Atlantia

ANNUAL REPORT 2018

THE GLOBAL LEADER IN INFRASTRUCTURE

Atlantia

Annual Report 2018

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INTRODUCTION

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Statement to shareholders

The collapse of the Morandi road bridge

2018 will remain in our hearts and minds as a result of the tragic collapse of the Morandi road bridge on the A10 motorway in Genoa, which on 14 August caused the deaths of 43 people and involved our subsidiary, Autostrade per l'Italia. We should like to take this opportunity to once again express our condolences for the victims and our deepest sympathy for their families.

The authorities are currently conducting an investigation into the causes and with a view to eventually identifying those responsible.

Autostrade per l'Italia, with the full support of the Parent Company, Atlantia, immediately did everything in its power to mitigate the effects of the tragedy, working closely with the local population, government agencies and businesses, and giving full priority to its response in keeping with its role as a socially responsible company.

Autostrade per l'Italia's commitment covered all possible areas of intervention: compensation for victims' families, support for families forced to abandon their homes, help for shop owners, small businesses and firms directly or indirectly affected by the collapse of the road bridge. The subsidiary also took immediate steps to enable the rapid construction of a new road bridge and return the road network in the city of Genoa to normal. This involved making available the resources requested by the Special Commissioner in relation to the demolition and reconstruction of the bridge.

Autostrade per l'Italia has also put in place an extraordinary monitoring programme for the infrastructure along its network, carried out by its area offices, which are responsible for safety on the sections in their area. The programme was drawn up with the support of leading external consultants. The results of the checks, which were conducted in addition to those regularly carried out by Spea Engineering, once again confirmed that the motorway network operated by the subsidiary is safe.

The acquisition of Abertis

From a financial point of view, 2018 saw the Atlantia Group complete its acquisition of the Abertis group, consolidating its global leadership in the transport infrastructure sector. The acquisition of control of Abertis, which has accelerated and secured the process of international expansion successfully pursued by the Group in previous years. The deal marks a change in outlook and prospects.

The Atlantia Group is today present in 22 countries around the world, operating 14,000 kilometres of toll motorway, the airports of Fiumicino and Ciampino in Italy and the three French airports of Nice, Cannes-Mandelieu and Saint Tropez. The airports controlled by the Group handle a total of over 60 million passengers a year.

The Atlantia Group's size is unparalleled in the sector at global level: a total workforce of 31,000, revenue of €11 billion, more than €7 billion in EBITDA (with approximately 30% of EBITDA today attributable to Autostrade per l'Italia).

In addition, our global footprint and new partnership with Hochtief, resulting from the same transaction, can open the door to potential expansion into fast-growing countries in which Atlantia does not yet have a presence. This will enable us to grasp the opportunities represented by the transport needs of major urban agglomerations in North America, northern Europe and Australia by providing them with the new infrastructure to meet those needs.

Developments at other subsidiaries

With regard to our airport concessions, 2018 saw us rise to the top of the international rankings in terms of the quality of service offered by the subsidiary, Aeroporti di Roma, thanks to its performance at Fiumicino's Leonardo da Vinci airport. According to Airports Council International ("ACI"), the body that analyses comparative data for the world's major airports, during 2018 Fiumicino airport was the highest ranked airport throughout the western world (the USA plus Europe), based on passenger surveys focusing on the quality of the services on offer. In 2018, ACI also included Fiumicino in its list of the world's best airports.

As regards automated tolling systems, Telepass significantly expanded the range of services offered to its customers in 2018. Atlantia's subsidiary also boosted its presence in the European tolling services market, focusing on systems for both light and heavy vehicles and becoming number one in the sector at EU level.

Financial strength

The acquisitions of 2018 required us to find significant financial resources in order to expand the Group, whilst maintaining a solid financial position. The Group's strong cash generation will, moreover, allow us to rapidly de-leverage, enabling us to take advantage of further selective opportunities. The Group is strong and possesses significant cash reserves for the various operating platforms, with debt levels that are sustainable, as confirmed by the remaining terms of our concessions.

Operating performance

There was an improvement in our operating results in 2018, although performances varied in the different geographical areas in which the Group is present.

