161,720,000.00	Autostrade per l'Italia SpA		99.98%	99.98%	
80,000.00	Stalexport Autostrady SA		74.38%	41.83%	
3,235.02	Autostrade International US Holdings Inc.		45.00%	45.00%	
500,000.00	Autostrade per l'Italia SpA		100%	100%	
10,000.00	Autostrade per l'Italia SpA		100%	100%	
5,160,000.00	Autostrade per l'Italia SpA		75%	75%	
10,000.00	Atlantia SpA		100%	100%	
1,747,084.00	Autostrade per l'Italia SpA		51.00%	51.00%	
4,669,131.87	Autostrade per l'Italia SpA		71.67%	71.67%	

Name	Registered office	Business	Currency
Pavimental Polska Spzoo	Warsaw, Poland	Motorway and airport construction and maintenance	Zloty
Port Mobility SpA	Civitavecchia	Port mobility services	Euro
Raccordo Autostradale Valle d'Aosta SpA	Rome	Motorway construction and concessions	Euro
Sociedad Concesionaria de Los Lagos SA	Santiago, Chile	Motorway construction and concessions	Peso
Società Autostrada Tirrenica pA	Rome	Motorway construction and concessions	Euro
Società Italiana pA per il Traforo del Monte Bianco	Pré Saint Didier, Aosta	Mont Blanc tunnel concessions and construction	Euro
Spea Ingegneria Europea SpA	Milan	Integrated technical engineering services	Euro
Stalexport Autostrada Donoslaska SA	Katowice, Poland	Motorway services	Zloty
Stalexport Autostrada Małopolska SA	Katowice, Poland	Motorway construction and concessions	Zloty
Stalexport Autoroute Sàrl	Luxembourg, Luxembourg	Motorway services	Euro
Stalexport Autostrady SA	Katowice, Poland	Polish investment holding company	Zloty
Stalexport Transroute Autostrada SA	Katowice, Poland	Motorway services	Zloty
Strada dei Parchi SpA	Rome	Motorway construction and concessions	Euro
Tangenziale di Napoli SpA	Naples	Motorway construction and concessions	Euro
Telepass SpA	Rome	Automated toll collection services	Euro
Tirreno Clear Srl	Rome	Cleaning services	Euro
TowerCo SpA	Rome	Tower management services	Euro

(2) The issued capital is made up of 284,350,000 preference shares. 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.general meetings.
(3) Company listed on the Warsaw stock exchange.

Share capital/ Consortium fund at 31.12.2010	Held by		% interest in share capital/ consortium fund	Overall group interest (%)	Note
3,000,000.00	Pavimental SpA		100%	71.67%	
1,610,000.00	Autostrade per l'Italia SpA		70.00%	70.00%	
343,805,000.00	Società Italiana pA per il Traforo del Monte Bianco		47.97%	24.46%	(2)
37,433,282,600			100%	99.99%	
	Autostrade Holding do Sur SA		99.95%		
	Autostrade dell'Atlantico		0.05%		
24,460,800.00	Autostrade per l'Italia SpA		94.00%	94.00%	
109,084,800.00	Autostrade per l'Italia SpA		51.00%	51.00%	
5,160,000.00	Autostrade per l'Italia SpA		100%	100%	
10,000,000.00	Stalexport Autostrady SA		100%	56.24%	
29,553,000.00	Stalexport Autoroute Sàrl		100%	56.24%	
47,565,000.00	Stalexport Autostrady SA		100%	56.24%	
494,524,046.00	Autostrade per l'Italia SpA		56.24%	56.24%	(3)
500,000.00	Stalexport Autoroute Sàrl		55.00%	30.93%	
67,764,700.00	Autostrade per l'Italia SpA		60.00%	60.00%	
108,077,490.00	Autostrade per l'Italia SpA		100%	100%	
26,000,000.00			100%	100%	
	Autostrade per l'Italia SpA	96.15%			
	Autostrade Tech SpA	3.85%			
10,000.00	Autostrade per l'Italia SpA		100%	100%	
20,100,000.00	Atlantia SpA		100%	100%	

Name	Registered office	Business	Currency
INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD			
Associates and joint ventures			
Arcea Lazio SpA	Rome	Road and motorway construction and concessions in Lazio	Euro
Autostrade for Russia GmbH	Vienna, Austria	Investment holding company	Euro
Autostrade Sud America Srl	Milan	Investment holding company	Euro
Bologna & Fiera Parking SpA	Bologna	Design, construction and management of multi–level public car parks	Euro
GEIE del Traforo del Monte Bianco	Courmayeur, Aosta	Maintenance and operation of Mont Blanc tunnel	Euro
IGLI SpA	Milan	Investment acqusition, sales and management – construction	Euro
Pedemontana Veneta SpA	Verona	Motorway construction and concessions	Euro
Pune Solapur Expressways Private Limited	New Delhi, India	Motorway construction and concessions	Rupee
Società Infrastrutture Toscane SpA	Florence	Design, constructin and operation of Lastra a Signa-Prato motorway link	Euro
Tangenziali Esterne di Milano SpA	Milan	Construction and operation of the Milan ring road	Euro
Triangulo do Sol Autoestradas SA	Matao, SP, Brazil	Motorway construction and concessions	Real
INVESTMENTS ACCOUNTED FOR AT COST OR FAIR VALUE			
Unconsolidated subsidiaries			
Pavimental Est SpA	Moscow, Russian Federation	Motorway construction and maintenance	Ruble
Petrostal SA (in liquidation)	Warsaw, Poland	Real estate services	Zloty
Stalexport Wielkopolska Spzoo W Upadsołci	Komorniki, Poland	Steel trading	Zloty
Other minority shareholdings			
Autopista do Pacifico SA	Santiago, Chile	Investment holding company	Peso
Alitalia – Compagnia Aerea Italiana SpA	Milan	Airline	Euro
Centro Intermodale Toscano Interporto Amerigo Vespucci SpA	Livorno	Construction and management of the centro intermodale	Euro
Emittenti Titoli SpA	Milan	Borsa SpA shareholder	Euro
Firenze Parcheggi SpA	Florence	Car park management	Euro
Huta Jednosc SA	Siemianowice, Poland	Steel trading	Zloty
Inwest Star SA (in liquidation)	Starachowice, Poland	Steel trading	Zloty
Italmex SpA (in liquidation)	Milan	Trading agency	Euro
Konsorcjum Autostrada Slask SA	Katowice, Poland	Motorway construction and concessions	Zloty
Società di Progetto Brebemi SpA	Brescia	Concession for the construction and operating of the Brescia – Milan link	Euro
Tangenziale Esterna SpA	Milan	Design, construction and operation of the new Milan outer ring road	Euro
Uirnet SpA	Rome	Operation of national logistics network	Euro
Walcownia Rur Jednosc Spzoo	Siemianowice, Poland	Steel trading	Zloty
Veneto Strade SpA	Venice	Construction and maintenance of roads and traffic services	Euro
Zakłady Metalowe Dezamet SA	Nowa Deba, Poland	Steel trading	Zloty

(4) This company is jointly controlled with the other shareholder in accordance with agreements regarding the company's corporate governance.
(5) Capital increase effective 30 September 2010, following the merger into Autostrade Holding de Chile SA. 99.9992% is owned by Autostrade Sud America which is, in turn, 45.77% owned by Autostrade per l'Italia.

Share capital/ Consortium fund at 31.12.2010	Held by		% interest in share capital/ consortium fund	Note
1.983.469,00	Autostrade per l'Italia SpA		34,00%	
60,000.00	Atlantia SpA		51.00%	(4)
100,000,000.00	Autostrade per l'Italia SpA		45.77%	
13,000,000.00	Autostrade per l'Italia SpA		32.50%	
2,000,000.00	Società Italiana pA per il Traforo del Monte Bianco		50.00%	
24,120,000.00	Autostrade per l'Italia SpA		33.33%	
6,000,000.00	Autostrade per l'Italia SpA		28.00%	
100,000,000.00	Atlantia SpA		50.00%	
30,000,000.00			46.60%	
	Autostrade per l'Italia SpA	46.00%		
	Spea Ingegneria Europea SpA	0.60%		
27,929,989.50	Autostrade per l'Italia SpA		32.00%	
61,000,000.00	Autostrade Concessoes e Participaçoes Brasil		50.00%	
4,200,000.00	Pavimental SpA		100%	
2,050,500.00	Stalexport Autostrady SA		100%	
8,080,475.00	Stalexport Autostrady SA		97.96%	
146,673,929,470.00			0.0016%	(5)
	Atlantia SpA	0.0008%		
	Autostrade per l'Italia SpA	0.0008%		
668,355,344.00	Atlantia SpA		8.85%	
11,756,695	Società Autostrada Tirrenica SpA		0.43%	
4,264,000.00	Atlantia SpA		6.02%	
25,595,157.50	Atlantia SpA		5.36%	
27,200,000.00	Stalexport Autostrady SA		2.40%	
11,700,000.00	Stalexport Autostrady SA		0.26%	
1,464,000.00	Stalexport Autostrady SA		4.24%	
1,987,300.00	Stalexport Autostrada Donoslaska SA		5.43%	
180,000,000.00	Spea Ingegneria Europea SpA		0.10%	
50,000,000.00			1.25%	
	Autostrade per l'Italia SpA	0.25%		
	Pavimental SpA	1.00%		
987,000.00	Autostrade per l'Italia SpA		1.62%	
220,590,000.00	Stalexport Autostrady SA		0.01%	
5,163,200.00	Autostrade per l'Italia SpA		5.00%	
18,789,410.00	Stalexport Autostrady SA		0.27%	

Name	Registered office	Business	Currency
CONSORTIA			
Consorcio Anhanguera Norte	Riberao Preto, Brazil	Construction consortium	Real
Consorzio Autostrade Italiane Energia	Rome	Power supplies	Euro
Consorzio Fastigi	Civitavecchia, Rome	Tunnel safety research and studies	Euro
Consorzio Galileo Scarl	Todi, Perugia	Construction of airport tarmacs	Euro
Consorzio Italtecnasud (in liquidazione)	Rome	Control of Irpinia earthquake funds	Euro
Consorzio Midra	Florence	Scientific research for device base technologies	Euro
Consorzio Miteco	Peschiera Borromeo (Milan)	Operations and works on bealf of Tangenziale Esterna SpA	Euro
Consorzio Nuova Romea Engineering	Limena, Padua	Motorway designs	Euro
Consorzio Pedemontana Engineering	Verona	Design of Pedemontana Veneta motorway	Euro
Consorzio Ramonti Scarl	Tortona, Alessandria	Motorway construction	Euro
Consorzio RFCC (in liquidazione)	Tortona, Alessandria	Construction of Moroccan road network	Euro
Consorzio Tangenziale Engineering	Milan	Integrated technical engineering services – Milan external ringroad east	Euro
Consorzio Trinacria Scarl	Limena (Padua)	Construction of airport tarmacs	Euro
Consorzio 2050	Rome	Motorway designs	Euro
Elmas Scarl	Rome	Construction and maintenance of airport runways and tarmacs	Euro
Idroelettrica Scrl	Châtillon, Aosta	Power self generator	Euro
Pista 1 Scarl (in liquidazione)	Rome	Construction and maintenance of airport runways and tarmacs	Euro
Quadrante 300	Rome	Repaving of airport tarmacs	Euro
	Rome		
INVESTMENTS RECOGNISED AS CURRENT ASSETS			
Dom Maklerski Bdm SA	Bielsko–Biała, Poland	Holding company	Zloty
Centrozap SA	Katowice, Poland	Steel trading	Zloty
Lusoponte – Concessionaria Para a Travessia Do Tejo SA	Montijo, Portugal	Motorway concessionaire	Euro

(6) Consortia operating as at 31 December 2010 apply a charge–back mechanism and are non–profit.
(7) The consortium was deleted from the Public Registry on 21 February 2011.
(8) Investments accounted for in current assets are all held for sale.

Share capital/ Consortium fund at 31.12.2010	Held by		% interest in share capital/ consortium fund	Note
				(6)
–	Autostrade Concessoes e Participaçoes Brasil		13.13%	
107,112.35			41.80%	
	Autostrade per l'Italia SpA	29.00%		
	Strada dei Parchi SpA	4.70%		
	Autostrada Torino–Savona SpA	2.00%		
	Tangenziale di Napoli SpA	2.00%		
	Società Italiana per azioni per il Traforo del Monte Bianco	1.90%		
	Raccordo Autostradale Valle d'Aosta SpA	1.10%		
	Autostrade Meridionali SpA	0.90%		
	Società Autostrada Tirrenica SpA	0.20%		
40,000.00	Autostrade per l'Italia SpA		12.50%	
10,000.00	Pavimental SpA		40.00%	
51,645.69	Spea Ingegneria Europea SpA		20.00%	
73,988.79	Autostrade Tech SpA		33.33%	
10,000.00	Pavimental SpA		1.30%	
60,000.00	Spea Ingegneria Europea SpA		16.67%	
20,000.00	Spea Ingegneria Europea SpA		23.30%	
10,000.00	Pavimental SpA		49.00%	
510,000.00	Pavimental SpA		30.00%	
20,000.00	Spea Ingegneria Europea SpA		30.00%	
10,000.00	Pavimental SpA		53.00%	
50,000.00	Spea Ingegneria Europea SpA		0.50%	
10,000.00	Pavimental SpA		60.00%	
50,000.00	Raccordo Autostradale Valle d'Aosta SpA		0.10%	
10,000.00	Pavimental SpA		80.00%	(7)
10,000.00	Pavimental SpA		40.00%	
				(8)
21,896,933.00	Stalexport Autostrady SA		2.45%	
305,000,000.00			3.13%	
	Stalexport Autostrady SA	2.96%		
	Biuro Centrum Spzoo	0.16%		
25,000,000.00	Autostrade Portugal – Concessoes de Infraestructuras SA		17.21%	

ANNEX 2

Disclosures pursuant to art.149-*duodecies* of the CONSOB regulations for Issuers 11971/1999

Parent

Type of service	Provider of service	Note	Fees (€000)
Audit	KPMG SpA		73
Certification	KPMG SpA	(1)	45
Tax advisory	KPMG SpA		–
Other services	KPMG SpA	(2)	310
Totale Parent			**428**

Subsidiaries

Type of services	Provider of service	Note	Fees (€000)
Audit	KPMG SpA		1,094
Audit	KPMG SpA network		205
Certification	KPMG SpA	(1)	94
Certification	KPMG SpA network	(1)	–
Tax advisory	KPMG SpA		–
Tax advisory	KPMG SpA network		37
Other services	KPMG SpA	(3)	211
Other services	KPMG SpA network	(4)	39
Total subsidiaries			**1,680**
Total Atlantia Group			**2,108**

(1) Opinion on distribution of interim dividends and review of Sustainability Report.
(2) Comfort letters on EMTN programme offering circulars, Signature of Consolidated Tax Return and Form 770, verification of documentation required by public tenders in India in which the Group participated during the year, agreed upon procedures regarding accounting data and information.
(3) Signature of Consolidated Tax Return and Form 770, agreed upon procedures on accounting data and information.
(4) Agreed upon procedures on accounting data and information and tax advisory services.

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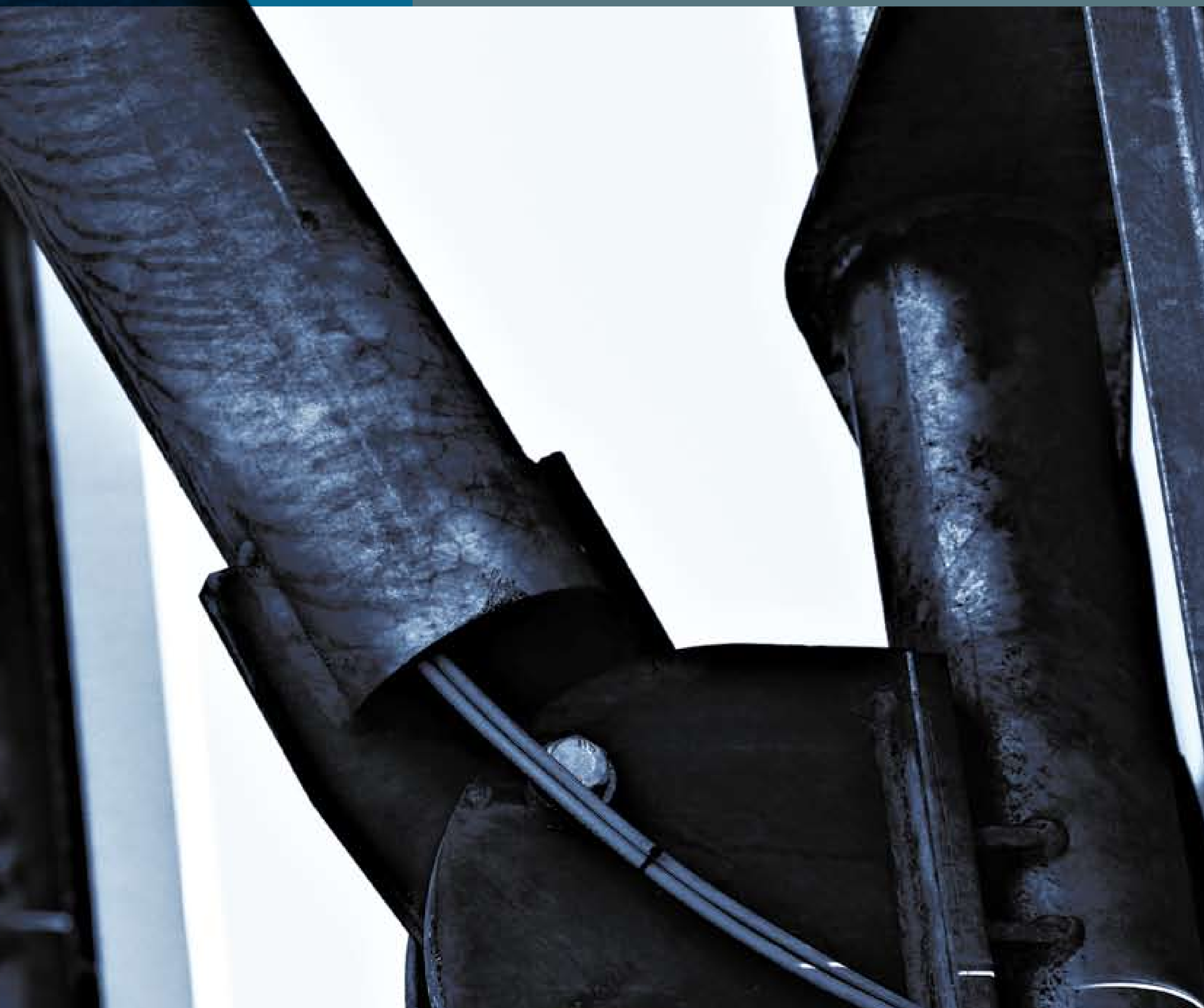
4

Atlantia SpA's separate financial statements and notes



Atlantia SpA separate financial statements

Separate statement of financial position

ASSETS (€000)	Note	31.12.2010	31.12.2009
NON–CURRENT ASSETS			
Property, plant and equipment	4.1	**7,653**	**8,033**
Property, plant and equipment		644	729
Investment property		7,009	7,304
Intangible assets	4.2	**238**	**241**
Other intangible assets		238	241
Investments	4.3	**6,089,467**	**6,083,845**
Other non–current financial assets	4.4	**7,869,485**	**8,325,463**
Derivative assets		164,661	188,032
of which due from related parties		*124,452*	*188,032*
Other non–current financial assets		7,704,824	8,137,431
of which due from related parties		*7,704,790*	*8,137,393*
TOTAL NON–CURRENT ASSETS		**13,966,843**	**14,417,582**
CURRENT ASSETS			
Trading assets	4.5	**2,323**	**2,379**
Trade receivables		2,323	2,379
Cash and cash equivalents	4.6	**197,587**	**124,245**
Cash		907	1,016
Intercompany current accounts receivable		196,680	123,229
Other financial assets	4.4	**2,270,618**	**274,698**
Current portion of medium/long–term financial assets		2,267,280	270,769
of which due from related parties		*2,246,610*	*203,800*
Other current financial assets		3,338	3,929
Current tax assets	4.7	**19,251**	**26,341**
of which due from related parties		*14,363*	*20,491*
Other current assets	4.8	**2,242**	**2,428**
Non–current assets held for sale and included in disposal groups		**–**	**–**
TOTAL CURRENT ASSETS		**2,492,021**	**430,091**
TOTAL ASSETS		**16,458,864**	**14,847,673**