Motorway traffic continued to grow in 2018, with demand for mobility strongest in Chile and Poland, whilst Brazil finally appears to be picking up. Passengers using the airports operated by the Atlantia Group's subsidiaries rose 4%, driven in part by growth in long-haul traffic using Fiumicino airport.

Medium-term strategies and objectives

We have the capability to manage complex infrastructure projects and we are ready to grasp new growth opportunities around the world, leveraging the wealth of expertise present within the new Group and the synergies offered by combining Atlantia's assets with those of Abertis.

Atlantia is a solid, dynamic and diversified group, looking forward to the future and operating in a socially responsible way, and able to provide the best possible response to the needs of government bodies and customers in the many countries in which we operate.

Fabio Cerchiai
Chairman

Giovanni Castellucci
Chief Executive Officer

Milestones

1958/64

AUTOSTRADA DEL SOLE

Construction and opening of the **800-km long** Autostrade del Sole motorway (A1 Milan-Naples)

1963

EUROBOND

First Eurobond issue in the history of the capital markets

1990

TELEPASS

The **world's first** electronic tolling system

1995

USA

The first ever privately-owned toll motorway in the USA, the Dulles Greenway in Virginia

2003

UK

The M6 Toll, the **UK's first ever toll motorway**

2004

AUSTRIA

The world's first free-flow tolling system **on over 2,000 km** of motorway network

2012

BRAZIL AND CHILE

Atlantia expands its overseas presence: **in Brazil, with responsibility for over 1,500 km of network, and in Chile, with more than 300 km of network**

2013

AEROPORTI DI ROMA

Integration of Aeroporti di Roma. **Investment of €10 billion** in expansion of Fiumicino airport

2016

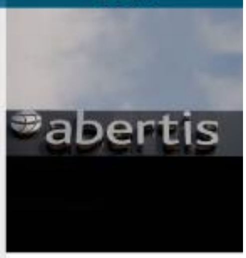
AÉROPORTS DE LA CÔTE D'AZUR

Expansion in the airports sector: **acquisition of 64% interest** in Aéroports de la Côte d'Azur