EQUITY AND LIABILITIES (€000)	Note	31.12.2010	31.12.2009
EQUITY			
Equity		**6,412,971**	**6,297,552**
Issued capital		600,297	571,712
Reserves and retained earnings		5,727,248	5,657,447
Treasury shares		–215,644	–215,644
Profit for the year after payment of interim dividend		301,070	284,037
TOTAL EQUITY	**4.9**	**6,412,971**	**6,297,552**
NON–CURRENT LIABILITIES			
Non–current provisions	**4.10**	**274**	**240**
Provisions for employee benefits		274	240
Non–current financial liabilities	**4.11**	**7,737,623**	**8,248,314**
Bond issues		7,519,633	7,906,818
Derivative liabilities		217,990	341,496
Deferred tax liabilities	**4.12**	**26,291**	**10,827**
TOTAL NON–CURRENT LIABILITIES		**7,764,188**	**8,259,381**
CURRENT LIABILITIES			
Current provisions	**4.10**	**1,568**	**–**
Provisions for employee benefits		1,568	–
Trading liabilities	**4.13**	**4,177**	**4,927**
Trade payables		4,177	4,927
Current financial liabilities	**4.11**	**2,258,937**	**265,894**
Bank overdrafts		1	2
Current portion of medium/long–term financial liabilities		2,258,857	265,823
of which due to related parties		*–*	*48,695*
Other current financial liabilities		79	69
Current tax liabilities	**4.7**	**14,342**	**18,491**
of which due to related parties		*6,852*	*8,529*
Other current liabilities	**4.14**	**2,681**	**1,428**
Liabilities included in disposal groups		**–**	**–**
TOTAL CURRENT LIABILITIES		**2,281,705**	**290,740**
TOTAL LIABILITIES		**10,045,893**	**8,550,121**
TOTAL EQUITY AND LIABILITIES		**16,458,864**	**14,847,673**

Separate income statement

(€000)	Note	2010	2009
REVENUE			
Operating income	5.1	**841**	**3,576**
of which from related parties		*788*	*2,826*
TOTAL REVENUE		**841**	**3,576**
COSTS			
Raw and consumable materials	5.2	**–46**	**–91**
Purchase of materials		–46	–91
Service costs	5.3	**–5,516**	**–7,637**
Personnel expense	5.4	**–3,585**	**–2,449**
Other operating costs	5.5	**–2,068**	**–2,970**
Lease expense		–162	–157
Other operating costs		–1,906	–2,813
Depreciation and amortisation		**–403**	**–401**
Depreciation of property, plant and equipment	4.1	–105	–102
Depreciation of investment property	4.1	–295	–296
Amortisation of other intangible leases	4.2	–3	–3
TOTAL COSTS		**–11,618**	**–13,548**
OPERATING PROFIT/(LOSS)		**–10,777**	**–9,972**
Financial income		**1,204,297**	**1,073,910**
Financial income		683,537	581,369
of which from related parties		*546,425*	*485,200*
Dividends from investee companies		520,760	492,541
Financial expenses		**–677,032**	**–576,361**
Financial expenses from discounting of provisions		–8	–
Other financial expenses		–677,024	–576,361
of which from related parties		*–111,045*	*–77,485*
Foreign exchange gains/(losses)		**–66**	**613**
FINANCIAL INCOME/(EXPENSES)	5.6	**527,199**	**498,162**
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		**516,422**	**488,190**
Income tax (expense)/benefit	5.7	**–6,524**	**–5,270**
Current tax expense		–7,346	–6,385
Differences on current tax expense for previous years		508	1,048
Deferred tax income and expense		314	67
PROFIT FROM CONTINUING OPERATIONS		**509,898**	**482,920**
Profit/(loss) from discontinued operations		**–**	**–**
PROFIT FOR THE YEAR	5.8	**509,898**	**482,920**

(€000)	Note	2010	2009
Basic earnings per share	5.8	**0.87**	**0.82**
of which:			
from continuing operations		0.87	0.82
from discontinued operations		–	–
Diluted earnings per share	5.8	**0.87**	**0.82**
of which:			
from continuing operations		0.87	0.82
from discontinued operations		–	–

Statement of comprehensive income

(€000)	Note	2010	2009
Profit for the year (A)		**509,898**	**482,920**
Fair value gains/(losses) on cash flow hedges	4.9	33,038	–30,309
Actuarial gains/(losses) (IAS 19)	4.9	44	2
Other comprehensive income for the year after related taxation (B)		**33,082**	**–30,307**
Comprehensive income for the year (A + B)		**542,980**	**452,613**

Statement of changes in equity

(€000)	Issued capital	Reserves and retained earnings			
		Share premium reserve	Legal reserve	Extraordinary reserve	Reserve for purchase of treasury shares
Balance at 31 December 2008	**571,712**	**154**	**261,410**	**4,602,479**	**215,644**
Total comprehensive income	**–**	**–**	**–**	**–**	**–**
Owner transactions and other changes					
Final dividends approved	–	–	–	–	–
Profit for previous year taken to extraordinary reserve	–	–	–	104,957	–
Interim dividends	–	–	–	–	–
Share option plan and other changes	–	–	–	–	–
Balance at 31 December 2009	**571,712**	**154**	**261,410**	**4,707,436**	**215,644**
Total comprehensive income	**–**	**–**	**–**	**–**	**–**
Owner transactions and other changes					
Final dividends approved	–	–	–	–	–
Profit for previous year taken to extraordinary reserve	–	–	–	64,985	–
Interim dividends	–	–	–	–	–
Bonus issue	28,585	–	–	–28,585	–
Share option plan and other changes	–	–	–	–	–
Balance at 31 December 2010	**600,297**	**154**	**261,410**	**4,743,836**	**215,644**

Reserves and retained earnings					Treasury shares	Profit for the year	Total equity
Reserve for negative goodwill	Cash flow hedge reserve	Reserve for actuarial gains and losses on post–employment benefits	Other reserves	Retained earnings			
448,999	**52,011**	**–398**	**–**	**2,325**	**–215,644**	**312,244**	**6,250,936**
–	**–30,309**	**2**	**–**	**–**	**–**	**482,920**	**452,613**
–	–	–	–	–	–	–207,287	–207,287
–	–	–	–	–	–	–104,957	–
–	–	–	–	–	–	–198,883	–198,883
–	–	–	173	–	–	–	173
448,999	**21,702**	**–396**	**173**	**2,325**	**–215,644**	**284,037**	**6,297,552**
–	**33,038**	**44**	**–**	**–**	**–**	**509,898**	**542,980**
–	–	–	–	–	–	–219,052	–219,052
–	–	–	–	–	–	–64,985	–
–	–	–	–	–	–	–208,828	–208,828
–	–	–	–	–	–	–	–
–	–	20	313	–14	–	–	319
448,999	**54,740**	**–332**	**486**	**2,311**	**–215,644**	**301,070**	**6,412,971**

Separate statement of cash flows

(€000)	Note	2010	2009
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES			
Profit for the year		**509,898**	**482,920**
Adjusted by:			
Depreciation and amortisation	4.1, 4.2	403	401
Provisions		1,331	238
Financial expenses from discounting of provisions		8	–
Impairment losses/(Reversal of impairment losses) on other non–current assets		44	–418
Net change in deferred tax (assets)/liabilities		–314	–67
Other non–cash items		34	174
Change in working capital and other changes		3,994	–739
Net cash from/(used in) operating activities (A)	**6**	**515,398**	**482,509**
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES			
Purchases of property, plant and equipment		–20	–
Purchases of investments, net of unpaid called–up issued capital	4.3	–5,381	–48,817
Proceeds from sales of property, plant and equipment, intangible assets and investments		–	2,240
Change in current and non–current financial assets not held for trading purposes		–1,565,745	–1,271,237
of which from related parties		*–1,571,836*	*–1,251,238*
Net cash from/(used in) investing activities (B)	**6**	**–1,571,146**	**–1,317,814**
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES			
Dividends paid		–427,874	–417,430
Bond issues		1,484,571	1,650,195
Repayments of medium/long–term borrowings (excluding finance lease liabilities)		–	–450,000
Net change in other current and non–current financial liabilities		72,394	70,188
Net cash from/(used in) financing activities (C)	**6**	**1,129,091**	**852,953**
Increase/(Decrease) in cash and cash equivalents (A + B + C)		**73,343**	**17,648**
Net cash and cash equivalents at beginning of year		**124,243**	**106,595**
Net cash and cash equivalents at end of year		**197,586**	**124,243**

Additional information on the statement of cash flows

(€000)	Note	2010	2009
Income tax paid		275,414	107,062
Tax rebates from tax consolidation arrangement		–271,075	–99,428
Interest income and other financial income collected		569,906	448,608
Interest expense and other financial expenses paid		568,841	441,011
Dividends received	5.6	520,760	492,541
Foreign exchange gains collected	5.6	554	549
Foreign exchange losses incurred	5.6	576	355

Reconciliation of net cash and cash equivalents

(€000)	Note	2010	2009
Net cash and cash equivalents at beginning of year		**124,243**	**106,595**
Cash and cash equivalents	4.6	124,245	106,596
Bank overdrafts repayable on demand	4.11	–2	–1
Net cash and cash equivalents at end of year		**197,586**	**124,243**
Cash and cash equivalents	4.6	197,587	124,245
Bank overdrafts repayable on demand	4.11	–1	–2

Notes to Atlantia SpA's separate financial statements

1. Introduction

Atlantia SpA (also 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 Company operates solely as a holding company, and is listed on the Milan Stock Exchange. It is responsible for developing growth and financial strategies in the infrastructure sector, but does not have a direct operational role.
The life of the Company expires on 31 December 2050.
As at the date of preparation of these separate financial statements, the shareholder that, via Schemaventotto SpA, directly and indirectly holds a relative majority of the issued capital of Atlantia SpA is Sintonia SA. Sintonia SA, which is in turn a subsidiary of Edizione Srl, does not exercise management and coordination of Atlantia SpA.

These financial statements were approved by the Company's Board of Directors at its meeting of 11 March 2011. Due to the fact that the Company has significant controlling shareholdings in other companies, it also prepares Group consolidated financial statements that are presented together with the Company's separate financial statements.

2. Basis of presentation

The separate financial statements as at and for the year ended 31 December 2010 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, 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 at the end of the reporting period. For the sake of simplicity, all the above standards and interpretations are hereinafter referred to as "IFRS". Moreover, reference was made to the measures introduced by the CONSOB, in application of paragraph 3 of article 9 of Legislative Decree 38/2005.

The separate financial statements consist of the financial statements of Atlantia SpA (statement of financial position, income statement, statement of comprehensive income, statement of changes in equity, the statement of cash flow) and these notes, in application of IAS 1 "Presentation of financial statements" and, in general, the historic cost convention with the exception of those items that are required by IFRS to be recognised at fair value, as explained in the notes to the relevant items. 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 "Framework for the Preparation and Presentation of Financial Statements", 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. In this regard, it should be noted that no material non-recurring, atypical or unusual transactions were entered into during 2010, either with third or related parties.

Atlantia SpA's financial statements and the notes are shown in thousands of euros, unless otherwise indicated. 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. These comparative amounts have not been reclassified with respect to amounts previously presented in the financial statements as at and for the year ended 31 December 2008, as there have been no events or changes to the accounting standards applied that would require such reclassifications.

3. Accounting policies

The following most significant accounting policies were used in preparing the separate financial statements as at and for the year ended 31 December 2010. They are consistent with those applied in preparation of the financial statements for the previous year.

Property, plant and equipment

Property, plant and equipment 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. 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, 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, rather than for use in the production or supply of goods and services, 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.

A summary of the annual rates of depreciation used is as follows:

Description	Rate of depreciation
Buildings	3%
Other assets (furniture and fittings)	12%–20%

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 following sale or if the facts and circumstances giving rise to the future expected benefits cease to exist. Any gains or losses (determined as the difference between the 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 requirement is generally satisfied 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 power 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 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 assets are ready for use and is based on remaining economic benefits to be obtained in relation to their residual useful lives.
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.

Investments

Investments in subsidiaries, associates and joint ventures are accounted for at cost and include any directly attributable transaction costs.
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, the accumulated gains and losses in that reserve are taken to the income statement.
Impairment losses, identified as described in the note on "Impairment of assets", are reversed in the other comprehensive income if the circumstances that resulted in the loss no longer 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.
Provisions are made to cover the risk that the losses of an investee company could exceed the carrying amount of the investment, to the extent that the Company is required to comply with actual or constructive obligations to cover such losses.
Available-for-sale investments, or those in the process of being sold, are recognised at the lower of their carrying amount and fair value, less any costs to sell.

Receivables and payables

Receivables are initially recognised at fair value and subsequently measured at amortised cost, using the effective interest method, less the allowance for impairment. 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, and the expected costs of recovering the 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, less any directly attributable transaction costs. After initial recognition, payables are recognised at amortised cost, using the original 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 par 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.

Other financial assets and liabilities

Financial assets that the Company intends and is able to hold to maturity, in accordance with IAS 39, and 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 asset or issuance of a financial liability. 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 Company is no longer involved in their management and has transferred all risks and rewards of ownership.
Financial assets held for trading are accounted for and measured at fair value through the income statement. Other categories of financial assets are classified as available-for-sale financial instruments, which are accounted for and measured at fair value through other comprehensive income. The financial instruments included in these categories have, to date, never been reclassified.

Derivative financial instruments

All derivative financial instruments are recognised at fair value at the end of the reporting period.
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 derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income, net of any deferred taxation. The gain or loss relating to the ineffective portion is recognised in the income statement.
Changes in the fair value of derivatives serving as fair value hedges are recognised in the income statement. Analogously, the hedged assets and liabilities are restated at fair value through the income statement.
Changes in the fair value of derivative instruments that do not qualify for hedge accounting under IAS 39 are recognised in the income statement.

Fair value hierarchy of financial instruments

IFRS 7 "Financial Instruments: Disclosures" requires that financial instruments recognised at fair value in the statement of financial position be classified with reference to a hierarchy of levels, based on the source of the inputs used to derive the fair value.

The standard classifies financial instruments recognised at fair value based on the following levels:
a) Level 1 — quoted prices in active markets;
b) Level 2 — inputs other than quoted prices included in level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices);
c) Level 3 — inputs that are not based on observable market data.

There were no transfers among the fair value hierarchy of levels in 2010.
No financial instruments have been classified as level 3.

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 that reflects current market assessments of the time value of money and the specific risks relating to the liability. 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 (for Italian companies, primarily post-employment benefits accrued to 31 December 2006 or, where applicable, until the date the employee joins a supplementary pension fund) 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 and loss is recognised in full in other comprehensive income in the period to which they relate, net of any deferred taxation.

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) the sale of goods, when the significant risks and rewards of ownership of the goods have been transferred to the buyer;
b) the rendering of services, in proportion to the stage of completion of the transaction. When the amount of the revenue cannot be reliably determined, revenue is recognised only to the extent of the expenses recognised that are recoverable;
c) rental income or royalties, on an accruals basis, based on the agreed terms and conditions of the contract.

Interest income and expense is accrued on assets and liabilities based on the effective interest method.
Dividend income is recognised when the Company's 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 and taking account of any applicable exemptions.

Deferred tax assets and liabilities are taxes expected to be recovered or paid on temporary differences between the carrying amounts of assets and liabilities in the statement of financial position, calculated in accordance with the above policies, and the corresponding tax bases, 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 SpA has established a tax consolidation arrangement for the financial years 2008-2010, on the basis of Legislative Decree 344/2003. The subsidiary, Autostrade per l'Italia SpA, participates in the arrangement, as do, from 2009, the indirect subsidiaries, Tangenziale di Napoli SpA, EsseDiEsse Società di Servizi SpA, TowerCo SpA, Autostrada Torino-Savona SpA, Spea Ingegneria Europea SpA, AD Moving SpA, Autostrade Meridionali SpA, Autostrade dell'Atlantico Srl, Pavimental SpA, Società Autostrada Tirrenica pA, Port Mobility SpA, Telepass SpA, Infoblu SpA, Autostrade Tech SpA and Newpass SpA. As a result, these companies' current tax assets and liabilities for IRES, which are 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 payments

The cost of the services rendered by employees and/or directors and paid for in the form of share options is based on the fair value of the options granted at the grant date. The method of calculating fair value takes account of all features of the options at the grant date (the option period, exercise price and vesting conditions, etc.) and the instrument underlying the option. The cost is recognised in the income statement, with a contra-entry in equity, over the vesting period, based on a best estimate of the number of options that will vest.

Impairment of assets (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 measure the amount of the eventual impairment loss to accrue. 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 individually, 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 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.
Impairment losses are recognised in the income statement and are classified according to 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 equity instruments 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 especially important 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

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 are computed by dividing profit by the weighted average number of shares outstanding during the accounting period.
Diluted earnings per share are computed by taking into account, for both profit and the above weighted average, the effects deriving from the subscription and/or conversion of all potential shares that may be issued as a result of the exercise of any outstanding share options.

New accounting standards and interpretations, or revisions and modifications of existing standards, that have either yet to come into effect or yet to be endorsed by the European Union

In 2010, no new accounting standards or interpretations were approved or existing accounting standards or interpretations revised that would have had a material effect on Atlantia's separate financial statements.
As required by IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", this section describes new accounting standards and interpretations, and revisions of existing standards and interpretations that are already applicable, but that have either yet to come into effect or yet to be endorsed by the European Union (EU), and that may in the future be applied in the Company's financial statements.

IFRS 9 – Financial Instruments

The IASB issued the first part of IFRS 9 on 12 November 2009 that only revised requirements for the classification and measurement of financial assets currently regulated by IAS 39. When completed, IFRS 9 will fully replace IAS 39. The IASB subsequently issued a revised version of IFRS 9 on 28 October 2010 that also contained requirements with respect to the classification and measurement of financial liabilities.
IFRS 9 only provides for two categories of financial assets. It also provides for two accounting methods: amortised cost and fair value.

Classifications should be made with reference to the business model for managing the financial asset and the characteristics of its contractual cash flows.

Initial recognition and subsequent measurement at amortised cost are 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.

If either one of the above two conditions is not satisfied, the financial asset is required to be initially recognised and subsequently measured at fair value.
All financial assets in the form of shares are to be measured at fair value. Unlike IAS 39, the revised standard does not admit exception to the general rule. As a result, it is not possible to measure unlisted non-controlling interests, for which fair value cannot be reliably determined, at cost.
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, 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, may make an irrevocable election on initial recognition to present changes in the fair value in comprehensive income.
The accounting requirements relating to financial liabilities as provided by the current IAS 39 have, however, been upheld by the new IFRS 9. Financial liabilities continue to be accounted for at amortised cost or fair value through profit or loss in specific circumstances.

The changes from current practice under IAS 39 are primarily:

a) changes in the fair value of certain types of financial liabilities, due to the credit risk inherent in liabilities, are required by IFRS 9 to be recognised in comprehensive income;
b) the elimination of the option to measure financial liabilities at amortised cost, which are in the form of derivatives entailing the delivery of unlisted equity instruments. This revision means that all derivative instruments must now be measured at fair value.

IFRS 9 is currently being examined by the EU in conjunction with their overall assessment of the revision and replacement of IAS 39.

IAS 12 – Income Taxes

The IASB approved certain revisions to IAS 12 on 20 December 2010 relating to the recovery of deferred taxes associated with certain types of assets. The revisions, among other things, set aside SIC 21.
IAS 12, in contrast to the current presumption that deferred tax assets will be recovered through use, now presumes that deferred tax assets relating to investment property and property, plant & equipment carried at fair value will now be recovered and all temporary differences reversed through the sale of the asset unless there is clear proof that the deferred tax asset can be recovered through use.
The amendment is to be applied for accounting periods starting on or after 1 January 2012. Earlier adoption is permitted. The amendment has not yet been endorsed by the EU.

IAS 32 — Financial Instruments: Presentation

The IASB published a revision to IAS 32 on 8 October 2009 that clarified the accounting treatment of certain rights issues in a currency other than the issuer's functional currency. When rights are issued on a prorated basis to all shareholders for a fixed amount of currency, they must be classified as equity instruments even to the extent that their exercise price is denominated in a currency other than the issuer's functional currency. The previous accounting treatment under IAS 32 was that these instruments should be accounted for as derivative liabilities.

The revisions to the standard were endorsed by the EU on 23 December 2009 and must be applied to accounting periods commencing after 31 December 2010. Earlier adoption is permitted.

IFRIC 14 and IAS 19 — The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The IASB released amendments to IFRIC 14 and IAS 19 on 26 November 2009 that were required because the effects of any prepayments of minimum contributions had not been considered. In certain circumstances, however, the entity making such prepayments would be required to recognise a charge against income. The amendment to IFRIC 14, however, requires prepayments of minimum contributions to defined benefit plans to be recognised as assets.
The interpretation was endorsed by the EU in July 2010 and must be applied from 2011.

IFRIC 19 — Extinguishing Financial Liabilities with Equity Instruments

IFRIC 19 was published on 26 November 2009. The interpretation determines the mandatory accounting treatment to be applied by a debtor when, following a renegotiation of the terms of the liability, the creditor and the debtor agree to a so-called debt for equity swap in full or partial settlement of a financial liability, through the issuance of equity instruments by the debtor.
IFRIC 19 was endorsed by the EU in 2010 and must be applied for financial statements relating to accounting periods starting on or after 1 July 2010. Earlier adoption is permitted.

Atlantia is analysing the future impact, if any, of the newly issued standards and interpretations, and revisions of existing standards and interpretations.

4. Notes to the statement of financial position

The following notes provide information on items in the statement of financial position as at 31 December 2010. Comparative amounts as at 31 December 2009 are shown in brackets.

4.1 Property, plant and equipment / €7,653 thousand (€8,033 thousand)

As at 31 December 2010 property, plant and equipment totals €7,653 thousand, representing a decrease of €380 thousand compared with 31 December 2009. The reduction is due to depreciation for the year (€400 thousand), partially offset by capital expenditure (€20 thousand).
There were no changes in the expected useful lives of these assets during 2009.
Property, plant and equipment as at 31 December 2010 is free of mortgages, liens or other collateral guarantees restricting their use.

The following table shows changes in property, plant and equipment during the year, including amounts at the beginning and end of the year.

(€000)	31.12.2009			Changes during the year		31.12.2010		
	Gross amount	Accumulated depreciation	Carrying amount	Gross amount Additions due to purchases and capitalisations	Accumulated depreciation Additions	Gross amount	Accumulated depreciation	Carrying amount
Property, plant and equipment:								
Land	33	–	33	–	–	33	–	33
Buildings	3,017	–2,363	654	–	–91	3,017	–2,454	563
Other assets	87	–45	42	20	–14	107	–59	48
Total	**3,137**	**–2,408**	**729**	**20**	**–105**	**3,157**	**–2,513**	**644**
Investment property:								
Land	1,130	–	1,130	–	–	1,130	–	1,130
Buildings	9,853	–3,679	6,174	–	–295	9,853	–3,974	5,879
Total	**10,983**	**–3,679**	**7,304**	**–**	**–295**	**10,983**	**–3,974**	**7,009**
Total property, plant and equipment	**14,120**	**–6,087**	**8,033**	**20**	**–400**	**14,140**	**–6,487**	**7,653**

Property, plant and equipment of €644 thousand as at 31 December 2010 (€729 thousand as at 31 December 2009) primarily consist of a portion of the buildings located at Via Nibby (€563 thousand) used for operations and the surrounding land (€33 thousand).

Investment property consists of land and buildings owned by the Company and rented to other Group companies: Villa Fassini and a portion of the building in Via Nibby, both located in Rome. Investment property generated rental income of €754 thousand in 2010.

The fair value of these assets is approximately €7.6 million for Villa Fassini and approximately €4.7 million for the building in Via Nibby.

4.2 Intangible assets / €238 thousand (€241 thousand)

(€000)	31.12.2009			Changes during the year Accumulated amortisation	31.12.2010		
	Gross amount	Accumulated amortisation	Carrying amount	Additions	Gross amount	Accumulated amortisation	Carrying amount
Other intangible assets:							
Licences	2,108	–1,867	241	–3	2,108	–1,870	238
Total	**2,108**	**–1,867**	**241**	**–3**	**2,108**	**–1,870**	**238**
Total intangible assets	**2,108**	**–1,867**	**241**	**–3**	**2,108**	**–1,870**	**238**

Intangible assets consist solely of building rights for land owned by the Municipality of Florence, which are amortised over the term of the rights.

4.3 Investments / €6,089,467 thousand (€6,083,845 thousand)

The following table shows an analysis of investments as at 31 December 2010, together with the Company's percentage interest and relevant carrying amount:

	Registered office	Issued capital/Consortium fund			Interest (%)	Number of shares	Carrying amount (€000)
		Number of shares/ percentage held	Par value	Capital/ Consortium fund			
Investments in subsidiaries							
Autostrade per l'Italia SpA	Rome	622,027,000	1.00	622,027,000	100%	622,027,000	5,954,522
TowerCo SpA	Rome	20,100,000	1.00	20,100,000	100%	20,100,000	20,100
Autostrade Mazowsze SA	Katowice (Poland)	200,000	100.00 (1)	20,000,000 (1)	70%	140,000	2,577
Mizard Srl	Rome	1	10,000.00	10,000	100%	1	10
Total							**5,977,209**
Investments in associates and joint ventures							
Autostrade for Russia GmbH	Vienna (Austria)	60,000	1.00	60,000	51%	30,600	791
Pune Solapur Expressways Private Ltd.	New Delhi (India)	10,000,000	10.00 (2)	100,000,000 (2)	50%	5,000,000	8,606
Total							**9,397**
Investments in other Group companies							
Firenze Parcheggi SpA	Florence	495,550	51.65	25,595,158	5.36%	26,560	2,582
Emittente Titoli SpA	Milan	8,200,000	0.52	4,264,000	6.02%	494,000	277
Alitalia – Compagnia Aerea Italiana SpA	Milan	668,355,344	1.00	668,355,344	8.85%	59,175,680	100,000
Autopista do Pacifico SA	Santiago (Chile)	65,000		146,673,929,470 (3)	0.008%	1	2
Total							**102,861**

(1) Amount in Polish zlotys
(2) Amount in Indian rupees.
(3) Amount in Chilean pesos.

This item consists of the carrying amounts of investments in subsidiaries, associates, joint ventures and other companies, as determined through application of the accounting policy contained in note 3 "Accounting policies".

Investments amount to €6,089,467 million (€6,083,845 million as at 31 December 2008) and include investments in subsidiaries, totalling €5,977,209 thousand, primarily consisting of the investment in Autostrade per l'Italia, investments in associates, totalling €9,397 million, and investments in other companies, totalling €102,861 thousand.
The investment in Autostrade per l'Italia has been tested for impairment and the recoverability of the carrying amount, based on its value in use, confirmed. Value in use was determined by using the long-term business plan approved by the Board of Directors, which was based on the updated financial plans annexed to the concession arrangement entered into with the Grantor. These contain projections for traffic, investment, costs and revenue throughout the related concession terms. The company's estimated after-tax cash flows were discounted to present value using a discount rate of 5.6%, which is the Group's (after-tax) WACC (5.9% in 2009). After-tax cash flows and discount rates were used as this produces results that are substantially the same as those deriving from the use of pre-tax figures.

Moreover, since trigger events occurred, represented by the losses recorded by Alitalia - Compagnia Aerea Italiana SpA, the impairment test has been performed based on the determination of its value in use. The test is based on the latest projections of cash flows, net of taxes, using a discount rate after tax (representative of the WACC) of 8.75%. The results of the impairment tests have not revealed the need to record impairment losses on the carrying amount of the investment.

The main changes during 2010 regard:

a) the capital call by Pune Solapur Expressways Private Limited (€4,820 thousand);
b) the capital contribution paid to Autostrade for Russia GmbH (€561 thousand).

The following table shows carrying amounts at the beginning and end of the year and changes in investments during the year.

(€000)	31.12.2009	
	Gross amount	Carrying amount
Investments in subsidiaries		
Autostrade per l'Italia SpA	5,954,237	5,954,237
TowerCo SpA	20,100	20,100
Autostrade Mazowsze SA	2,621	2,621
Mizard Srl	10	10
	5,976,968	**5,976,968**
Investments in associates and joint ventures		
Autostrade for Russia GmbH	230	230
Pune Solapur Expressways Private Ltd.	3,786	3,786
	4,016	**4,016**
Investments in other Group companies		
Firenze Parcheggi SpA	2,582	2,582
Emittente Titoli SpA	277	277
Alitalia – Compagnia Aerea Italiana SpA	100,000	100,000
Autopista do Pacifico SA	2	2
	102,861	**102,861**
Total investments	**6,083,845**	**6,083,845**

4.4 Other financial assets (non-current) / €7,869,485 thousand (€8,325,463 thousand) (current) / €2,270,618 thousand (€274,698 thousand)

The following table shows the composition of other financial assets as at 31 December 2010:

(€000)	31.12.2010			31.12.2009		
	Total financial assets	Current portion	Non-current portion	Total financial assets	Current portion	Non-current portion
Derivative assets (1)	236,283	71,622	164,661	280,459	92,427	188,032
Intercompany loans (2)	9,900,448	2,195,658	7,704,790	8,315,735	178,342	8,137,393
Other financial assets (2)	3,372	3,338	34	3,967	3,929	38
Total	**10,140,103**	**2,270,618**	**7,869,485**	**8,600,161**	**274,698**	**8,325,463**

(1) These assets are classified as hedging derivatives and in level 2 of the fair value hierarchy.
(2) Intercompany loans are classified as "loans and receivables" in accordance with IAS 39.

	Changes during the year Cost New acquisitions and purchases of additional shares	Increases due to share options	Other increases and payment of called-up capital	Currency translation differences on payment of call-up capital	31.12.2010 Gross amount	Carrying amount
	–	285	–	–	5,954,522	5,954,522
	–	–	–	–	20,100	20,100
	–	–	–	–44	2,577	2,577
	–	–	–	–	10	10
	–	**285**	**–**	**–44**	**5,977,209**	**5,977,209**
	561	–	–	–	791	791
	4,709	–	111	–	8,606	8,606
	5,270	**–**	**111**	**–**	**9,397**	**9,397**
	–	–	–	–	2,582	2,582
	–	–	–	–	277	277
	–	–	–	–	100,000	100,000
	–	–	–	–	2	2
	–	**–**	**–**	**–**	**102,861**	**102,861**
	5,270	**285**	**111**	**–44**	**6,089,467**	**6,089,467**

Derivative assets, totalling €236,283 thousand, essentially regard fair value gains as at 31 December 2010 on certain derivative financial instruments entered into with Autostrade per l'Italia and banks to hedge interest rate and currency risks.

The non-current portion (€164,661 thousand) is represented by the fair value of outstanding derivatives hedging:

a) the medium/long-term loan of €750,000 thousand granted to the subsidiary (€124,452 thousand);
b) the bond issue with par value of 20 billion yen (€40,209 thousand).

The change compared with 31 December 2009 (down €23,371 thousand) essentially reflects the payment of differentials during the year and a shift in the interest rate curve at the end of the year, in addition to the unwinding, on 17 September 2010, of the derivatives hedging the intercompany loan of €1,500,000 thousand, previously classified as fair value hedges.

The current portion (€71,622 thousand) includes fair value gains (€25,994 thousand) on the derivatives hedging the intercompany loan with a parvalue of €2,000,000 thousand maturing on 9 June 2011 and accrued income in the form of cash flows from the derivatives (€45,628 thousand).

The change compared with 31 December 2009 (down €20,805 thousand) regards a reduction in accrued income on hedging derivatives, partially offset by reclassification of the above fair value gain on the derivative hedging the intercompany loan with a par value of €2,000,000 thousand.
Details of derivatives held for hedging purposes and the Company's hedging strategy are contained in note 6.3, "Financial risk management".

Intercompany loans relate to medium/long-term loans to the subsidiary, Autostrade per l'Italia (€9,704,790 thousand), in addition to accrued interest income on non-current loans (€195,658 thousand). The overall increase of €1,584,713 thousand, compared with 31 December 2009, essentially reflects two new intercompany loans with par values of €1,000 million and €500 million to the subsidiary, which replicate, at intercompany level, the bonds issued on 16 September 2010, and an increase (€55,614 thousand) recognised following the above-mentioned unwinding of derivatives previously classified as fair value hedges. These had been used to hedge the intercompany loan with a par value of €1,500,000 thousand granted in 2009.
In addition, in view of the approaching maturity of the bond issue with a par value of €2,000,000 thousand and the loan to Autostrade per l'Italia of a corresponding amount in June 2011, these financial assets and liabilities have been reclassified to the current portion, together with the fair value of the related derivatives, as noted above.

Other financial assets of €3,372 thousand principally relate to other short-term loans and receivables due from the subsidiary Autostrade per l'Italia.

The loans granted to Autostrade per l'Italia are on the same terms as those applied to Company's bank borrowings, increased by a spread that takes account of the cost of managing the loans.
The following two tables show intercompany medium/long-term financial assets outstanding at year end.
The first presents a comparison of financial assets at 31 December 2010 and 31 December 2009 by maturity (current and non-current portions).

The second table compares the aggregate carrying amounts (current and non-current portions) of medium/long-term financial assets, their par values and fair values at the end of the two years. The second table also summarises the principal conditions applied to each financial asset.
Fair value is determined by discounting expected cash flows to their present value using discount rates taken from the year-end market interest rate curve.
The Company's financial risks and risk management policies are described in note 6.3, "Financial risk management".

There are no indications of impairment losses on any financial assets.

(€000)	31.12.2009			31.12.2010			Non–current maturities at 31.12.2010	
	Total financial assets	Current portion	Non–current portion	Total financial assets	Current portion	Non–current portion	Maturing between 13 and 60 months	Maturing after 60 months
Intercompany loans								
Autostrade per l'Italia SpA loan 2004–2011	2,000,000	–	2,000,000	2,000,000	2,000,000	–	–	–
Autostrade per l'Italia SpA loan 2004–2014	2,750,000	–	2,750,000	2,750,000	–	2,750,000	2,750,000	–
Autostrade per l'Italia SpA loan 2004–2022	750,000	–	750,000	750,000	–	750,000	–	750,000
Autostrade per l'Italia SpA loan 2004–2024	1,000,000	–	1,000,000	1,000,000	–	1,000,000	–	1,000,000
Autostrade per l'Italia SpA loan 2009–2016	1,488,217	–	1,488,217	1,555,614	–	1,555,614	–	1,555,614
Autostrade per l'Italia SpA loan 2004–2038	149,176	–	149,176	149,176	–	149,176		149,176
Autostrade per l'Italia SpA loan 2010–2017	–	–	–	1,000,000	–	1,000,000	–	1,000,000
Autostrade per l'Italia SpA loan 2010–2025	–	–	–	500,000	–	500,000	–	500,000
Total intercompany loans	**8,137,393**	**–**	**8,137,393**	**9,704,790**	**2,000,000**	**7,704,790**	**2,750,000**	**4,954,790**
Derivative assets	**188,032**	**–**	**188,032**	**190,655**	**25,994**	**164,661**	**–**	**164,661**
Other financial assets	**3,967**	**3,929**	**38**	**3,372**	**3,338**	**34**	**34**	**–**
Accrued income on medium/long–term financial assets	**270,769**	**270,769**	**–**	**241,286**	**241,286**	**–**	**–**	**–**
Total financial assets	**8,600,161**	**274,698**	**8,325,463**	**10,140,103**	**2,270,618**	**7,869,485**	**2,750,034**	**5,119,451**

(€000)	Par value at 31.12.2009 (1)	Carrying amount at 31.12.2009 (1)	Fair value at 31.12.2009
Intercompany loans			
Autostrade per l'Italia SpA loan 2004–2011	2,000,000	2,000,000	2,023,234
Autostrade per l'Italia SpA loan 2004–2014	2,750,000	2,750,000	3,142,562
Autostrade per l'Italia SpA loan 2004–2022	750,000	750,000	840,317
Autostrade per l'Italia SpA loan 2004–2024	1,000,000	1,000,000	1,281,474
Autostrade per l'Italia SpA loan 2009–2016	1,500,000	1,488,217	1,797,795
Autostrade per l'Italia SpA loan 2004–2038	149,176	149,176	191,508
Autostrade per l'Italia SpA loan 2010–2017	–	–	–
Autostrade per l'Italia SpA loan 2010–2025	–	–	–
Total intercompany loans	**8,149,176**	**8,137,393**	**9,276,890**
Derivative assets		**188,032**	**188,032**
Other financial assets		**3,967**	
Accrued income on medium/long–term financial assets		**270,769**	
Total non–current financial assets		**8,600,161**	

(1) The value of medium/long–term financial assets shown in the table includes both the non–current and current portions.
(2) At 31 December 2010 interest rate hedges with a notional amount of €2,750 million were in place. These were classified either as cash flow or fair value hedges depending on the nature of the risk hedged, in accordance with IAS 39.
(3) These financial assets are classified as "loans and receivables" in accordance with IAS 39.
(4) These financial instruments are classified as hedging derivatives and in level 2 of the fair value hierarchy.

The following table shows changes in the par value of medium/long-term financial assets during 2010.

(€000)	Par value at 31.12.2009 (1)	Repayments	New loans	Other changes	Par value at 31.12.2010 (1)
Total intercompany loans	**8,149,176**	–	**1,500,000**	–	**9,649,176**

(1) The value of medium/long–term financial assets shown in the table includes both the non–current and current portions.

4.5 Trading assets / €2,323 thousand (€2,379 thousand)

This item primarily consists of trade receivables of €2,323 thousand as at 31 December 2010, which is substantially in line with the figure as at 31 December 2009 (€2,379 thousand).

4.6 Cash and cash equivalents / €197,587 thousand (€124,245 thousand)

As at 31 December 2010 cash amounts to €907 thousand, whilst balances receivable on intercompany current accounts amount to €196,680 thousand (€123,229 thousand as at 31 December 2009). This essentially reflects Autostrade per l'Italia's current account balance.

Par value at 31.12.2010 (1)	Carrying amount at 31.12.2010 (1)	Fair value at 31.12.2010	Reference interest rate	Effective interest rate	Note	Spread	Maturity
2,000,000	2,000,000	2,009,470	3 months Euribor	2.14%	(2)	0.73%	09.06.2011
2,750,000	2,750,000	3,134,189	5.37%	5.37%			09.06.2014
750,000	750,000	836,355	6 months Euribor	2.62%	(2)	1.15%	09.06.2022
1,000,000	1,000,000	1,312,717	6.15%	6.15%			09.06.2024
1,500,000	1,555,614	1,803,318	5.85%	5.04%			06.05.2016
149,176	149,176	203,218	5.47%	5.47%			10.12.2038
1,000,000	1,000,000	1,055,988	3.59%	3.59%			18.09.2017
500,000	500,000	560,930	4.573%	4.57%			16.09.2025
9,649,176	**9,704,790**	**10,916,185**			(3)		
	190,655	**190,655**			(4)		
	3,372						
	241,286						
	10,140,103						

4.7 Current tax assets and liabilities
Current tax assets / €19,251 thousand (€26,341 thousand)
Current tax liabilities / €14,342 thousand (€18,491 thousand)

Current tax assets and liabilities are shown below:

(€000)	Assets 31.12.2010	31.12.2009	Liabilities 31.12.2010	31.12.2009
IRAP	4,888	5,850	–	–
IRES	–	–	7,490	9,962
IRES from tax consolidation (1)	14,363	20,491	6,852	8,529
Total	**19,251**	**26,341**	**14,342**	**18,491**

(1) Intercompany tax assets and liabilities.

With effect from 1 January 2010, the subsidiaries, Autostrade Tech SpA and Newpass SpA have also joined the tax consolidation arrangement established by the Company on the basis of Legislative Decree 344/2003.
The following Group companies had already been included in the tax consolidation arrangement for the three-year period 2009-2011 from 1 January 2009: Autostrade Meridionali SpA, Tangenziale di Napoli SpA, EsseDiEsse Società di Servizi SpA, TowerCo SpA, Autostrada Torino-Savona SpA, Spea Ingegneria Europea SpA, Infoblu SpA, AD Moving SpA, Autostrade dell'Atlantico Srl, Pavimental SpA, Port Mobility SpA, Società Autostrada Tirrenica pA and Telepass SpA.
Autostrade per l'Italia SpA had, meanwhile, already participated in the tax consolidation arrangement for the three-year period 2008-2010.
The balance thus includes IRES payable to the tax authorities, totalling €7,490 thousand, and receivables of €14,363 thousand and payables of €6,852 thousand due from and to participating companies.

4.8 Other current assets / €2,242 thousand (€2,428 thousand)

This item consists of receivables and other current assets that are not eligible for classification as trading or financial. An analysis of the balance at 31 December 2010, which is substantially in line with the figure for 31 December 2009, is shown below:

(€000)	31.12.2010	31.12.2009	Increase/(Decrease)
Social security receivables (INPS)	1,681	1,685	–4
Other current assets	561	743	–182
	2,242	**2,428**	**–186**

4.9 Equity / €6,412,971 thousand (€6,297,552 thousand)

Atlantia's issued capital is fully subscribed and paid-in and consists of 600,297,135 ordinary shares with a par value of €1 each, amounting to €600,297 thousand. The number of shares increased by 28,585,578 in 2010 as a result of the bonus issue approved by shareholders at the Extraordinary General Meeting held on 14 April 2010, which decided to issue 1 new share for every 20 shares in issue. This resulted in an increase in treasury shares of 573,831, with the total number of treasury shares held rising from 11,476,616 to 12,050,447.