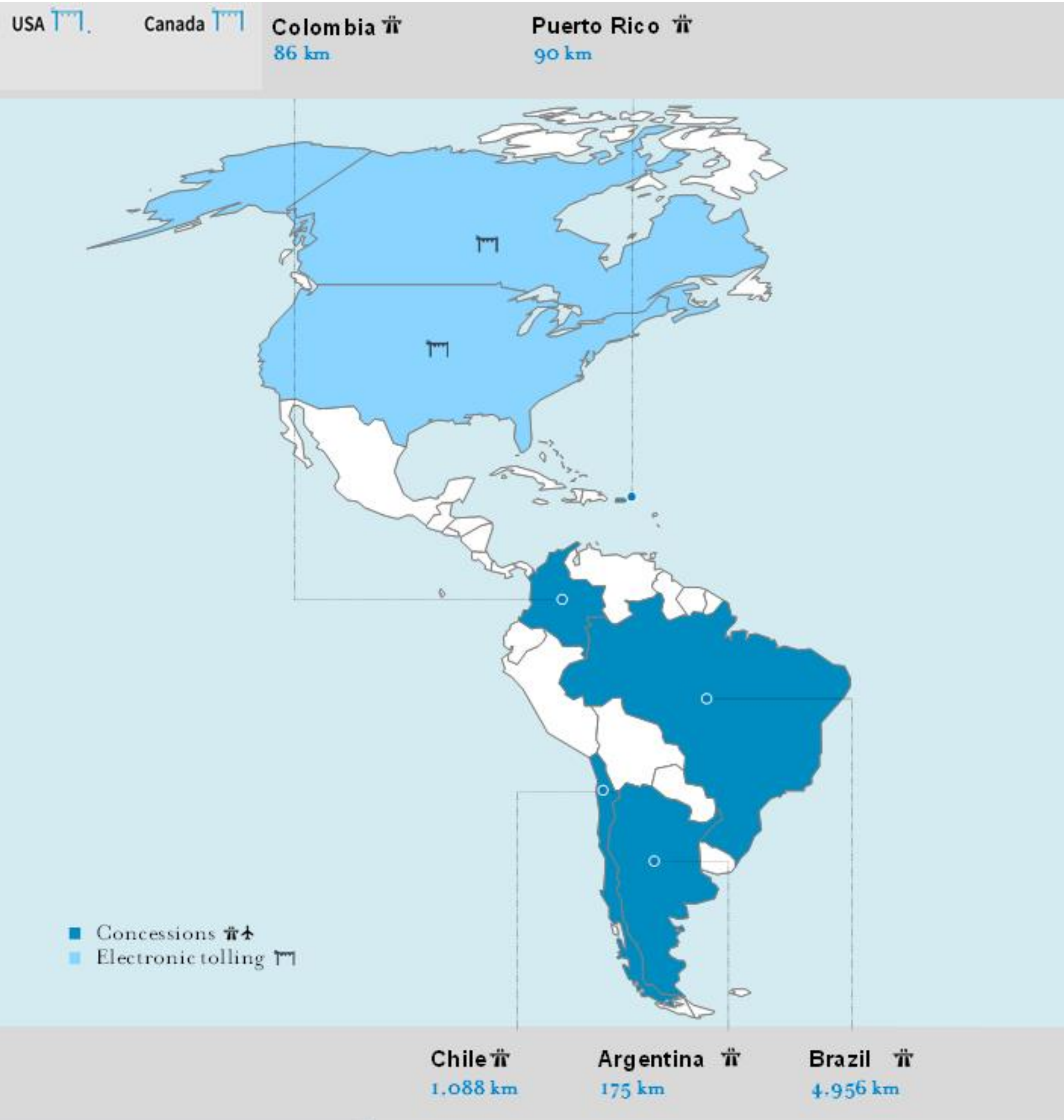
2018

ABERTIS

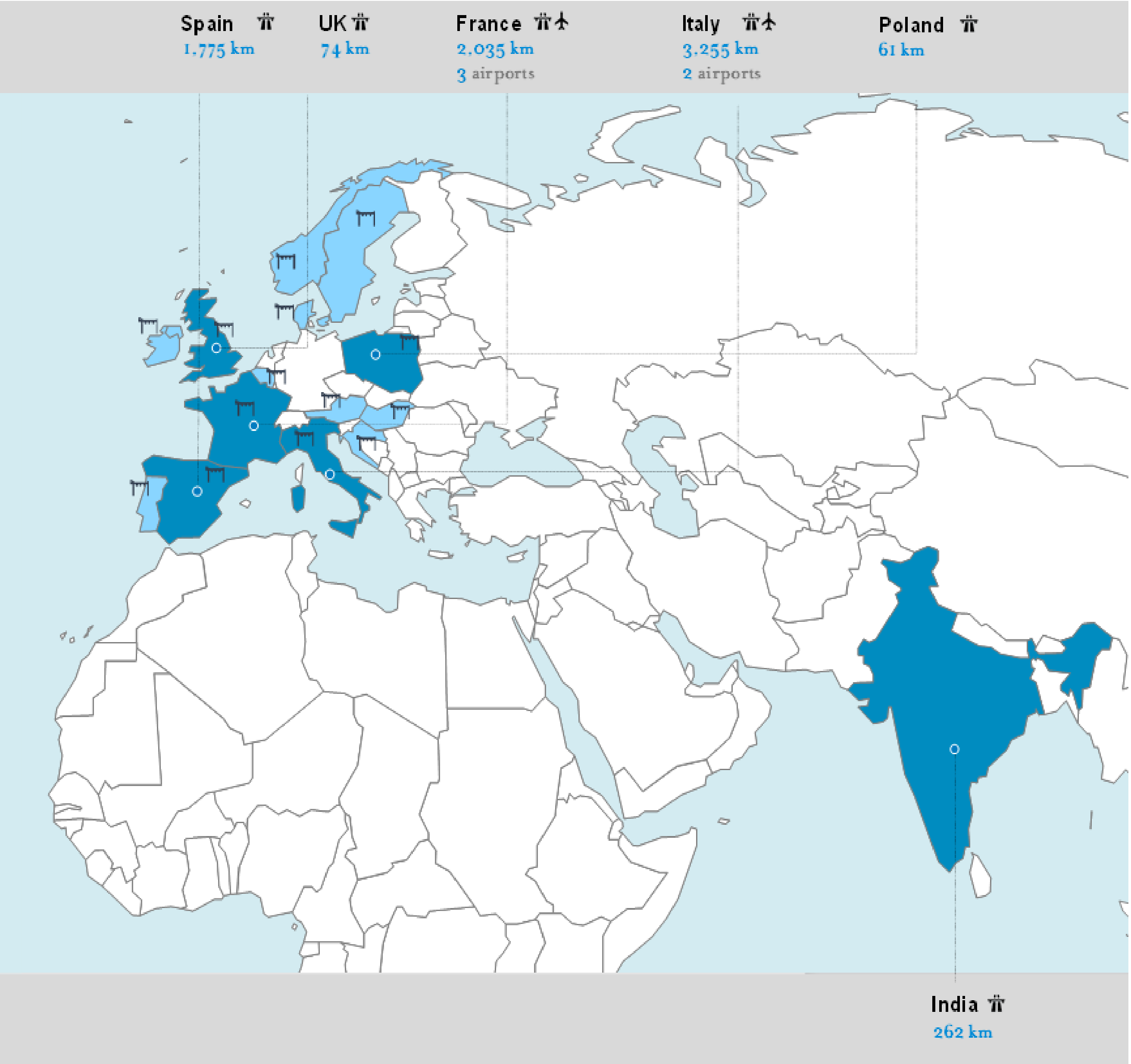
Agreement reached with ACS and Hochtief



Our global footprint[1]



[1] Includes unconsolidated operators.



Note: it includes not consolidated concession entites

The Group around the world

Atlantia's activities and concessions* (prior to Abertis group acquisition)

MOTORWAYS	INTEREST HELD BY ATLANTIA	KM	CONCESSION EXPIRY
Italy			
Autostrade per l'Italia	88.06%	2,855	2038
Società Italiana per il Traforo del Monte Bianco	44.91%	6	2050
Raccordo Autostradale Valle d'Aosta	21.54%	32	2032
Tangenziale di Napoli	88.06%	20	2037
Autostrade Meridionali (1)	51.94%	52	2012
Società Autostrada Tirrenica (2)	88.06%	55	2046
Total		**3,020**	
Poland			
Stalexport Autostrada Malopolska	61.20%	61	2027
Brazil			
AB Concessões	50.00%		
Rodovias das Colinas	50.00%	307	2028
Concessionária da Rodovia MG050	50.00%	372	2032
Triangulo do Sol Auto Estradas	50.00%	442	2021
Total		**1,121**	
Chile			
Grupo Costanera	50.01%		
Costanera Norte	50.01%	43	2033