Equity totals €6,412,971 thousand (€6,297,552 thousand as at 31 December 2009) and is up €115,419 thousand compared with the end of the previous year. This is primarily the result of the following:

a) net comprehensive income for the year of €542,980 thousand, consisting of profit for the year (€509,898 thousand) and the recognition of other comprehensive income (€33,082 thousand), primarily due to the effect of changes in the fair value of cash flow hedges, after the related taxation;
b) payment of the final dividend for 2009, totalling €219,052 thousand (€0.37 per share), and of the interim dividends for 2010, totalling €208,828 thousand (€0.355 per share).

Atlantia aims to manage its capital in order to create value for shareholders, ensure the Company remains a going concern, safeguard the interest of stakeholders, and guarantee efficient access to external sources of funding to adequately support the growth of the Group's businesses.

The table below shows an analysis of issued capital and equity reserves, showing their permitted uses.

Description (€000)	Amount as at 31.12.2010	Permitted uses (A, B, C) (*)	Available portion	Uses during the past three years	
				To cover losses	For other reasons
Issued capital	**600,297** (1)	B			
Reserves					
Legal reserve	261,410 (2)	A. B	141,351		–
Share premium reserve	154	A. B. C	154		–
Extraordinary reserve	4,743,836 (3)	A. B. C	4,743,836		244,229 (5)
Reserve for purchase of treasury shares	215,644				
Treasury shares in portfolio	–215,644				
Reserve for negative goodwill	448,999 (4)	A. B. C	448,999		–
Reserve for actuarial gains and losses on post–employment benefits	–332	B			–
Cash flow hedge reserve	54,740	B			-
Other reserves and retained earnings	2,797	A. B. C	2,797		–
Total reserves	**5,511,604**				
Total capital and reserves	**6,111,901**		**5,337,137**	**–**	**244,229**
of which:					
Non–distributable			–		
Distributable			5,337,137		

(*) Key:
A: capital increases
B: to cover losses
C: shareholder distributions

(1) Including €566,687 thousand relating to the capital increase generated by the merger of Autostrade with and into the former NewCo28 SpA in 2003. With reference 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 72/1982, 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) The available portion is equal to one–fifth of the issued capital, totalling €141,351 thousand.

(3) Including €1,250,000 thousand that may be used to purchase treasury shares, with a corresponding transfer to there serve for the purchase of treasury shares, as approved by the shareholders at their Annual General Meeting of 14 April 2010.

(4) With reference to art. 172, paragraph 5 of the Consolidated Income Tax Act, the merger surplus generated by the merger 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 72/1982, 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) To fund the reserve for the purchase of treasury shares in 2008 (€215,644 thousand) and for the bonus issue that took place in the first half of 2010 (€28,585 thousand).

Other components of the statement of comprehensive income

The section separate "Financial statements" includes the "Statement of comprehensive income", which includes other comprehensive income, after the related taxation.

The following table shows gross amounts for components of other comprehensive income and the related taxation.

(€000)	2010			2009		
	Before tax	Tax effect	After tax	Before tax	Tax effect	After tax
Fair value gains/(losses) on cash flow hedges	48,816	–15,778	33,038	–39,674	9,365	–30,309
Actuarial gains/(losses) (IAS 19)	44	–	44	2	–	2
Other comprehensive income for the year	**48,860**	**–15,778**	**33,082**	**–39,672**	**9,365**	**–30,307**

Disclosures regarding share-based payments

The Company has put in place a plan to provide incentives for personnel and foster the loyalty of certain directors and managers of the Atlantia Group, linked to the achievement of pre-established corporate and individual objectives, and designed to boost their entrepreneurial spirit and creation of value for shareholders. With effect from 2009, the Group has launched incentive schemes entailing, on the achievement of certain pre-established objectives for the period 2009-2013, the granting of rights to shares in Atlantia SpA.
The share option plan ("SOP") approved by the shareholder at their Annual General Meeting of 23 April 2009 envisages the grant of options to buy up to 850,000 of the Company's ordinary shares, each of which gives the right to purchase 1 ordinary Atlantia share held by the Company, at that date at a price equal to the normal value of the shares at the date on which Atlantia's Board of Directors selects the beneficiary and establishes the number of options to be granted. The terms and conditions of the SOP are detailed in the Information Memorandum prepared pursuant to art. 84-*bis* of CONSOB Regulation 11971/1999, as subsequently amended and added to.

The following table shows all options granted to directors and employees of the Group by 31 December 2010 and movements during the year and the vesting and exercise period of those rights.

	Number of options granted	Maximum number of Atlantia shares under options	Vesting date	Exercise date	Exercise price (€)
Options outstanding at 1 January 2010					
– grant by 8 May 2009 Board of Directors resolution	534,614	534,614	23 April 2013	30 April 2014	12.97
– grant by 16 July 2009 Board of Directors resolution	174,987	174,987	23 April 2013	30 April 2014	14.00
	709,601	**709,601**			
Options granted in 2010					
– grant by 15 July 2010 Board of Directors resolution	140,399	140,399	23 April 2013	30 April 2014	15.08
Options outstanding at 31 December 2010	**850,000**	**850,000**			

In execution of the rights granted, beneficiaries can purchase Atlantia shares at their excercise price. The options will vest only if, at the end of the vesting period, the final value (the market value of each share, by convention calculated on the basis of the average official price of Atlantia's ordinary shares at the end of each trading day in the period from 23 January 2013 to 23 April 2013, plus any dividends paid from the grant date to the end of the vesting period) is equal to or greater than €15.00. Should the final value be less than €15.00, beneficiaries will definitively lose their right to exercise the options granted, unless otherwise decided by the Board of Directors. Should the final value be equal to or greater than €15.00, the number of vested options will be equal to a percentage of the options granted, based on the final value, as shown in the following table:

Final share price (€)	Percentage of options granted that have vested
15	20%
16	27%
17	35%
18	42%
19	49%
20	56%
21	64%
22	71%
23	78%
24	85%
25	93%
26	100%
Above 26	A percentage calculated on the basis of the following formula: [(26 – Exercise Price)/(Closing Value – Exercise Price)] x 100

The terms and conditions of the SOP expressly state that any capital gains realised as a result of the exercise of vested options may under no circumstances exceed twice (three in the case of the Chief Executive Officer) the beneficiary's gross annual fixed salary as at 1 January 2009.

The options are under no circumstances transferable inter vivos and their non-transferability only ceases on the unilateral termination of employment or on the fair dismissal by the beneficiary within three years of the date of giving such a commitment.

As a result of the above bonus issue approved by the Shareholders at their General Meeting of 14 April 2010, on 15 July 2010 the Board of Directors of Atlantia approved certain alterations to the incentive plans to ensure that there is no change in the substantial and financial terms of the existing plans, the conditions of which would otherwise have deteriorated in respect of the beneficiaries, given the reduced intrinsic value of each share. These changes, which are to be put to the vote at the first available Shareholders' General Meeting, essentially involve (i) reductions in the exercise prices for the options granted at the Board of Directors' meeting of 8 May 2009 from €12.966 to €12.349 and in the exercise price for the options granted at the Board of Directors' meeting of 16 July 2009 from €13.999 to €13.332; (ii) the granting to beneficiaries of the options already granted of 1 new option for every 20 options previously granted; (iii) the reduction to €14.286 (previously €15.00) of the final minimum value for purpose of the vesting of shares granted and certain changes to the conversion table from vested options to options granted; and, (iv) the decision to grant Gian Maria Gros-Pietro, the Company's former Chairman, the option of maintaining his right to exercise, in accordance with the same conditions applied to other beneficiaries, the options previously granted to him and (v) in the case of termination of the employee relationship for reasons other than those mentioned above, the possibility to mantain the rights granted by Board of Directors' resolution.

At the same meeting, the Board of Directors approved the grant of 140,399 options to the Chairman, Fabio Cerchiai, with a vesting period of 15 July 2010 - 23 April 2013 and an exercise period of 24 April 2013 to 30 April 2014 at an exercise price of €15.079. The fair value of each stock option granted as determined by a specially appointed expert was €1.42. The Monte Carlo model was used to determine fair value using the following parameters:

• risk-free interest rate:	1.62%
• expected expiry:	3.8 years
• expected volatility (equal to historic volatility):	26.7%
• expected dividends:	3.67%
• share price on grant date:	€15.17

The weighted average price of an Atlantia ordinary share in 2010 was €15.61 whereas it was €15.56 for the period between 15 July and 31 December 2010. As at 31 December 2010 the price was €15.27 per share.
As a result of implementation of the plan, as at 31 December 2010 the Group has recognised, in accordance with the requirements of IFRS 2, an increase in equity reserves of €319 thousand, based on the accrued fair value of the options granted at that date, with a contra entry in the income statement in personnel expense.

4.10 Provisions
(non-current) / €274 thousand (€240 thousand)
(current) / €1,568 thousand (–)

As at 31 December 2010 this item refers solely to provisions for employee benefits, consisting of post-employment benefits, totalling €274 thousand, and provisions for the long-term staff incentive plan (€1,568 thousand). The latter regards the three-year incentive plan (2008-2010) for the Company's management.
In view of the expected payment of the incentives in 2011, the related provisions have been classified in current liabilities.

The main actuarial assumptions applied in estimating provisions for post-employment benefits at 31 December 2010 are shown below:

financial assumptions:

• annual discount rate	4.55%
• annual inflation rate	2.0%
• annual rate of increase in post-employment benefits	3.0%
• annual rate of increase in real salaries	0.65%
• annual turnover rate	3.5%
• annual rate of advances paid	3.0%

demografic assumptions:

• mortality	Government General Accounting Office projections
• disability	INPS tables by age and sex
• retirement age	Mandatory state pension retirement age

As at 31 December 2010 there are no further potential material liabilities or commitments for which it is necessary to provide.

4.11 Financial liabilities (non-current) / €7,737,623 thousand (€8,248,314 thousand) (current) / €2,258,937 thousand (€265,894 thousand)

The following two tables show medium/long-term financial liabilities outstanding at year end.

The first compares amounts as at 31 December 2010 with those as at 31 December 2009 in terms of maturity (current and non-current portions):

(€000)	31.12.2009			31.12.2010			Non-current maturities as at 31.12.2010	
	Total financial liabilities	Current portion	Non-current portion	Total financial liabilities	Current portion	Non-current portion	Maturing between 13 and 60 months	Maturing after 60 months
MEDIUM/LONG-TERM FINANCIAL LIABILITIES								
Bond issues								
Bond 2004-2011	1,997,033	–	1,997,033	1,999,086	1,999,086	–	–	–
Bond 2004-2014	2,725,703	–	2,725,703	2,730,717	–	2,730,717	2,730,717	–
Bond 2004-2022 (Gbp)	562,397	–	562,397	580,319	–	580,319	–	580,319
Bond 2004-2024	990,092	–	990,092	990,544	–	990,544	–	990,544
Bond 2009-2016	1,482,040	–	1,482,040	1,549,877	–	1,549,877	–	1,549,877
Bond 2009-2038 (Jpy)	149,553	–	149,553	183,444	–	183,444	–	183,444
Bond 2010-2017				990,510	–	990,510	–	990,510
Bond 2010-2025				494,222	–	494,222	–	494,222
Total bond issues	**7,906,818**	**–**	**7,906,818**	**9,518,719**	**1,999,086**	**7,519,633**	**2,730,717**	**4,788,916**
Non-current derivative liabilities	**341,496**	**–**	**341,496**	**243,984**	**25,994**	**217,990**	**–**	**217,990**
Accrued expenses on medium/long-term financial liabilities	**265,823**	**265,823**	**–**	**233,777**	**233,777**	**–**	**–**	**–**
TOTAL MEDIUM/LONG-TERM FINANCIAL LIABILITIES	**8,514,137**	**265,823**	**8,248,314**	**9,996,480**	**2,258,857**	**7,737,623**	**2,730,717**	**5,006,906**
SHORT-TERM FINANCIAL LIABILITIES								
Bank overdrafts	2	2	–	1	1	–	–	–
Other current financial liabilities	69	69	–	79	79	–	–	–
TOTAL SHORT-TERM FINANCIAL LIABILITIES	**71**	**71**	**–**	**80**	**80**	**–**	**–**	**–**
	8,514,208	**265,894**	**8,248,314**	**9,996,560**	**2,258,937**	**7,737,623**	**2,730,717**	**5,006,906**

The second table compares the aggregate carrying amount (current and non-current portions) of medium/long-term financial liabilities with relevant par and fair values. This table also summarises the terms and conditions applied to each financial liability.

The fair value of bond issues was measured on the basis of closing market prices, whilst the fair value of other financial liabilities was measured by discounting expected future cash flows, using the yield curve at the end of the year.

(€000)	Par value as at 31.12.2009 (1)	Carrying amount as at 31.12.2009 (1)	Fair value as at 31.12.2009
Bond issues			
Bond 2004–2011	2,000,000	1,997,033	1,998,200
Bond 2004–2014	2,750,000	2,725,703	2,925,450
Bond 2004–2022 (Gbp)	750,000	562,397	785,250
Bond 2004–2024	1,000,000	990,092	1,099,700
Bond 2009–2016	1,500,000	1,482,040	1,632,150
Bond 2009–2038 (Jpy)	149,176	149,553	183,155
Bond 2010–2017	–	–	–
Bond 2010–2025	–	–	–
Total bond issues (A)	**8,149,176**	**7,906,818**	**8,623,905**
Non–current derivative liabilities (B)		**341,496**	**341,496**
Accrued expenses on medium/long–term financial liabilities (C)		**265,823**	
TOTAL MEDIUM/LONG–TERM FINANCIAL LIABILITIES (A + B + C)		**8,514,137**	

(1) The value of medium/long–term financial liabilities shown in the table includes both the non–current and current portions.
(2) As at 31 December 2010 interest rate and foreign exchange hedges with a notional amount of €2,899 million were in place that were classified as cash flow hedges in accordance with IAS 39.
(3) The par value in euro was determined using the exchange rate on the date that the cross currency swap was concluded.
(4) These financial instruments are classified as hedging derivatives and in level 2 of the fair value hierarchy.

The following table shows the par value of medium/long-term financial liabilities by currency as at 31 December 2010 and 31 December 2009, not including accrued borrowing costs at those dates, and changes during 2010.

(€000)	Par value as at 31.12.2009	Par value as at 31.12.2010
Euro	7,250,000	8,750,000
Gbp	750,000	750,000
Jpy	149,176	149,176
Total (1)	**8,149,176**	**9,649,176**

(1) Accrued expenses on medium/long–term financial liabilities not included.

(€000)	Par value as at 31.12.2009 (1)	Repayments	New borrowings	Par value as at 31.12.2010 (1)
Bond issues	8,149,176	–	1,500,000	9,649,176
Total par value of medium/long–term financial liabilities	**8,149,176**	**–**	**1,500,000**	**9,649,176**

(1) The value of medium/long–term financial liabilities shown in the table includes both the non–current and current portions.

Par value as at 31.12.2010 (1)	Carrying amount as at 31.12.2010 (1)	Fair value as at 31.12.2010	Reference interest rate	Effective interest rate	Note	Spread	Maturity
2,000,000	1,999,086	1,998,800	3m Euribor	1.61%	(2)	0.45%	09.06.2011
2,750,000	2,730,717	2,883,100	5.00%	5.23%			09.06.2014
750,000	580,319	615,801	5.99%	6.25%	(2). (3)		09.06.2022
1,000,000	990,544	1,106,700	5.88%	5.98%			09.06.2024
1,500,000	1,549,877	1,609,650	5.63%	4.90%			06.05.2016
149,176	183,444	238,185	5.30%	5.48%	(2). (3)		10.12.2038
1,000,000	990,510	946,330	3.38%	3.54%			18.09.2017
500,000	494,222	458,580	4.38%	4.48%			16.09.2025
9,649,176	**9,518,719**	**9,857,146**					
	243,984	**243,984**			**(4)**		
	233,777						
	9,996,480						

Non-current financial liabilities, net of the related borrowing costs, where incurred, include:

a) bonds totalling €7,519,633 thousand (€7,906,818 thousand as at 31 December 2009), issued by the Company as part of its €10 billion Medium Term Note (MTN) Programme. The non-current portion has decreased by €387,185 thousand, essentially due to the reclassification to current liabilities of the bond issue with a par value of €2,000,000 thousand (accounted for in the financial statements at 31 December 2010 at €1,999,086 thousand) maturing on 9 June 2011, partially offset by new bond issues in September 2010, totalling €1,000,000 thousand (maturing in 2017) and €500.000 thousand (maturing in 2025), an increase of €51,813 thousand in foreign currency bond issues (GBP and YEN), primarily resulting from a strengthening in the value of the two currencies with respect to the euro, and the increase (up €67,837 thousand) in the value of the bonds with a par value of €1,500 million issued in May 2009 as a result of interest rate movements.
Fair value hedges, entered into to hedge the above liabilities and the corresponding intercompany loan to the subsidiary, Autostrade per l'Italia, were unwound in September 2010. As a result, from this date the above bond issues are no longer measured at fair value, but at amortised cost, based on a fixed rate of interest;

b) fair value losses on exchange rate hedges, amounting to €217,990 thousand (€341,496 thousand as at 31 December 2009), recognised as a result of a change in value of the sterling denominated bonds. The reduction of €123,506 thousand compared with 31 December 2009 essentially reflects movements in interest rates and exchange rates at the end of the year and the reclassification to current liabilities of fair value losses on the derivative linked to the bond issue maturing in 2011.

Current financial liabilities are up €1,993,043 thousand, primarily due to the reclassification to current liabilities of the bond issue with a par value of €2,000,000 thousand maturing on 9 June 2011 and of the fair value of the associated cash flow hedges (up €25,994 thousand), in addition to an increase in accrued interest expense on bond issues (up €17,030 thousand) following the above-mentioned new issues in September 2010. These effects are partially offset by the reduction in accrued financial expenses (down €49,076 thousand), following the payment of differentials on interest and exchange rate hedges.

4.12 Net deferred tax liabilities / €26,291 thousand (€10,827 thousand)

The following tables show deferred tax liabilities, after offsetting against deferred tax assets, and the related changes in 2010.

(€000)	31.12.2010	31.12.2009
Deferred tax liabilities	–49,314	–57,550
Deferred tax assets	23,023	46,723
Net deferred tax liabilities	**–26,291**	**–10,827**

(€000)	31.12.2009	Changes during the year				31.12.2010
		Provisions	Releases	Deferred tax assets/liabilities on gains and losses recognised in statement of comprehensive income	Other changes	
Deferred tax liabilities on:						
Fair value measurement of cash flow hedges	–56,963	–	–	8,339	–	–48,624
Application of amortised cost	–543	–	–	–	–	–543
Other temporary differences	–44	–	12	–	–115	–147
Deferred tax liabilities	**–57,550**	**–**	**12**	**8,339**	**–115**	**–49,314**
Deferred tax assets on:						
Fair value measurement of cash flow hedges	46,600	–	–	–24,117	–	22,483
Provisions	65	366	–	–	–	431
Other temporary differences	58	107	–53	–	–3	109
Deferred tax assets	**46,723**	**473**	**–53**	**–24,117**	**–3**	**23,023**
Net deferred tax liabilities	**–10,827**	**473**	**–41**	**–15,778**	**–118**	**–26,291**

The increase of €15,464 thousand in net deferred tax liabilities essentially reflects fair value gains on cash flow hedges.

4.13 Trading liabilities / €4,177 thousand (€4,927 thousand)

Trading liabilities of €4,177 thousand (€4,927 thousand as at 31 December 2009) consist of amounts payable to suppliers (€3,795 thousand), primarily relating to professional services, and trade payables due to Group companies (€382 thousand), most of which are payable to Autostrade per l'Italia.
The carrying amount of trade payables approximates their fair value, in that the effect of discounting to present value is not significant.

4.14 Other current liabilities / €2,681 thousand (€1,428 thousand)

The composition of this item and details of changes during the year are shown in the following table:

(€000)	31.12.2010	31.12.2009	Increase/(Decrease)
Payable to staff	848	160	688
Social security contributions payable	367	112	255
Taxation other than income taxes	861	817	44
Other current liabilities	605	339	266
Total	**2,681**	**1,428**	**1,253**

5. Notes to the income statement

This section describes the composition of and principal changes in items for the two years.
Amounts for 2009 are shown in brackets.

5.1 Operating income / €841 thousand (€3,576 thousand)

Operating income of €841 thousand primarily regards rental income from subsidiaries (€754 thousand). The reduction of €2,735 thousand essentially reflects reduced reimbursements from Group companies compared with 2009 (€3,576 thousand), when the Company recovered some of the significant costs incurred during the acquisition of companies from the Itinere group.

5.2 Raw and consumable materials / -€46 thousand (-€91 thousand)

These costs for the year related essentially to purchases of office materials.

5.3 Service costs / -€5,516 thousand (-€7,637 thousand)

The composition of this item and details of changes during the year are shown in the following table:

(€000)	2010	2009	Increase/(Decrease)
Professional services	–4,066	–5,979	1,913
Statutory Auditors' fees	–327	–327	–
Construction and similar	–149	–96	–53
Insurance	–121	–84	–37
Transport and similar	–99	–206	107
Maintenance	–54	–42	–12
Utilities	–52	–63	11
Other services	–648	–840	192
Total	**–5,516**	**–7,637**	**2,121**

The reduction of €2,121 thousand is essentially due to the decrease in professional services and consultants' fees, incurred in 2009 during the acquisition of companies from the Itinere group.

5.4 Personnel expense / -€3,585 thousand (-€2,449 thousand)

The composition of this item and details of changes during the year are shown in the following table:

(€000)	2010	2009	Increase/(Decrease)
Wages and salaries	–1,634	–427	–1,207
Social security contributions	–445	–117	–328
Post–employment benefits (including payments to supplementary pension funds and INPS)	–68	–24	–44
Recovery of seconded staff costs	1,316	–188	1,504
Provisions for long–term staff incentive plans	–1,330	–238	–1,092
Directors' fees	–1,274	–1,417	143
Other personnel expense	–150	–38	–112
Total	**–3,585**	**–2,449**	**–1,136**

Personnel expense of €3,585 thousand primarily consists of Directors' remuneration. The increase of €1,136 thousand in 2010 is primarily the result of provisions to cover the accrued cost of the three-year incentive plan for the Company's management.

The average workforce breaks down as follows by category:

(no.)	2010	2009	Increase/(Decrease)
Senior managers	2	1	1
Middle managers and administrative staff	4	4	–
Total	**6**	**5**	**1**

5.5 Other operating costs / -€2,068 thousand (-€2,970 thousand)

Other operating costs consist of the following items:

(€000)	2010	2009	Increase/(Decrease)
Direct and indirect taxes	–1,460	–2,191	731
Lease expense	–162	–157	–5
Grants and donations	–148	–131	–17
Other recurring operating costs	–120	–218	98
Other non–recurring operating costs	–178	–273	95
Total	**–2,068**	**–2,970**	**902**

Direct and indirect taxes essentially regard non-deductible VAT (€1,328 thousand).

5.6 Financial income/(expenses) / €527,199 thousand (€498,162 thousand)
Income from financial assets / €1,204,297 thousand (€1,073,910 thousand)
Net financial expenses / -€677,032 thousand (-€576,361 thousand)
Foreign exchange gains/(losses) / -€66 thousand (€613 thousand)

Net financial income breaks down as follows:

(€000)	2010	2009	Increase/(Decrease)
Related party financial income:			
Income from financial assets due from Group companies	368,905	347,217	21,688
Income from transactions in derivative financial instruments with Group companies	103,368	134,474	–31,106
Interest and fees received on intercompany current accounts	3,772	3,476	296
Income from short-term loans to Group companies	–	33	–33
Income from changes in fair value of financial assets due from Group companies	70,251	–	70,251
Other financial income received from Group companies	129	–	129
Third party financial income:			
Income from transactions in derivative financial instruments	134,005	84,661	49,344
Income from changes in fair value of financial liabilities	–	11,330	–11,330
Other financial income	3,107	178	2,929
Financial income	**683,537**	**581,369**	**102,168**
Dividends received from subsidiaries	**520,760**	**492,541**	**28,219**
Total income from financial assets	**1,204,297**	**1,073,910**	**130,387**
Financial expenses from discounting of provisions	**–8**	**–**	**–8**
Related party financial expenses:			
Losses on transactions in derivative financial instruments with Group companies	–95,187	–54,292	–40,895
Losses on changes in fair value of financial assets	–	–11,783	11,783
Interest and fees paid on intercompany current accounts	–12,875	–11,410	–1,465
Other financial expenses payable to Group companies	–2,983	–	–2,983
Third party financial expenses:			
Interest on bonds	–371,602	–338,117	–33,485
Losses on transactions in derivative financial instruments	–123,582	–153,566	29,984
Losses from changes in fair value of financial liabilities	–69,782	–	–69,782
Interest and fees paid on bank and post office deposits	–799	–23	–776
Interest on medium/long-term borrowings	–16	–5,629	5,613
Other	–198	–1,541	1,343
Other financial expenses	**–677,024**	**–576,361**	**–100,663**
Total financial expenses	**–677,032**	**–576,361**	**–100,671**
Unrealised foreign exchange gains/(losses)	–44	419	–463
Realised foreign exchange gains/(losses)	–22	194	–216
Foreign exchange gains/(losses)	**–66**	**613**	**–679**
Total	**527,199**	**498,162**	**29,037**

Net financial income of €527,199 thousand is up €29,037 thousand on 2009 (€498,162 thousand), primarily reflecting an increase in dividends received from subsidiaries (up €28,219 thousand), above all Autostrade per l'Italia. The overall balance of financial income and expenses is substantially unchanged.

5.7 Income tax (expense)/benefit / -€6,524 thousand (-€5,270 thousand)

A comparison of the tax charges for the two comparative years is shown in the following table:

(€000)	2010	2009
IRES	–6,486	–5,441
IRAP	–860	–944
Current tax expense	**–7,346**	**–6,385**
Recovery of previous year's income taxes	512	1,173
Previous year's income taxes	–4	–125
Differences on current tax expense for previous years	**508**	**1,048**
Provisions	473	119
Releases	–53	–52
Change in estimates for previous years	–3	–
Deferred tax income	**417**	**67**
Releases	12	–
Change in estimates for previous years	–115	–
Deferred tax expense	**–103**	**–**
Total	**–6,524**	**–5,270**

Current tax expense was computed with reference to current tax rates, after taking account of adjustments reducing taxable income, essentially consisting of dividends received from subsidiaries and non-deductible expenses incurred during the year.
Income tax expense of €6,524 thousand is up €1,254 thousand on 2009 (€5,270 thousand), reflecting the increase in taxable income.

The following table shows a reconciliation of the theoretical rates of taxation and the effective charge for IRES for the year.

(€000)	2010			2009		
	Taxable income	Taxation		Taxable income	Taxation	
		Amounts	Effective tax rate		Amounts	Effective tax rate
Profit/(loss) from continuing operations before taxes	–516,422			–488,190		
Theoretical income tax expense/(credit)		–142,016	27.50%		–134,252	27.50%
Temporary differences deductible in future years	–1,764	–485	0.09%	–433	–119	0.02%
Reversal of temporary differences arising in previous years	192	53	–0.01%	189	52	–0.01%
Non–taxable dividends	494,722	136,049	–26.34%	466,812	128,372	–26.30%
Other permanent differences	–313	–87	0.02%	1,839	506	–0.10%
Taxable income for purposes of IRES	–23,585			–19,783		
Current IRES charge for the year		**–6,486**	**1.26%**		**–5,441**	**1.11%**
Current IRAP charge for the year		**–860**	**0.17%**		**–944**	**0.19%**
Current tax expense for the year		**–7,346**	**1.42%**		**–6,385**	**1.30%**

5.8 Profit for the year / €509,898 thousand (€482,920 thousand)

Profit for the year of €509,898 thousand is up €26,978 thousand on 2009 (€482,920 thousand), essentially reflecting the increase in dividends received from subsidiaries.

The following table shows the calculation of basic and diluted earnings per share with comparative amounts.
As required by IAS 33, the weighted average number of shares in issue was recomputed to take account of Atlantia's bonus issue during the year, as described in note 4.9 above. An adjustment was also made to the computation of diluted earnings per share to reflect share option plans.

	2010	2009
Number of shares in issue	600,297,135	600,297,135
Weighted average of treasury shares in portfolio	–12,050,447	–12,050,447
Weighted average of shares in circulation for the calculation of basic earnings per share	**588,246,688**	**588,246,688**
Weighted average share options held under incentive scheme for the calculation of diluted earnings per share	101,718	50,224
Weighted average of all shares in circulation for the calculation of diluted earnings per share	**588,348,406**	**588,296,912**
Profit/(loss) for the year (€000)	509,898	482,920
Basic earnings per share (€)	**0.87**	**0.82**
Diluted earnings per share (€)	**0.87**	**0.82**
Profit from continuing operations (€000)	509,898	482,920
Basic earnings per share from continuing operations (€)	**0.87**	**0.82**
Diluted earnings per share from continuing operations (€)	**0.87**	**0.82**
Profit from discontinued operations (€000)	–	–
Basic earnings per share from discontinued operations (€)	**–**	**–**
Diluted earnings per share from discontinued operations (€)	**–**	**–**

6. Other financial information

6.1 Notes to the separate statement of cash flows

Cash and cash equivalents increased by €73,343 thousand in 2010, compared with the increase of €17,648 thousand reported in 2009.

"Net Cash from operating activities" amounts to €515,398 thousand, marking an increase of €32,889 thousand compared with the figure for 2009 (€482,509 thousand). This reflects the improvement in profit for the year (up €26,978 thousand).

"Net Cash used in investing activities", totalling €1,571,146 thousand, essentially relates to the disbursement of two new intercompany loans with face values of €1,000,00 thousand and €500,000 thousand to the subsidiary, Autostrade per l'Italia. The figure for 2009 (an outflow of €1,317,814 thousand) primarily resulted from disbursement of a loan with a par value of €1,500,000 thousand to the subsidiary, Autostrade per l'Italia, corresponding to the bond issue of 6 May 2009, and the payment of €44,374 thousand for an equity interest in Alitalia - Compagnia Aerea Italiana SpA, partly offset by the extinction of intercompany loans following the transfer of loans totalling €450,000 thousand from the European Investment Bank (EIB) to the subsidiary, Autostrade per l'Italia.

"Net Cash from financing activities" totals €1,129,091 thousand and essentially consists of the above bond issues with par values of €1,000,000 thousand and €500,000 thousand, after the related transaction costs, partly offset by dividends paid during the year (€427,874 thousand). Cash generated from financing activities in 2009 (an inflow of €852,953 thousand) was also influenced by the bond issue with a par value of €1,500,000 thousand on 6 May 2009, partly offset by extinction of the above loan from the European Investment Bank (EIB), totalling €450,000 thousand, and dividends paid (€417,430 thousand).

6.2 Notes to the analysis of net debt

The following statement shows net debt broken down into its principal components and amounts due to and from related parties, as required by CONSOB Communication DEM/6064293 of 28 July 2006.

(€000)		31.12.2010		31.12.2009	Increase/(Decrease)
Non–current financial liabilities		**–7,737,623**		**–8,248,314**	**510,691**
Bond issues		–7,519,633		–7,906,818	387,185
Derivative liabilities		–217,990		–341,496	123,506
Current financial liabilities		**–2,258,937**		**–265,894**	**–1,993,043**
Bank overdrafts		–1		–2	1
Current portion of medium/long–term borrowings		–2,258,857		–265,823	–1,993,034
of which due to related parties:	*–*		*–48,695*		
– Autostrade per l'Italia SpA	–		–48,695		
Other financial liabilities		–79		–69	–10
Total financial liabilities		**–9,996,560**		**–8,514,208**	**–1,482,352**
Cash and cash equivalents		**197,587**		**124,245**	**73,342**
Cash and bank and post office deposits		907		1,016	–109
Intercompany current accounts receivable		196,680		123,229	73,451
of which from related parties:	*196,680*		*123,229*		
– Autostrade per l'Italia SpA	196,680		123,229		
Other current financial assets		**2,270,618**		**274,698**	**1,995,920**
Current portion of medium/long–term financial assets		2,267,280		270,769	1,996,511
of which from related parties:	*2,246,610*		*203,800*		
– Autostrade per l'Italia SpA	2,246,610		203,800		
Other financial assets		3,338		3,929	–591
Total current financial assets		**2,468,205**		**398,943**	**2,069,262**
Net debt in accordance with CESR recommendation of 10 February 2005		**–7,528,355**		**–8,115,265**	**586,910**
Non–current financial assets		**7,869,485**		**8,325,463**	**–455,978**
Derivative assets		164,661		188,032	–23,371
of which from related parties:	*124,452*		*188,032*		
– Autostrade per l'Italia SpA	124,452		188,032		
Other financial assets		7,704,824		8,137,431	–432,607
of which from related parties:	*7,704,790*		*8,137,393*		
– Autostrade per l'Italia SpA	7,704,790		8,137,393		
Net funds/(Net debt)		**341,130**		**210,198**	**130,932**

6.3 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 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 that are contained in the various strategic plans approved by the Board. The strategy aims to both manage and control such risks.

Market risk

The adopted strategy for each type of risk aims to eliminate interest rate and currency risks and minimise borrowing costs, as defined in the Financial Policy approved by Atlantia's Board of Directors on 16 September 2010.
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 strategic plan from the effect of exposure to interest rate and currency 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 2010 are classified as cash flow hedges in accordance with IAS 39.
The fair value of financial derivative instruments is based on expected discounted cash flows, using the market yield curve at the measurement date. 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 the Company's debt is around 6 years.
The average cost of medium/long-term borrowings in 2010 was approximately 4.9%.
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. In order to reduce floating rate debt, the Company has entered into interest rate swaps (IRS), classified as cash flow hedges. The hedging instruments and the underlying financial liabilities have matching terms to maturity and notional amounts. Tests have shown that the hedges were fully effective during 2010. Changes in fair value are recognised in other components of comprehensive income, with no recognition of any ineffective portion in the income statement. Interest income or expense deriving from the hedged instruments is recognised simultaneously in the income statement;

b) fair value risk: this represents the risk of losses deriving from an unexpected change in the value of a financial asset or liability following an unfavourable shift in the market interest rate curve. As at 31 December 2010 the Company is not a party to any transactions classifiable as fair value hedges under IAS 39, in that all such transactions were unwound during the year.

100% of the Company's debt is fixed rate as at 31 December 2010 (82% as at 31 December 2009).

Currency risk

Currency risk is mainly incurred through the assumption of financial liabilities denominated in a currency other than the Group's currency of account.
9% of the Company's medium/long-term debt is nominally denominated in currencies other than the euro. Taking account of foreign exchange hedges, the percentage of foreign currency debt exposed to currency risk on translation into euros is zero. Cross currency swaps (CCIRS) with notional amounts and maturities matching those of the underlying financial liabilities were entered into specifically to eliminate the currency risk to which the sterling and yen denominated bonds are exposed. These swaps also qualify as cash flow hedges and tests have shown that they are fully effective.

The following table summarises outstanding derivative financial instruments at 31 December 2010 (compared with 31 December 2009) and shows the corresponding market value.

Type (€000)	Purpose of hedge	Currency	Contract term
Cash flow hedges			
Cross Currency Swap	Exchange rate fluctuations	Eur	2004–2022
Cross Currency Swap	Exchange rate fluctuations	Eur	2009–2038
Interest Rate Swap	Interest rate fluctuations	Eur	2004–2011
Interest Rate Swap (2)	Interest rate fluctuations	Eur	2004–2022
Interest Rate Swap (2)	Interest rate fluctuations	Eur	2004–2011
Total cash flow hedges			
Fair value hedges			
Interest Rate Swap	Interest rate fluctuations	Eur	2009–2016
Interest Rate Swap (2)	Interest rate fluctuations	Eur	2009–2016
Total fair value hedges			
Total hedging derivatives			

(1) The fair value of hedging derivatives excludes accruals at the end of the reporting period.
(2) The counterparty in these transactions is Autostrade per l'Italia.

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 and on equity during the year.

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 €148 thousand, and on comprehensive income, totalling €3,023 thousand;

b) in terms of currency risk, an unexpected and unfavourable 10% shift in the exchange rate would have had no impact on the income statement.

Notional amount 31.12.2009	Notional amount 31.12.2010	Fair value (1) 31.12.2009	Fair value (1) 31.12.2010	Hedged financial liabilities Description	Par value	Term
750,000	750,000	–247,596	–217,990	Bond 2004–2022 (Gbp)	750,000	2004–2022
149,176	149,176	–6,890	40,209	Bond 2009–2038 (Jpy)	49,176	2009–2038
2,000,000	2,000,000	–75,680	–25,994	Bond 2004–2011	2,000,000	2004–2011
750,000	750,000	100,569	124,452	Loan to Autostrade per l'Italia 2004–2022	750,000	2004–2022
2,000,000	2,000,000	75,680	25,994	Loan to Autostrade per l'Italia 2004–2011	2,000,000	2004–2011
		–153,917	**–53,329**			
1,500,000	–	–11,330	–			
1,500,000	–	11,783	–			
		453	**–**			
		–153,464	**–53,329**			

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 assures an ample diversification of funding sources and the availability of uncommitted lines of credit provides sufficient alternative sources of finance to meet projected financial needs.

The following tables show the time distributions of financial liabilities by term to maturity as at 31 December 2010 and comparable figures as at 31 December 2009.

31.12.2010 (€000)	Financial liabilities					
	Carrying amount	Total contractual flows	Within 12 months	Between 1 and 2 years	Between 3 and 5 years	After 5 years
Non–derivative financial liabilities (1)						
Bond 2004–2011	–1,999,086	–2,014,954	–2,014,954	–	–	–
Bond 2004–2014	–2,730,717	–3,300,000	–137,500	–137,500	–3,025,000	–
Bond 2004–2022 (Gbp)	–580,319	–1,016,555	–36,305	–36,305	–108,917	–835,028
Bond 2004–2024	–990,544	–1,822,500	–58,750	–58,750	–176,250	–1,528,750
Bond 2009–2016	–1,549,877	–2,006,250	–84,375	–84,375	–253,125	–1,584,375
Bond 2009–2038 (Jpy)	–183,444	–324,786	–5,025	–5,025	–15,076	–299,660
Bond 2010–2017	–990,510	–1,236,250	–33,750	–33,750	–101,250	–1,067,500
Bond 2010–2025	–494,222	–828,125	–21,875	–21,875	–65,625	–718,750
Total bond issues	**–9,518,719**	**–12,549,420**	**–2,392,534**	**–377,580**	**–3,745,243**	**–6,034,063**
Derivative liabilities (2)						
IRS (2)	–25,994	–31,466	–31,466	–	–	–
CCS (3)	–177,781	–329,648	–12,299	–12,607	–36,514	–268,228
Total derivatives	**–203,775**	**–361,114**	**–43,765**	**–12,607**	**–36,514**	**–268,228**

(1) Future cash flows relating to floating rate bond issues have been calculated on the basis of the latest established rate and applied and held constant to final maturity.
(2) Includes interest rates and cross currency hedging derivatives related bond as at 31 December 2010.
(3) Future cash flows deriving from interest rate swap (IRS) differentials are calculated on the basis of the latest established rate and held constant to the maturity of the contract.
(4) Future cash flows deriving from cross currency swap (CCS) differentials have been calculated on the basis of the latest established exchange rate at the measurement date.

31.12.2009 (€000)	Carrying amount	Total contractual flows	Financial liabilities Within 12 months	Between 1 and 2 years	Between 3 and 5 years	After 5 years
Non–derivative financial liabilities (1)						
Bond 2004–2011	–1,997,033	–2,035,464	–23,664	–2,011,800	–	–
Bond 2004–2014	–2,725,703	–3,437,500	–137,500	–137,500	–3,162,500	–
Bond 2004–2022 (Gbp)	–562,397	–1,020,435	–35,187	–35,187	–105,562	–844,499
Bond 2004–2024	–990,092	–1,881,250	–58,750	–58,750	–176,250	–1,587,500
Bond 2009–2016	–1,482,040	–2,090,625	–84,375	–84,375	–253,125	–1,668,750
Bond 2009–2038 (Jpy)	–149,553	–269,104	–4,100	–4,100	–12,301	–248,603
Bond issues	**–7,906,818**	**–10,734,378**	**–343,576**	**–2,331,712**	**–3,709,738**	**–4,349,352**
Derivative liabilities (2)						
IRS (2)	–87,010	129,765	–40,240	–4,977	88,480	86,502
CCS (3)	–254,486	–435,033	–14,298	–14,342	–42,996	–363,397
Total derivatives	**–341,496**	**–305,268**	**–54,538**	**–19,319**	**45,484**	**–276,895**

(1) Future cash flows relating to floating rate bond issues have been calculated on the basis of the latest established rate and applied and held constant to final maturity.
(2) Includes interest rates and cross currency hedging derivatives related bond as at 31 December 2009
(3) Future cash flows deriving from interest rate swap (IRS) differentials are calculated on the basis of the latest established rate and held constant to the maturity of the contract.
(4) Future cash flows deriving from cross currency swap (CCS) differentials have been calculated on the basis of the latest established exchange rate at the measurement date.

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 payment may be required, unless a better estimate is available.
The distribution for transactions with repayment 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 the income statement.