AMB (5)	50.01%	10	2020
Litoral Central	50.01%	81	2031
Autopista Nororiente (4)	50.01%	22	2044
Vespucio Sur	50.01%	24	2032
Vespucio Oriente (AVO II) (5) (under construction)	50.01%	5	2052
Ruta 78-68 (5) (under construction)	50.01%	9	2049
Los Lagos	100%	135	2023
Total		**315**	

AIRPORTS	INTEREST HELD BY ATLANTIA	AIRPORTS	CONCESSION EXPIRY
Aeroporti di Roma	99.38%	2	2044
Azzurra Aeroporti	60.40%		
Aéroports de la Côte D'Azur	64.00%	3	2044

OTHER BUSINESSES	INTEREST HELD BY ATLANTIA	NETWORK (KM)	SECTOR OF ACTIVITY
Telepass	100%	24,100 (6)	Electronic tolling systems
Electronic Transaction Consultants	64.46%	1,134	Electronic tolling systems
Spea Engineering	97.49%		Motorway and airport infrastructure

		engineering services
Pavimental	96.89%	Motorway and airport infrastructure construction and maintenance

OTHER SIGNIFICANT INVESTMENTS	INTEREST HELD BY ATALNTIA	SECTOR OF ACTIVITY
Aeroporto di Bologna (3)	29.38%	
Getlink (3)	15.49%	Operation and management of the Channel Tunnel
Hochtief (3)	23.86%	Construction

Abertis's activities and concessions**

MOTORWAYS	INTEREST HELD BY ABERTIS	KM	CONCESSION EXPIRY
Italy			
Autostrada Brescia Padova	90.03%	236	2026
France			
Sanef	100%	1,388	2031
Sapn	100%	372	2033
Total		**1,760**	
Spain			
Acesa	100%	478	2021
Aucat	100%	47	2039
Aulesa	100%	38	2055
Aumar	100%	468	2019
Avasa	100%	294	2026
Castellana/Iberpistas	100%	120	2029
Invicat	100%	66	2021
Túnels de Barcelona	50.01%	46	2037
Total		**1,557**	
Puerto Rico			
Autopista Puerto Rico	100%	2	2044
Metropistas	51%	88	2061
Total		**90**	
Argentina			
GCO	42.87%	56	2030
Ausol	31.59%	119	2030
Total		**175**	
Brazil			
Arteris	41.97%		
Fernão Dias	41.97%	570	2033
Litoral Sul	41.97%	406	2033
Planalto Sul	41.97%	413	2033
Via Paulista	41.97%	404	2047
Régis Bittencourt	41.97%	390	2033
Intervias	41.97%	380	2028
Fluminense	41.97%	320	2033
Autovias (7)	41.97%	317	2019
Centrovias	41.97%	218	2019
Total		**3,418**	

Chile			
Vias Chile	80.53%		
Rutas del Elqui	80.53%	229	2022
Rutas del Pacífico	80.53%	141	2023
Autopistas del Sol	80.53%	133	2021
Autopista de Los Libertadores	80.53%	116	2026
Autopista de Los Andes	80.53%	92	2036
Autopista Central	76%	62	2031
Total		**773**	
India			
Trichy Tollway	100%	94	2026
Jadcherla Expressways	100%	58	2026
Total		**152**	

OTHER BUSINESSES	INTEREST HELD BY ABERTIS	SECTOR OF ACTIVITY
Abertis Mobility services (Emovis and Eurotoll)	100%	Electronic tolling systems

(*) Includes operators consolidated on a line-by-line basis.
(**) Acquired on 29 October 2019 following completion of the acquisition of 50% interest + 1 share in Abertis HoldCo..

(1) For information on the process of awarding the new concession, reference should be made to the section, "Significant regulatory aspects".
(2) A draft addendum to the concession arrangement is currently being negotiated with the Grantor.
(3) This company is not consolidated on a line-by-line basis.
(4) The concession term is estimated on the basis of agreements with the Grantor.
(5) Through its Chilean subsidiary, Grupo Costanera, Atlantia has been awarded the contract to build and operate the Amerigo Vespucio Oriente II and Conexión Vial Ruta 78-68 sections of motorway.
(6) Present in 7 European countries: Italy, Austria, Belgium, France, Poland, Portugal and Spain. From 1 March 2019, the service has also been extended to Germany and Scandinavia (Denmark, Norway and Sweden).
(7) On expiry of its concession term, this company will be merged with Via Paulista and the overall term will expire in 2047.

Consolidated financial highlights

€M	2018[1]	2017
Operating revenue[2]	6,916	5,966
Toll revenue	4,992	4,195
Aviation revenue[2]	834	792
Other operating income	1,090	979
Gross operating profit (EBITDA)[3]	3,768	3,679
Adjusted gross operating profit (EBITDA)[3]	3,888	3,777
Operating profit (EBIT)	2,243	2,578
Profit/(Loss) befoe tax from continuing operations	1,519	2,065
Profit for the year	1,083	1,432
Profit attributable to owners of the parent	818	1,172
Operating cash flow[4]	2,984	2,566
Adjusted operating cash flow[4]	3,036	2,612
Capital expenditure[4]	1,125	1,076
€M	**31 December 2018[1]**	**31 December 2017**
Equity	16,332	11,763
Equity attributable to owners of the parent	8,442	8,772
Net debt	37,931	9,496
Adjusted net debt	39,514	10,577

(*) The amounts shown in the table have been extracted from the reclassified consolidated financial statements included in the "Financial review for the Atlantia Group" in the report on operations, which also includes a reconciliation of the reclassified financial statements and the statutory financial statements presented in section 3, “Consolidated financial statements as at and for the year ended 31 December 2018: consolidated financial statements and notes”. Some of the amounts shown in the table refer to alternative performance indicators, definitions of which are provided in a specific section of the report on operations.