(€000)	31.12.2009					
	Carrying amount	Expected cash flows [1]	Within 12 months	Between 1 and 2 years	Between 3 and 5 years	After 5 years
Interest rate swaps						
Assets	–	–	–	–	–	–
Liabilities	–108,936	–113,216	–81,024	–29,306	–3,112	226
Cross currency swaps						
Assets	–	–	–	–	–	–
Liabilities	–254,486	–260,551	–14,229	–14,088	–40,256	–191,978
Total cash flow hedges	**–363,449**					
Accrued expenses on cash flow hedges	–30,308					
Accrued income on cash flow hedges	19,990					
Total cash flow hedge derivative assets/ liabilities	**–373,767**	**–373,767**	**–95,253**	**–43,394**	**–43,368**	**–191,752**

(€000)	31.12.2009				
	Expected cash flows [1]	Within 12 months	Between 1 and 2 years	Between 3 and 5 years	After 5 years
Interest rate swaps					
Income on cash flow hedges	–	–	–	–	–
Losses on cash flow hedges	–108,963	–79,726	–26,799	–2,551	113
Cross currency swaps					
Income on cash flow hedges	855,473	38,651	37,656	105,719	673,447
Losses on cash flow hedges	–1,109,959	–52,815	–51,767	–145,655	–859,722
Total income (losses) on cash flow hedges	**–363,449**	**–93,890**	**–40,910**	**–42,487**	**–186,162**

(1) Expected cash flows from swap differentials are calculated on the basis of market curves at the measurement date.

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.
Allowances for impairment 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 allowance 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.

			31.12.2010			
	Carrying amount	Expected cash flows (1)	Within 12 months	Between 1 and 2 years	Between 3 and 5 years	After 5 years
	–	–	–	–	–	–
	–61,603	–65,633	–46,673	–12,843	–6,078	–39
	40,209	40,026	–2,996	–2,830	–7,412	53,264
	–217,990	–223,194	–9,217	–9,413	–25,877	–178,687
	–53,329					
	–30,087					
	20,670					
	–248,801	**–248,801**	**58,886**	**24,086**	**–39,367**	**–125,462**

		31.12.2010			
	Expected cash flows (1)	Within 12 months	Between 1 and 2 years	Between 3 and 5 years	After 5 years
	–	–	–	–	–
	–61,603	–42,756	–12,767	–6,040	–41
	960,657	40,555	40,242	114,403	765,457
	–1,138,438	–52,773	–52,116	–147,510	–886,039
	–239,384	**–54,974**	**–24,641**	**–39,147**	**–120,623**

7. Other information

7.1 Guarantees

As at 31 December 2010 the Company reports the following outstanding personal and collateral guarantees in issue, which include the following material items:

a) the following guarantees issued on behalf of Autostrade per l'Italia:
   1) in favour of the European Investment Bank as security for loans granted to the subsidiary (€1,140,757 thousand, equal to 120% of the underlying liability);
   2) in favour of Mediobanca SpA as security for the Term Loan Facility transferred to the subsidiary at the end of 2008 (€864,000 thousand, equal to 120% of the underlying liability);
   3) in favour of the Financial Administration for the joining to the Group VAT regime for €7.955 thousand;

b) a surety of €120,350 thousand issued in favour of the Chilean holding company, Autopista do Pacifico (a subsidiary of Autostrade Sud America), guaranteeing the loan obtained by this company to finance the acquisition of the motorway concessionaire, Costanera Norte;

c) a guarantee of €69,913 thousand issued by Atlantia in connection with the loan obtained by the sub-holding Autostrade per il Cile, since merged into Autostrade Sud America;
d) a portion of the Company's holding of shares in Pune Solapur Expressways Private Ltd. pledged to credit institutions.

7.2 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 subsequently amended and as interpreted by CONSOB Communication DEM/10078683 of 24 September 2010, on 11 November Atlantia's Board of Directors approved the new Procedure for Related Party Transactions entered into directly by the Company and/or through subsidiaries. This Procedure sets out the criteria to be used in identifying related parties and the related reporting requirements.

The principal transactions entered into by the Company with related parties, as identified in accordance with the criteria defined in the above Procedure, are described below. Related party transactions are conducted on an arm's length basis. Related party transactions do not include transactions of an atypical or unusual nature. Atlantia did not engage in material transactions with its direct or indirect parents during 2010.

Related party transactions with subsidiaries

The Company primarily engages in transactions with the subsidiary, Autostrade per l'Italia, over which it exercises management and coordination.
As at 31 December 2010 the Company has granted medium/long-term loans with a total par value of €9,649,176 thousand to Autostrade per l'Italia on the same terms as those applied to Atlantia's bank borrowings, increased by a spread that takes account of the cost of managing the loans. These loans have increased by €1,500,000 thousand compared with 31 December 2009, essentially as a result of the disbursement of two new medium/long-term loans with par values of €1,000,000 thousand and €500,000 thousand, respectively. These replicate, at intercompany level, the bonds issued on 16 September 2010.
A portion of these loans is hedged against interest rate risk through the use of specific derivative financial instruments that have also been entered into with Autostrade per l'Italia. Fair value gains on these hedges total €150,447 thousand as at 31 December 2010.
In September 2010 Atlantia and Autostrade per l'Italia unwound a number of hedging transactions – previously classified as fair value hedges – entered into to hedge the exposure to interest rate risk of loans with a par value of €1,500,000 thousand granted in May 2010 and maturing in May 2016. The unwinding of these derivatives, which did not result in any charge for the Company, means that the bond issue and the intercompany loan are again subject to fixed rate exposure.

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 €196,680 thousand as at 31 December 2010.

Finally, as a result of the tax consolidation arrangement headed by the Company, the statement of financial position as at 31 December 2010 includes current tax assets due from Group companies of €14,363 thousand, and current tax liabilities payable to Group companies of €6,852 thousand.

Other related party transactions

During 2010 fees, non-monetary benefits, bonuses, incentives and other forms of compensation were paid to the Chairman of Atlantia, Fabio Cerchiai (€0.5 million), and the Chief Executive Officer and General Manager, Giovanni Castellucci (€1.5 million), in relation to positions held in Atlantia and in other Group companies. A total of €0.2 million was also paid to the previous Chairman, Gian Maria Gros-Pietro.

The following table summarises the impact of related party transactions on the results of operations for 2010 and the financial position as at 31 December 2010.

Material intercompany trading transactions

Name (€000)	31.12.2010		2010		31.12.2009		2009	
	Receivables	Payables	Income (1)	Expenses	Receivables	Payables	Income (1)	Expenses
Subsidiaries								
Spea								
– taxes	5,901	–	–	–	3,261	–	–	–
Autostrade Tech								
– taxes	3,370	–	–	–	–	–	–	–
Tangenziale di Napoli								
– taxes	2,221	–	–	–	–	–	–	–
Telepass								
– taxes	1,951	–	–	–	12,903	–	–	–
Autostrade per l'Italia								
– trade	1,097	344	1,785	1,640	48	1,492	522	1,491
– taxes	–	4,752	–	–	–	4,644	–	–
Total subsidiaries	**14,540**	**5,096**	**1,785**	**1,640**	**16,212**	**6,136**	**522**	**1,491**
Total	**14,540**	**5,096**	**1,785**	**1,640**	**16,212**	**6,136**	**522**	**1,491**

(1) Includes reimbursements, accounted for as a reduction of operating costs in the income statement.

Material intercompany financial transactions

Name (€000)	31.12.2010		2010		31.12.2009		2009	
	Assets	Liabilities	Financial income (1)	Financial expenses	Assets	Liabilities	Financial income (1)	Financial expenses
Subsidiaries								
Autostrade per l'Italia	10,275,727	–	1,062,440	111,045	8,655,616	48,695	969,972	77,486
TowerCo	–	–	4,432	–	–	–	4,898	–
Total subsidiaries	**10,275,727**	**–**	**1,066,872**	**111,045**	**8,655,616**	**48,695**	**974,870**	**77,486**
Total	**10,275,727**	**–**	**1,066,872**	**111,045**	**8,655,616**	**48,695**	**974,870**	**77,486**

(1) Financial income includes dividends received from subsidiaries.

Information on Directors' remuneration pursuant to art. 78 of CONSOB Resolution 11971 of 14 May, as subsequently amended

Name and Surname	Note	Position	Period in position		Date of leaving position
			From	To	
GROS–PIETRO Gian Maria		Chairman of Board of Directors	01.01.2010	14.04.2010	
CERCHIAI Fabio		Chairman of Board of Directors	14.04.2010	31.12.2010	31.12.2010
CASTELLUCCI Giovanni		CEO/General Manager	01.01.2010	31.12.2010	31.12.2010
BENETTON Gilberto		Director	01.01.2010	31.12.2010	31.12.2010
BERTANI Alessandro	(4)	Director	01.01.2010	31.12.2010	31.12.2010
BOMBASSEI Alberto		Director	01.01.2010	31.12.2010	31.12.2010
CAO Stefano	(3)	Director	01.01.2010	31.12.2010	31.12.2010
CERA Roberto		Director	01.01.2010	31.12.2010	31.12.2010
CLÔ Alberto		Director	01.01.2010	31.12.2010	31.12.2010
DI TANNO Tommaso		Statutory Auditor	01.01.2010	31.12.2010	31.12.2010
FASSONE Antonio		Director	01.01.2010	31.12.2010	31.12.2010
LUPI Raffaello		Statutory Auditor	01.01.2010	31.12.2010	31.12.2010
MALINCONICO Carlo		Director	01.01.2010	31.12.2010	31.12.2010
MARI Giuliano		Director	01.01.2010	31.12.2010	31.12.2010
MATTIOLI Francesco Paolo		Director	01.01.2010	10.01.2010	
MIGLIETTA Angelo		Statutory Auditor	01.01.2010	31.12.2010	31.12.2010
MION Gianni	(5)	Director	01.01.2010	31.12.2010	31.12.2010
PIAGGIO Giuseppe		Director	01.01.2010	31.12.2010	31.12.2010
SPADACINI Marco		Chairman of the Board of Statutory Auditors	01.01.2010	31.12.2010	31.12.2010
TROTTER Alessandro		Statutory Auditor	01.01.2010	31.12.2010	31.12.2010
TURICCHI Antonino		Director	01.01.2010	31.12.2010	31.12.2010
ZANNONI Paolo	(6)	Director	06.03.2010	31.12.2010	31.12.2010

(1) Amount relating to accommodation in use at Autostrade per l'Italia SpA.
(2) Amount relating to accommodation in use, a company car and life insurance.
(3) Fee passed on to Sintonia SA.
(4) Fee passed on to Mediobanca – Banca di Credito Finanziario SpA.
(5) Fee pased on to Edizioni Srl.
(6) Fee passed on to Goldman Sachs & Company.
(a) Remuneration for position as Director and Chairman of Autostrade per l'Italia SpA.
(b) Atlantia recovers 90% of the costs incurred for Mr. Castellucci from Autostrade per l'Italia, represented by fixed and variable gross annual compensation pursuant to art. 2389, para. 3 of the Italian Civil Code and gross annual salary (resolution of Atlantia's Board of Directors dated 14 May 2010).
(c) Fixed portion of employee salary as CEO and General Manager of Atlantia.
(d) Member of the Internal Control and Corporate Governance Committee required by the Corporate Governance Code.
(e) Member of the Human Resources Committee required by the Corporate Governance Code.

Atlantia SpA emoluments	Note	Non–monetary benefits	Note	Bonuses and other incentives	Other compensation	Note	Remuneration from subsidiaries and investee companies not received but paid to Atlantia SpA	Note
34,353.98	(f)	5,293.56	(1)		178,565.80	(a)		
84,797.95					423,770.55	(a)		
353,250.00	(b) (f)	12,764.33	(2)	510,000.00	653,615.20	(b) (c)	101,000.00	(p)
54,750.00								
55,250.00								
102,797.95	(e) (f)							
93,797.95	(e) (f)				67,750.00	(h) (n)		
55,000.00					159,531.57	(g)		
84,500.00	(e)							
55,750.00					225,000.00	(o)		
55,250.00					30,000.00	(n)		
55,000.00								
55,000.00					178,701.88	(h) (m) (n)		
85,250.00	(d)				24,821.92	(n)		
2,246.58	(e)				821.92	(n)		
56,000.00								
55,000.00								
133,797.95	(d) (e) (f)				105,480.00	(h) (i)		
81,250.00								
57,000.00					78,670.00	(j) (k) (l)		
85,250.00	(d)							
69,871.92	(e)							

(f) Member of the Executive Committee elected by the Board of Directors on 28 April 2009.
(g) Fees paid for advisory services provided by the Bonelli Erede Pappalardo law firm, of which Roberto Cera is an associate, to Autostrade per l'Italia SpA and Atlantia SpA.
(h) Director of Autostrade per l'Italia SpA.
(i) Deputy Chairman of Società Italiana pA per il Traforo del Monte Bianco SpA.
(j) Fees paid for position as Chairman of the Board of Statutory Auditors of Autostrade per l'Italia SpA.
(k) Fees paid for position as Chairman of the Board of Statutory Auditors of Infoblu SpA.
(l) Fees paid for position as Statutory Auditor of Società Autostrada Tirrenica pA.
(m) Fees paid for professional advisory services provided by the Malinconico law firm to Autostrade per l'Italia SpA.
(n) Member of the Committee responsible for the Completion of Projects established by resolution of the Board of Directors of Autostrade per l'Italia on 22 April 2009 and 13 April 2010.
(o) Fees paid for professional advisory services provided by the Di Tanno e Associati law and tax advisory firm to Autostrade per l'Italia SpA.
(p) Fees paid to Atlantia SpA for positions as Deputy Chairman, Director and member of the Executive Committee at Impregilo SpA.

7.3 Events after 31 December 2010

There are no material events to report.

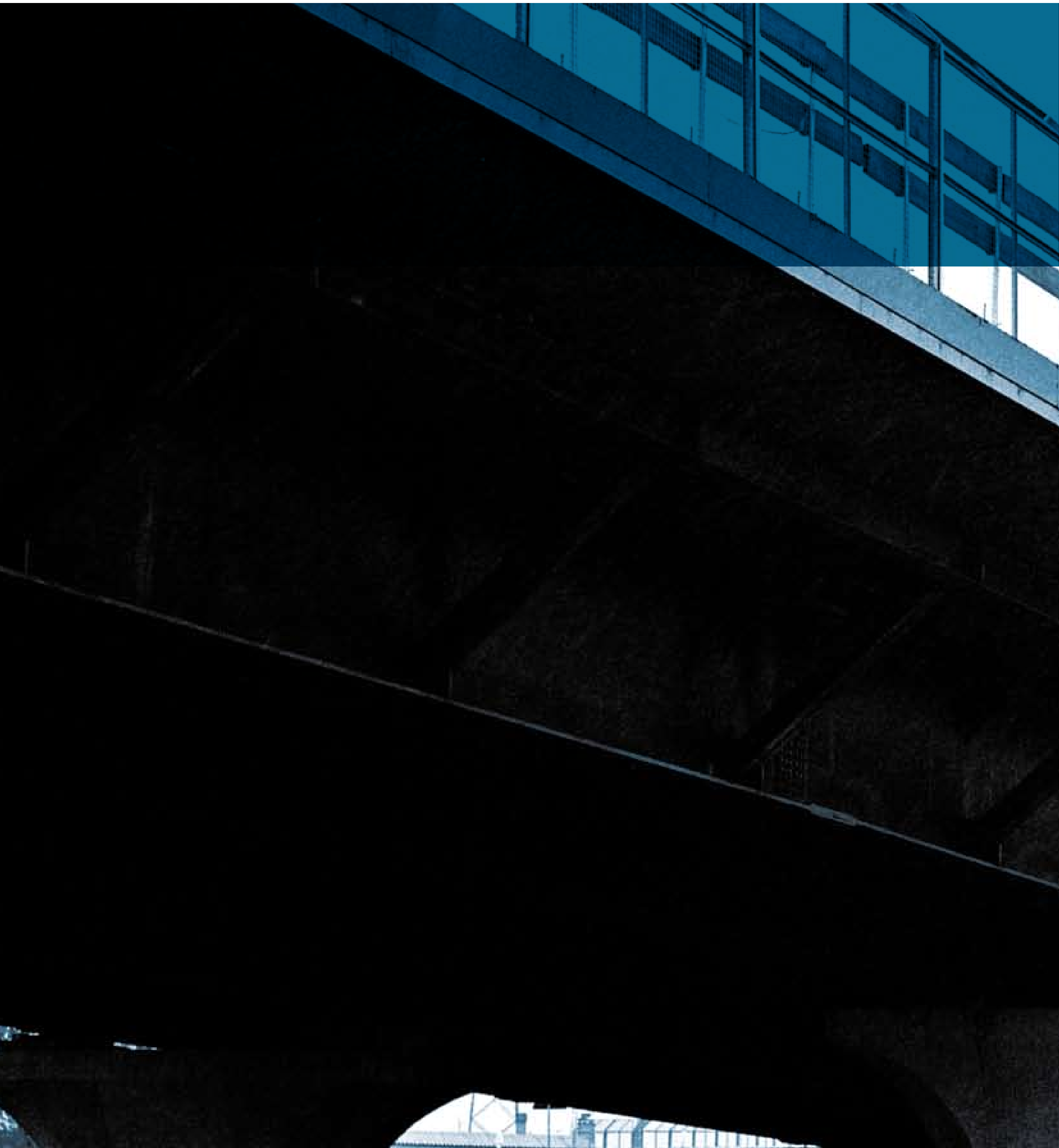
Annex 1

Disclosures pursuant to art.149-*duodecies* of the CONSOB Regulations for Issuers 11971/1999

Atlantia SpA

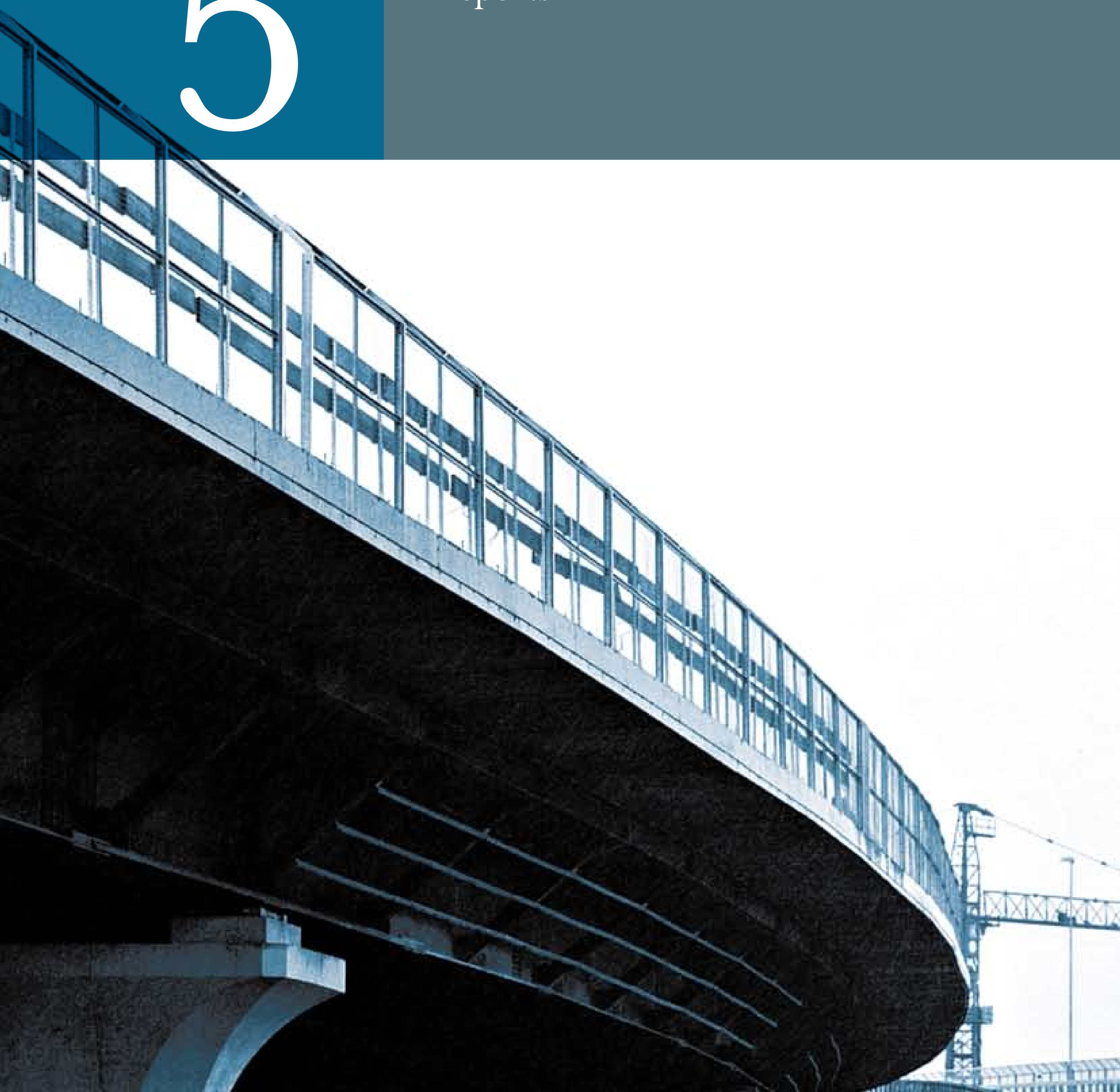
Type of service (€000)	Provider of service	Note	Fees
Audit	KPMG SpA		73
Certification	KPMG SpA	(1)	45
Other services	KPMG SpA	(2)	310
Total Parent Company			**428**

(1) Opinion on payment of the interim dividends.
(2) Comfort letters on EMTN programme offering circulars, signature of Consolidated Tax Return and Form 770, verification of documentation required by public tenders in India in which the Group participated during the year, agreed upon procedures regarding accounting data and information.



5

Reports



Attestation of the consolidated financial statements pursuant to art. 81-*ter* of CONSOB Regulation 11971 of 14 May 1999 and subsequent amendments and additions

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 2010.
2. The administrative and accounting procedures adopted in preparation of the consolidated financial statements as at and for the year ended 31 December 2010 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.

11 March 2011

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 and subsequent amendments and additions

4. 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 2010.
5. The administrative and accounting procedures adopted in preparation of the separate financial statements as at and for the year ended 31 December 2010 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.
6. We also attest that

   3.1 the separate 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.

   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.

11 March 2011

Giovanni Castellucci
Chief Executive Officer

Giancarlo Guenzi
Manager responsible
for financial reporting

Report of the Board of Statutory Auditors

(pursuant to art 153 of Legislative Decree 58/1998 and art. 2429, paragraph 3 of the Italian Civil Code)

During the financial year ended 31 December 2010, we performed the audit procedures required by law, adopting, inter alia, the Standards recommended by the Italian accounting profession.

As required by the rules established by the CONSOB in Ruling 1025564 of 6 April 2001, as amended, and by the provision of art. 19 of Legislative Decree 39 of 27 January 2010, with reference to the internal control and audit committee, whose functions in listed companies are performed by the Board of Statutory Auditors, we report the following:

- we verified compliance with the law and the articles of association;
- we obtained quarterly reports from the Directors, 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;
- in accordance with our responsibilities, we 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 special observations to make;
- we verified, pursuant to art. 149, paragraph 1.c-*bis* of the Consolidated Finance Act ("CFA") the actual procedures used in implementing the corporate governance rules contained in Atlantia's Corporate Governance Code;
- we verified the adequacy of the guidelines communicated by the Company to its subsidiaries pursuant to article 114, paragraph 2 of Legislative Decree 58/1998.

  In this regard, it should be noted that the shareholder, Sintonia SA (a subsidiary of Edizione Srl) directly (with an 8.965% interest) and indirectly, through Schemaventotto SpA (which holds 33.283%), holds a relative majority (42.248%) of the issued capital of Atlantia SpA, holding sufficient voting rights to exercise dominant influence at the ordinary general meetings of Atlantia SpA's shareholders, pursuant to art. 2359 of the Italian Civil Code, as referred to by art. 2497-sexies of the Code. Nevertheless, as already noted in our report to last year's Annual General Meeting, and as stated in the "Annual report on Corporate Governance and the Ownership Structure", published on Atlantia's website, a specific joint declaration sent to Atlantia on 12 March 2009 by Sintonia SA and Schemaventotto SpA states that the pre-existing circumstances and structure of group relations have not changed. This means that neither Sintonia SA nor Schemaventotto SpA has ever exercised management and coordination of Atlantia or of the Group of which it is the Parent Company. Moreover, the declaration confirmed and left unchanged the information and explanations approved by the Board of Directors of Schemaventotto SpA and communicated to Atlantia in the past, in order to permit the latter, in its role as a holding company, to independently exercise management and coordination of its direct and indirect subsidiaries.

  Finally, on 20 March 2009 Atlantia's Board of Directors thus issued an attestation stating that Atlantia is not subject to the management and coordination of either Sintonia SA or Schemaventotto SpA.

Therefore, as stated in the "Annual report on Corporate Governance and the Ownership Structure", given that there have not been any further announcements or changes in the relevant facts, the basis for considering Atlantia as not subject to management and coordination by its parents, Sintonia SA and Schemaventotto SpA, is deemed to be unchanged.
With reference, instead, to relations between Atlantia and its subsidiary, Autostrade per l'Italia, as noted in our report to last year's Annual General Meeting, and as stated in the "Annual report on Corporate Governance and the Ownership Structure", at its meeting of 14 February 2008, Atlantia's Board of Directors acknowledged, based on the evidence, that Autostrade per l'Italia was subject to the management and coordination of Atlantia. In this regard, as noted in our report to last year's Annual General Meeting, and as stated in the "Annual report on Corporate Governance and the Ownership Structure", following the Group's restructuring in 2007, Atlantia is a holding company responsible for investments and portfolio strategies, capable of supporting growth in the infrastructure and network management sector, but without having any direct operational role, which has been assigned to the subsidiary, Autostrade per l'Italia SpA, as an operating parent company in the motorway sector. At its meeting of 14 December 2007, the Board of Directors, partly as a consequence of the new Corporate Governance Code, assigned Autostrade per l'Italia SpA responsibility for management and coordination of the motorway concessionaires and industrial companies it controls. As a result, Autostrade per l'Italia's subsidiaries have complied with the requirements of art. 2497-*bis* of the Italian Civil Code;

- we 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, the Board of Directors makes use of the Internal Control and Corporate Governance Committee, in addition to one or more staff with responsibility for internal controls, who operate with an adequate level of independence and are suitably equipped to carry out their role. These members of staff are the heads of the Internal Audit and Risk Management departments, who report on their activities to the Chairman, Chief Executive Officer, the Internal Control and Corporate Governance Committee and the Board of Statutory Auditors.
In particular, during our periodic meetings with the heads of the Internal Audit and Risk Management departments, 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 department, which is responsible for overseeing the management of risk at Group level via correct implementation and development of the COSO Enterprise Risk Management (ERM), a methodological framework that Atlantia adopted 5 years ago to identify, measure, manage and monitor the risks inherent in the Company's current Business Risk Model (compliance, regulatory and operational risks). The Risk Management department also provides the necessary support to departments in reviewing the design of the internal control system and monitoring implementation of the resulting changes.
Moreover, as stated in the "Annual report on Corporate Governance and the Ownership Structure", published on Atlantia's website, pursuant to art. 33 of the Articles of Association, which is in compliance with the provisions of art. 154-*bis* of the CFA, in 2010 the new Board of Directors, subject to the approval of the Board of Statutory Auditors, confirmed the appointment of the Chief Financial Officer (CFO) as the manager responsible for financial reporting until the conclusion of the Board of Directors' term of office.

With reference to the oversight required by art. 19 of Legislative Decree 39/2010, relating to financial reporting, we 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 updated in 2010. 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 Risk Management and Internal Audit) and a leading firm of specialist consultants, using a programme designed to monitor the control and governance environment, as well as key controls at process level of the significant entities and processes.

The results of this process were verified by us during our periodic meetings with the manager responsible for financial reporting.

On 11 March 2011 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 and added to.

As stated in the "Annual report on Corporate Governance and the Ownership Structure", published on Atlantia's website, at its meeting of 18 February 2011 the Board of Directors, having taken note of the preparatory analysis carried out by the Internal Control and Corporate Governance Committee regarding the in-depth report provided by the various people responsible for implementing the internal control system (the persons responsible for Internal Control, the Supervisory Board and the manager responsible for financial reporting), adjudged the internal control system, taken as a whole, to be adequate, effective and effectively functional.

Finally, compliance of the process used in publishing price sensitive information with the Company's procedure for "Market announcements" was also verified;

- we 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 auditors;
- we held meetings with representatives of the independent auditors, pursuant to art. 150, paragraph 2 of Legislative Decree 58/98, and no significant information that should be included in this report has come to light;
- with regard to the provisions of art. 19 of Legislative Decree 39/2010, we oversaw the audit of the annual and consolidated accounts, obtaining detailed information, during meetings with the independent auditors, on the audit plan for 2010, significant aspects of the consolidated financial statements for 2010 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 persons responsible for Internal Control;
- the Chairman of the Board of Statutory Auditors, or another Statutory Auditor delegated to attend, participated in the meetings of Internal Control and Corporate Governance Committee. In addition, 8 joint meetings were organised with the Committee to discuss a number of important issues relating to: the internal control system, the changes introduced by Legislative Decree 39/2010, the corporate governance system, and related party transactions;

- with regard to the provisions of art. 3 of Legislative Decree 37 of 6 February 2004, which has introduced a series of changes to Legislative Decree 58/98, including the provision in the second paragraph of art. 151, giving the Parent Company's Board of Statutory Auditors the opportunity to exchange information with the corresponding bodies within its subsidiaries, we have obtained information from the board of statutory auditors of Autostrade per l'Italia, a subsidiary over which Atlantia exercises management and coordination, regarding its activities during the year and the steps taken by the board of statutory auditors of Autostrade per l'Italia to monitor the activities of the boards of statutory auditors of the subsidiaries over which Autostrade per l'Italia exercises management and coordination;
- we verified the absence of atypical and/or unusual transactions, including intercompany or related party transactions;
- we assessed the adequacy of the information provided in the management report on operations, regarding the absence of atypical and/or unusual transactions, including intercompany or related party transactions;
- as stated in the "Annual report on Corporate Governance and the Ownership Structure", published on the Company's website, in compliance with CONSOB Resolution 17221 of 2010, and with the prior approval of the Independent Directors on the Related Party Transactions Committee (established on 21 October 2010), dated 8 November 2010, and the prior approval of the Internal Control and Corporate Governance Committee, dated 10 November 2010, and following the Board of Statutory Auditors' positive assessment of the Procedure's compliance with the Standards contained in the CONSOB Resolution, dated 10 November 2010, on 11 November 2010 Atlantia's Board of Directors approved the new Procedure for Related Party Transactions.
  The new procedure, which from 1 January 2011 has replaced the previously adopted standards for conducting Atlantia's related party transactions, defines the scope of application of the rules governing related party transactions (transactions of greater and lesser significance and transactions within the purview of the general meeting), the related cases of exclusion, and the procedures for drawing up and updating the list of related parties;
- we verified that related party or intercompany transactions were of an ordinary or recurring nature, in relation to which we report the following:
  - intercompany transactions, whether of a trading or financial nature, between the Parent Company and its subsidiaries were all conducted on an arm's length basis, according to the terms and conditions of contractual agreements. Such transactions are adequately described in the Annual Report. In particular, the section, "Related party transactions", in the report on operations provides details of transactions between the Group and Atlantia and their related parties. Related party transactions did not include atypical and/or unusual transactions and during 2010 neither the Group nor Atlantia SpA engaged in material transactions with Atlantia's direct or indirect parents;
  - with reference to the Atlantia Group's related party transactions, the section, "Related party transactions", in the report on operations states that in compliance with IAS 24, the Autogrill group, which is under the common control of Edizione Srl, is classified as a related party. Moreover, with regard to relations between the Atlantia Group's motorway operators and the Autogrill group, it should be noted that, as at 31 December 2009, Autogrill holds 140 (134 excluding Strada dei Parchi) food service concessions for service areas along the Group's motorway network (including 128 granted by Autostrade per l'Italia SpA, of which 3 operated as part of temporary consortia with other operators). In 2010 the Group earned revenues of approximately €77.8 million (of which €73.7 million attributable to Autostrade per l'Italia SpA) on transactions with Autogrill, including €0.8 million in the form of non-recurring income from the transfer free of charge of buildings located at

service areas (following expiry of the related sub-concessions) and €77.0 million in royalties deriving from management of service areas (of which €64.6 million attributable to Autostrade per l'Italia). Recurring income is generated by contracts entered into over the years, of which a large part was entered into after transparent and non-discriminatory competitive tenders. With regard to the process of awarding food service concessions, as you have been informed in the Board of Statutory Auditors' reports for previous years, it should be noted that Antitrust Authority Ruling 8009 of 2 March 2000, relating to clearance for the purchase of a controlling interest in Autostrade (now Atlantia) by Edizione Holding, laid down that the execution of such activities be entrusted to an external entity which, acting as "Adviser", would have the task of independently managing competitive tenders, including drawing up the requirements for participation, the parameters for awarding the related contracts and publishing all the relevant information. KPMG was retained as the Adviser in 2001. Roland Berger Strategy Consultants has performed this role since 1 June 2003;

– with reference to Atlantia's related party transactions, the section, "Related party transactions", in the report on operations states that the Company primarily engages in transactions with its subsidiary, Autostrade dell'Italia, over which it exercises management and coordination.
  As at 31 December 2010 the Company had granted medium/long-term loans with a total face value of €9,649.2 million to Autostrade per l'Italia (representing an increase of €1,500.00 million on 2009) on the same terms as those applied to Atlantia's bank borrowings, increased by a spread that takes account of the cost of managing the loans. A portion of these loans is hedged against interest rate risk through the use of specific derivative financial instruments, which have also been entered into with Autostrade per l'Italia (as at 31 December 2010 fair value gains on these instruments amounted to €150.4 million).
  Atlantia 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 €196.7 million as at 31 December 2010.
  Finally, as a result of the tax consolidation arrangement headed by Atlantia, the statement of financial position as at 31 December 2010 includes current tax assets and liabilities due from and to Group companies of €14.4 million and €6.9 million.
  Details of the impact of related party transactions on the Group's results of operations and the financial position as at and for the year ended 31 December 2010 are provided in note 10.4 to the consolidated financial statements, whilst details of the impact of related party transactions on Atlantia's results of operations and financial position as at and for the year ended 31 December 2010 are provided in note 7.2 to the separate financial statements;
– with regard to Directors, Statutory Auditors and General Managers, a special schedule covering the type and amounts of remuneration is annexed to the financial statements in compliance with the Regulations implementing Legislative Decree 58 of 24 February 1998, as adopted by CONSOB Resolution 11971 of 14 May 1999 and subsequent amendments;

• we note that, as described in the Introduction to the section "Consolidated financial review" in the report on operations, the Company has presented the reclassified consolidated income statement, the statement of changes in consolidated equity, the consolidated statement of comprehensive income and the statement of changes in consolidated net debt for the year ended 31 December 2010, and the reclassified consolidated balance sheet as at 31 December 2010, which include comparative amounts for the previous year, prepared under the international

financial reporting standards (IFRS) issued by the International Accounting Standards Board, endorsed by the European Commission, and in force at 31 December 2010.
Compared with the accounting standards applied in preparing the consolidated financial statements for the previous year, the Group has adopted the new interpretation IFRIC 12 "Service Concession Arrangements". The Group has, therefore, calculated the impact of adoption of the new interpretation with effect from the beginning of the comparative financial year (1 January 2009) and in respect of all comparative amounts included in the financial statements as at and for the year ended 31 December 2010. Note 4 "Impact of IFRIC 12 adoption on the Group's consolidated financial statements" in the consolidated financial statements provides details of the criteria used by the Group in applying the interpretation and of the impact of IFRIC 12 adoption on the consolidated financial statements for prior periods used as the basis for comparison, and includes comparisons of amounts in the consolidated financial statements before and after IFRIC 12 adoption as at 1 January 2009 and 31 December 2009 and for the year ended 31 December 2009. The basis of consolidation is unchanged with respect to the previous year. However, the contributions to the income statement and statement of cash flows for the comparative period of the companies acquired from the Itinere group at the end of June 2009 are limited to just the second half of 2009, as opposed to the full year in 2010. Where material, the review of the consolidated results of operations shows the impact of the different period of contribution to changes in amounts in the financial statements.
The reclassified financial statements described in the introduction to the "Consolidated financial review" have not been independently audited. The above introduction describes the differences compared with the statutory financial statements presented in the section "Consolidated financial statements";

- the accounts have been submitted to the required controls by the independent auditors KPMG SpA, which, during periodic meetings with the Board, had nothing to report on this matter;
- we checked that no complaints have been lodged under art. 2408 of the Italian Civil Code, and no petitions of any kind have been presented;
- we note that the "Corporate Governance Code" approved by the Company's Board of Directors on 14 December 2007 (the full text of the Code is available on the Company's website) substantially applies the standards and criteria in Borsa Italiana SpA's Corporate Governance Code of March 2006, with the exception of certain aspects and exemptions described in the Code itself, having taken account of the changes resulting from the Group's reorganisation in 2007;
- we note that the "Annual Report on Corporate Governance and the Ownership Structure", the full text of which is available on the Company's website, 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;
- we note that during 2009, Atlantia's Supervisory Board oversaw a review of the organisational, management and control model adopted by Atlantia SpA, pursuant to Legislative Decree 231/2001, identifying, with the help of an expert in criminal law, the necessary measures to be taken as a result of changes in legislation and in the Company's organisational structure. On 16 December 2010 the Company's Board of Directors approved the updated version of the Organisational Model as at 30 November 2010;
- we verified, also with reference to the provisions of art. 19 of Legislative Decree 39/2010, the independence of the independent auditors, KPMG, checking the nature and entity of any services other than auditing provided to Atlantia and its subsidiaries by the auditors, and by entities belonging to its network.

We also verified that, in compliance with the requirements of art. 149-duodecies of CONSOB Resolution 11971/1999, containing the Regulations for Issuers, that details of the type of services provided to Atlantia and its subsidiaries by the independent auditors, KPMG, and companies belonging to the KPMG network, together with the related fees, have been provided in an annex to the consolidated financial statements.

The following fees were paid by the Atlantia Group to the independent auditors, KPMG, and companies belonging to the KPMG network:

– audit €1,372 thousand
– audit-related services €660 thousand
– tax advice (to subsidiaries, by the KPMG network) €76 thousand

making a total of €2,108 thousand.

We therefore deem that the independent auditors, KPMG, meet the requirements for independence;

- we note that in the section "Other information" of the report on operations it is stated that the Company, in accordance with the Data Protection Act (Legislative Decree 196/2003, annex B, point 26), has updated its Security Planning Document for 2010;
- with regard to the provisions of art. 149 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*", taking account of the fact that art. 15, paragraph 2 of the Corporate Governance Code approved by Atlantia's Board of Directors on 14 December 2007, 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 16 September 2010 the Board of Statutory Auditors checked that all the Statutory Auditors meet the independence requirements;
- we checked, pursuant to art. 15, paragraph 6 of Atlantia's Corporate Governance Code, the correct application of the assessment criteria and procedures used by the Board of Directors in assessing the independence of the Directors, Alberto Bombassei, Alberto Clô, Carlo Malinconico, Giuliano Mari and Antonino Turicchi, announcing the result of their assessment to the market, via the relevant department;
- during the year the Board of Statutory Auditors issued its opinion, pursuant to art. 154-*bis* of the CFA and art. 33 of the Articles of Association, on the confirmation of the CFO as the manager responsible for financial reporting on 14 April 2010;
- we examined the financial statements as at and for the year ended 31 December 2010, the consolidated financial statements and the report on operations, with regard to which we state the following:
  – in view of the fact that it is not our responsibility to audit the financial statements, we 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; we have no particular observations to make in this regard;
  – we verified compliance with the laws governing preparation of the management report on operations and have no particular observations to make in this regard;
  – to the best of our knowledge, in preparing the financial statements, the Directors did not elect to apply any of the exemptions permitted by art. 2433, paragraph 4 of the Italian Civil Code;

- we 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;
- we note that the report on operations includes a section "Significant regulatory aspects", in which the Directors provide detailed information and their views on certain events in 2010, including reference to their potential implications for the future. In particular, full and extensive information is provided on:
  - Single concession arrangement for Italian operators;
  - Toll increases for 2011;
  - Toll increases to be applied and passed on to ANAS;
  - Toll increases applied on behalf of ANAS;
  - Snow events in December 2010;
  - Dispute over tolls applied by Strada dei Parchi;
  - Council of State sentence regarding award of the concession to Pedemontana Veneta;
  - Other ongoing litigation;
- we note that the report on operations includes a section, "Outlook and risks or uncertainties", in which the Directors state that substantially stable traffic figures, combined with toll increases and the development of related activities, lead them to expect an improvement in the Group's operating performance in 2011 compared with the previous year. The Directors, however, emphasise that the volume of traffic using the Group's motorway network is affected by numerous macroeconomic factors, and that any resulting shift in traffic trends may have an impact on the Group's operating results or financial position;
- after also considering the report of the independent auditors, we invite the Annual General Meeting to approve the Annual Report for the year ended 31 December 2010, as prepared by the Directors.

The above audit procedures were carried out during 15 meetings of the Board, by taking part in 12 meetings of the Board of Directors, and through the participation of the Chairman of the Board of Statutory Auditors, or another Statutory Auditor delegated to attend, in meetings of the Internal Control and Corporate Governance Committee, which met on 15 occasions.

Finally, 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 omissions, frauds, irregularities or any other material events, that would require a report to be made to regulatory bodies.

25 March 2011

Marco Spadacini (Chairman)
Tommaso Di Tanno (Auditor)
Raffaello Lupi (Auditor)
Angelo Miglietta (Auditor)
Alessandro Trotter (Auditor)

Reports of the Independent Auditors

KPMG

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(Translation from the Italian original which remains the definitive version)

Report of the auditors in accordance with articles 14 and 16 of Legislative decree no. 39 of 27 January 2010

To the shareholders of
Atlantia S.p.A.

1 We have audited the consolidated financial statements of the Atlantia Group as at and for the year ended 31 December 2010, comprising the statement of financial position, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes thereto. The parent's directors are responsible for the preparation of these financial statements in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05. Our responsibility is to express an opinion on these financial statements based on our audit.

2 We conducted our audit in accordance with the auditing standards recommended by Consob, the Italian Commission for Listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement and are, as a whole, reliable. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by directors. We believe that our audit provides a reasonable basis for our opinion.

The consolidated financial statements present the prior year corresponding figures and the statement of financial position as at 1 January 2009 for comparative purposes. As disclosed in the notes, the parent's directors restated some of the corresponding figures included in the prior year consolidated financial statements and statement of financial position as at 1 January 2009, which derives from the consolidated financial statements at 31 December 2008. We audited the 2009 and 2008 consolidated financial statements and issued our reports thereon on 25 March 2010 and 3 April 2009, respectively. We have examined the methods used to restate the corresponding figures and related disclosures for the purposes of expressing an opinion on the consolidated financial statements at 31 December 2010.

KPMG

Atlantia Group
Report of the auditors
31 December 2010

3 In our opinion, the consolidated financial statements of the Atlantia Group as at and for the year ended 31 December 2010 comply with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05. Therefore, they are clearly stated and give a true and fair view of the financial position of the Atlantia Group as at 31 December 2010, the results of its operations and its cash flows for the year then ended.

4 The directors of Atlantia S.p.A. are responsible for the preparation of a report on operations and a report on the corporate governance and shareholding structure, published in the Corporate Governance section of Atlantia S.p.A.'s website, in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the report on operations and the information required by article 123-bis.1.c/d/f/l/m and article 123-bis.2.b of Legislative decree no. 58/98 disclosed in the report on the corporate governance and shareholding structure with the financial statements to which they refer, as required by the law. For this purpose, we have performed the procedures required by the Italian Standard on Auditing 001 issued by the Italian Accounting Profession and recommended by Consob. In our opinion, the report on operations and the information required by article 123-bis.1.c/d/f/l/m and article 123-bis.2.b of Legislative decree no. 58/98 disclosed in the report on the corporate governance and shareholding structure are consistent with the consolidated financial statements of the Atlantia Group as at and for the year ended 31 December 2010.

Rome, 28 March 2011

KPMG S.p.A.

(signed on the original)

Marcella Balistreri
Director of Audit

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(Translation from the Italian original which remains the definitive version)

Report of the auditors in accordance with articles 14 and 16 of Legislative decree no. 39 of 27 January 2010

To the shareholders of
Atlantia S.p.A.

1 We have audited the separate financial statements of Atlantia S.p.A. as at and for the year ended 31 December 2010, comprising the statement of financial position, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes thereto. The company's directors are responsible for the preparation of these financial statements in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05. Our responsibility is to express an opinion on these financial statements based on our audit.

2 We conducted our audit in accordance with the auditing standards recommended by Consob, the Italian Commission for Listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the separate financial statements are free of material misstatement and are, as a whole, reliable. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by directors. We believe that our audit provides a reasonable basis for our opinion.

Reference should be made to the report dated 25 March 2010 for our opinion on the prior year separate financial statements, which included the corresponding figures presented for comparative purposes.

3 In our opinion, the separate financial statements of Atlantia S.p.A. as at and for the year ended 31 December 2010 comply with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05. Therefore, they are clearly stated and give a true and fair view of the financial position of Atlantia S.p.A. as at 31 December 2010, the results of its operations and its cash flows for the year then ended.

KPMG

Atlantia S.p.A.
Report of the auditors
31 December 2010

4 The directors of Atlantia S.p.A. are responsible for the preparation of a report on operations and a report on the corporate governance and shareholding structure, published in the Corporate Governance section of Atlantia S.p.A.'s website, in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the report on operations and the information required by article 123-bis.1.c/d/f/l/m and article 123-bis.2.b of Legislative decree no. 58/98 disclosed in the report on the corporate governance and shareholding structure with the financial statements to which they refer, as required by the law. For this purpose, we have performed the procedures required by the Italian Standard on Auditing 001 issued by the Italian Accounting Profession and recommended by Consob. In our opinion, the report on operations and the information required by article 123-bis.1.c/d/f/l/m and article 123-bis.2.b of Legislative decree no. 58/98 disclosed in the report on the corporate governance and shareholding structure are consistent with the separate financial statements of Atlantia S.p.A. as at and for the year ended 31 December 2010.

Rome, 28 March 2011

KPMG S.p.A.

(signed on the original)

Marcella Balistreri
Director of Audit

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Key performance indicators for subsidiaries, associates and joint ventures

Key performance indicators for subsidiaries, associates and joint ventures pursuant to art. 2429, paragraphs 3 and 4 of the Italian Civil Code

The figures presented below have been extracted from the most recent financial statements to be approved by the boards of directors of Atlantia's subsidiaries, associates and joint ventures. The end of the annual reporting period for these companies is 31 December of each year, with the exception of Pune Solapur Expressways Private Ltd., which ends its financial year on 31 March of each year.
Autostrade per l'Italia SpA, Autostrade Mazowsze SA and Autostrade for Russia GmbH prepare their financial statements in accordance with international financial reporting standards, whereas the other companies prepare their financial statements under local GAAP.

Subsidiaries

Autostrade per l'Italia SpA

Highlights (€000)	31.12.2010	31.12.2009
Non–current assets	17,895,774	17,821,290
Current assets	3,890,821	2,433,281
Total assets	**21,786,595**	**20,254,571**
Equity	1,958,488	1,866,929
of which issued capital	*622,027*	*622,027*
Liabilities	19,828,107	18,387,642
Total equity and liabilities	**21,786,595**	**20,254,571**

Results of operations (€000)	2010	2009
Operating income	3,753,674	3,273,422
Operating costs	–2,200,780	–1,776,977
Operating profit	1,552,894	1,496,445
Profit/(Loss) for the year	**586,175**	**459,114**

Autostrada Mazowsze SA

Highlights (€000)	31.12.2009	31.12.2008
Non–current assets	2	15
Current assets	294	951
Total assets	**296**	**966**
Equity	94	320
of which issued capital	*2,923*	*2,167*
Liabilities	202	646
Total equity and liabilities	**296**	**966**

Results of operations (€000)	2009	2008
Operating income	2	–
Operating costs	–912	–1,623
Operating profit	–910	–1,623
Profit/(Loss) for the year	**–910**	**–1,596**

TowerCo SpA

Highlights (€000)	31.12.2010	31.12.2009
Non–current assets	24,397	26,062
of which non–current investments	–	–
Current assets	9,639	9,622
Other assets	67	73
Total assets	**34,103**	**35,757**
Equity	26,329	25,557
of which issued capital	*20,100*	*20,100*
Provisions and post–employment benefits	258	238
Borrowings	7,161	9,879
Other liabilities	355	83
Total equity and liabilities	**34,103**	**35,757**

Results of operations (€000)	2010	2009
Value of production	18,625	17,889
Cost of production	–10,986	–10,964
Operating profit	7,639	6,925
Profit/(Loss) for the year	**5,205**	**4,666**

Mizard Srl

Highlights (€000)	31.12.2010	31.12.2009
Non-current assets	–	–
of which non–current investments	–	–
Current assets	6	8
Other assets	–	–
Total assets	**6**	**8**
Equity	6	7
of which issued capital	*10*	*10*
Provisions and post–employment benefits	–	–
Borrowings	–	–
Other liabilities	–	1
Total equity and liabilities	**6**	**8**

Results of operations (€000)	2010	2009
Value of production	–	–
Cost of production	–1	–1
Operating profit	–1	–1
Profit/(Loss) for the year	**–1**	**–1**

Joint ventures

Autostrade for Russia GmbH

Highlights (€000)	31.12.2010	31.12.2009
Non–current assets	379	379
Current assets	2,094	930
Total assets	**2,473**	**1,309**
Equity	1,547	423
of which issued capital	*60*	*60*
Liabilities	926	886
Total equity and liabilities	**2,473**	**1,309**

Results of operations (€000)	2010	2009
Operating income	-	-
Operating costs	–10	–28
Operating profit	–10	–28
Profit/(Loss) for the year	**20**	**–11**

Pune Solapur Expressways Private Ltd.

Highlights (€000)	31.12.2010
Non–current assets	817,253
Current assets	114,095
Total assets	**931,348**
Equity	518,028
of which issued capital	*12,096*
Liabilities	413,320
Total equity and liabilities	**931,348**

Results of operations (€000)	2010
Operating income	3,195
Operating costs	–868
Operating profit	2,328
Profit/(Loss) for the year	**2,328**

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Shareholders’ resolutions

Shareholders' resolutions

The Annual General Meeting (AGM) of Atlantia SpA's shareholders, held in ordinary and extraordinary session and in second call at the Company's registered office at via Antonio Nibby, 20 in Rome on 20 April 2011, passed resolutions on the following

Agenda

Ordinary session:

1. Financial statements for the year ended 31 December 2010. Reports of the Board of Directors, the Board of Statutory Auditors and the Independent Auditors. Appropriation of profit for the year. Presentation of the consolidated financial statements for the year ended 31 December 2010. Related and resulting resolutions.
2. Changes to the 2009 Share Option Plan following bonus issues and an increase in the number of plan Options. Related and resulting resolutions.
3. New long-term incentive plans in the form of share-based payments, consisting of share options and/or share grants for executive directors and managers of the Company and its direct and indirect subsidiaries. Related and resulting resolutions.
4. Authority, pursuant and for the purposes of articles 2357 et seq. of the Italian Civil Code, article 132 of Legislative Decree 58 of 24 February 1998 and article 144-*bis* of the CONSOB Regulations adopted with Resolution 11971 as subsequently amended, to purchase and sell treasury shares, subject to prior revocation of the unused portion of the authority granted by the General Meeting of 14 April 2010. Related and resulting resolutions.

Extraordinary session:

1. Bonus issue, pursuant to article 2442 of the Italian Civil Code, with a par value of €30,014,857.00, via the issue of 30,014,857 new ordinary shares, ranking equally in all respects with the existing issued ordinary shares, within the limits represented by distributable reserves. This will require the amendment of art. 6 of the Articles of Association. Related and resulting resolutions.
1. Proposed amendment of articles 12, 14, 16, 20, 27, 28 and 32 of the Articles of Association and the addition of a new art. 34, with the resulting renumbering of the following articles. Related and resulting resolutions.

Ordinary session:

With regard to item 1) on the agenda the shareholders resolved:
- to approve the Board of Directors' management report on operations and the financial statements for the year ended 31 December 2010, which report profit for the year of €509,898,117;

- to appropriate the remaining €301,070,543 in profit for the year, after payment of the interim dividend of €208,827,574 in 2010, to:
  1. pay a final dividend of €0.391 per share for 2010, payable to holders of each of the shares with a par value €1.00 outstanding at the ex dividend date, excluding treasury shares held in portfolio at that date. The total value of the final dividend, based on the number of shares outstanding (588,246,688) and of treasury shares in portfolio (12,050,447), is estimated at €230,004,455;
  2. take the remaining profit for the year, after payment of the final dividend, to the extraordinary reserve. This amount, based on the number of shares outstanding at the ex dividend date, is estimated at €71,066,088;
- to establish the dividend payment date as 26 May 2011 and the ex dividend date as 23 May 2011.

With regard to item 2) on the agenda the shareholders resolved:

- to revise the exercise price for the options granted at the Board of Directors' meeting of 8 May 2009 from €12.966 to €12.349 and the Exercise Price of the Options granted at the Board of Directors' meeting of 16 July 2009 from €13.999 to €13.332;
- to authorise the Board of Directors to grant the beneficiaries of the options granted at the Board of Directors' meeting of 8 May 2009 1 new option for every 20 options previously granted, at an exercise price of €12.349;
- to authorise the Board of Directors to grant the beneficiaries of the options granted at the Board of Directors' meeting of 16 July 2009 1 new option for every 20 options previously granted, at an exercise price of €13.332;
- to add a clause to the SOP Terms and Conditions extending the authority granted by the AGM of 23 April 2009 and grant the Board of Directors full authority, independently and without the need for further approval by a general meeting of the Company's shareholders, to make any necessary changes in the event of any further extraordinary corporate actions by the Company, provided that the changes are in line with market practice for similar transactions, thereby amending the Terms and Conditions on the basis of the Board of Directors' proposal;
- to increase the maximum number of options to be granted under the SOP Terms and Conditions by a number of options amounting to 111,956 following the purchase of a further 111,956 of the Company's ordinary shares currently held as treasury shares and purchased by the Company in execution of the shareholder resolution of 14 April 2010;
- to authorise the Board of Directors to grant 76,476 options to the Chairman, Mr. Fabio Cerchiai, at an exercise price of €15.079;
- to grant the Board of Directors, with the authority to sub-delegate, the broadest powers necessary or appropriate to proceed with the full implementation of these resolutions and to disclose to the market all the required details, and to prepare and/or finalise any document which might be necessary or appropriate in relation to same, pursuant to the applicable legislative and regulatory provisions.

With regard to item 3) on the agenda the shareholders resolved:

- to approve, for the intents and purposes of article 114-*bis* of the Consolidated Finance Act, the adoption of a share option incentive plan (the "2011 SOP") for certain employees and/or directors with key roles within the Company and its Subsidiaries, as selected by the Board of Directors (with any interested parties abstaining from time to time), on the proposal of the Human Resources Committee, from among key management personnel within the Group with respect to the creation of value in conformity with the guidelines set out in the Board of Directors's report (and the appended information memorandum) as attached to these minutes under "A", authorising the Board of Directors to finalise the terms and conditions cited in the text in conformity with these guidelines;

- to approve, for the intents and purposes of article 114-*bis* of the Consolidated Finance Act, the adoption of a share grant incentive plan (the "SGP") for certain employees and/or directors with key roles within the Company and its Subsidiaries, as selected by the Board of Directors (with any interested parties abstaining from time to time), on the proposal of the Human Resources Committee, from among key management personnel within the Group with respect to the creation of value in conformity with the guidelines set out in the Board of Directors's report (and the appended information memorandum) as attached to these minutes under "A", authorising the Board of Directors to finalise the terms and conditions cited in the text in conformity with these guidelines;
- to approve, for the intents and purposes of article 114-*bis* of the Consolidated Finance Act, the adoption of a share grant incentive plan (the "SGMBO") for certain employees and/or directors with key roles within the Company and its Subsidiaries, as selected by the Board of Directors (with any interested parties abstaining from time to time), on the proposal of the Human Resources Committee, from among the employees of the Company and Subsidiaries participating in the Management By Objectives scheme ("MBO") as adopted by the Group in conformity with the guidelines set out in the Board of Directors's report (and the appended information memorandum) as attached to these minutes under "A", authorising the Board of Directors to finalise the terms and conditions cited in the text in conformity with these guidelines;
- to grant the Board of Directors, with the authority to sub-delegate, the broadest powers necessary or appropriate to proceed with the full implementation of 2011 SOP, the SGP and the SGMBO and to disclose to the market all the required details; to prepare and/or finalise any document which might be necessary or appropriate in relation to same, pursuant to the applicable legislative and regulatory provisions, as well as, in general, to execute these resolutions.

With regard to item 4) on the agenda the shareholders resolved:

- following revocation of the unexecuted part of the previous shareholder resolution of 14 April 2010, to authorise, pursuant and for the purposes of articles 2357 *et seq.* of the Italian Civil Code, article 132 of Legislative Decree 58 of 24 February 1998 and article 144-*bis* of the CONSOB Regulation adopted with Resolution 11971 as subsequently amended, the purchase in the market, within the next 18 months, in one or more tranches and at any time, of up to 60,029,713 ordinary treasury shares, all with a par value of €1.00 each, including any and all of the 12,050,447 treasury shares purchased by the Company and not yet sold in execution of the previous authority granted by shareholders;
- to authorise, subject to obtaining adequate financial resources for the Company's future plans and investment programmes, the purchase in question at a price not less than 20% below and not more than 20% above the official price of Atlantia's shares recorded by Borsa Italiana SpA on the prior trading day, and in any case in accordance with the procedures, terms and requirements that, though they may vary from the foregoing, are in keeping with accepted market practice, in accordance with rules and regulations issued by the CONSOB from

time to time. Pursuant to article 2357-*ter* of the Italian Civil Code, the Company will transfer, as required and depending on the amounts of shares to be repurchased, an aggregate amount of up to €1,250,000,000 from the "Extraordinary reserve" to the undistributable "Reserve for the purchase of treasury shares";

- to authorise, pursuant to and for the purposes of article 2357-*ter* of the Italian Civil Code, the sale and/or use of all the treasury share held by the Company, including prior to reaching the maximum amount for purchases authorised by this resolution, in full or in part, and of the treasury shares purchased in accordance with this resolution, including in this authority the sale and/or use of any shares purchased on the basis of previous shareholder resolutions and held by the Company at the date of today's resolution, in one or more tranches and at any time, as well as for exchanges or contributions, or also for extraordinary corporate actions or financing transactions or incentives that imply the allocation or grant of treasury shares (for example, in relation to financial instruments convertible into shares, convertible bonds, bonds or warrants, share option plans, share grants and incentives for employees or external consultants of the Company and the Group), in all cases under terms and conditions to be determined by the Board of Directors, including beyond the term for validity of this authority, and in any case in accordance with procedures, terms and requirements in keeping with accepted market practice and in accordance with rules and regulations issued by the CONSOB from time to time;
- to authorise the Board of Directors to establish on each occasion the criteria for determining the related price and/or the procedures, terms and conditions for using all the treasury shares held by the Company, including any shares held at the date of today's resolution, taking account of the method of implementation actually employed, the price performance of the shares over the period prior to the transaction and the best interests of the Company. Should all or a part of the treasury shares purchased and/or held be disposed of, the existing undistributable "Reserve for share the purchase of treasury shares" will be released in part or in full to the "Extraordinary reserve";
- to grant the Board of Directors, and on its behalf the Chairman and Chief Executive Officer, acting either jointly or severally, all the necessary powers to effect the purchases, sales and uses of all the treasury shares held by the Company and, in any event, to implement the above resolutions, including via the use of powers of attorney, in compliance with any relevant regulatory requirements.

Extraordinary session:

With regard to item 1) on the agenda the shareholders resolved:

- to approve the proposed bonus issue, pursuant to article 2442 of the Italian Civil Code, amounting to a total par value of €30,014,857.00 via the issue of 30,014,857 ordinary shares, ranking equally in all respects with the existing issued ordinary shares, via the capitalisation of a corresponding portion of the Extraordinary reserve, with the allotment to shareholders of 1 new share for every 20 shares held;
- to allot the shares deriving from the bonus issue, following the ex dividend date for the dividend for 2011, on the first available date — based on Borsa Italiana SpA's calendar — in June of this year, effective for the purpose of dividend rights from 1 January 2011;
- to then amend article 6 of the Articles of Association;
- to grant the Board of Directors, and on its behalf the Chairman and Chief Executive Officer, acting either jointly or severally, all the powers necessary (i) to implement the above approved bonus issue and thus allot the bonus

shares in compliance with the applicable laws and regulations (including the timing and procedures specified in the regulations for the stock exchange managed by Borsa Italiana SpA and the related Instructions), including authority for the disposition of any fractional shares, if necessary appointing financial intermediaries, and (ii) to ensure compliance with the related legal and regulatory requirements, including the power (a) to make the necessary changes to the Articles of Association, resulting from execution of the bonus issue, as approved above; (b) to file all the above resolutions with the Companies' Register and to make any changes, additions and cancellations to the above resolutions (provide they do not alter the substance of the resolution) required on filing them with the Companies' Register; and (c) to carry out any action necessary and/or appropriate in order to comply with the regulations governing the transaction, including all documents, actions and forms of compliance required by the CONSOB or Borsa Italiana SpA, including preparation of the document required by article 57, c.1, letter e) of the Regulations for Issuers.

With regard to item 2) on the agenda the shareholders resolved:

- to amend articles 12, 14, 16, 20, 27, 28 and 32 of the Articles of Association and to add a new article 34, with the resulting renumbering of the following articles, on the basis of the Board of Directors' proposal.

Contacts

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