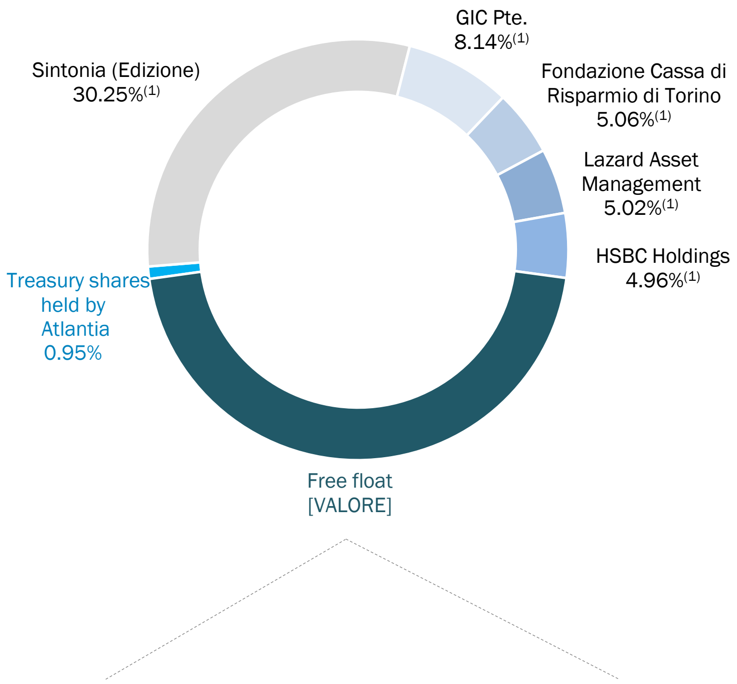
(1) The figures for 2018 include the Abertis Infraestructuras group’s contribution after its consolidation from the end of October 2018.

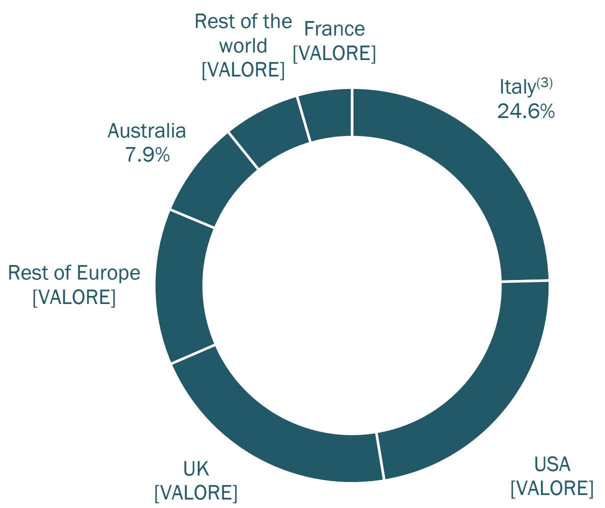
(2) Amounts for aviation revenue and total operating revenue for 2017 differ from those published in the Annual Report for 2017 following retrospective application of IFRS15, as described in detail in the "Introduction" to the section "Financial review for the Atlantia Group" in the report on operations.

(3) The amount for gross operating profit (EBITDA) for 2017 differs from the amount published in the Annual Report for 2017, following the adoption of a different basis of presentation for this indicator with effect from the Annual Report for 2018. This is described in detail in the section, "Alternative performance indicators" in the report on operations.

(4) Amounts for operating cash flow and capital expenditure in 2017 differ from those published in the Annual Report for 2017, following the adoption of a different basis of presentation for the renewal of airport infrastructure by Aéroports de la Côte D'Azur (“ACA”), as described in detail in the "Introduction" to the section "Financial review for the Atlantia Group" in the report on operations.

Ownership structure



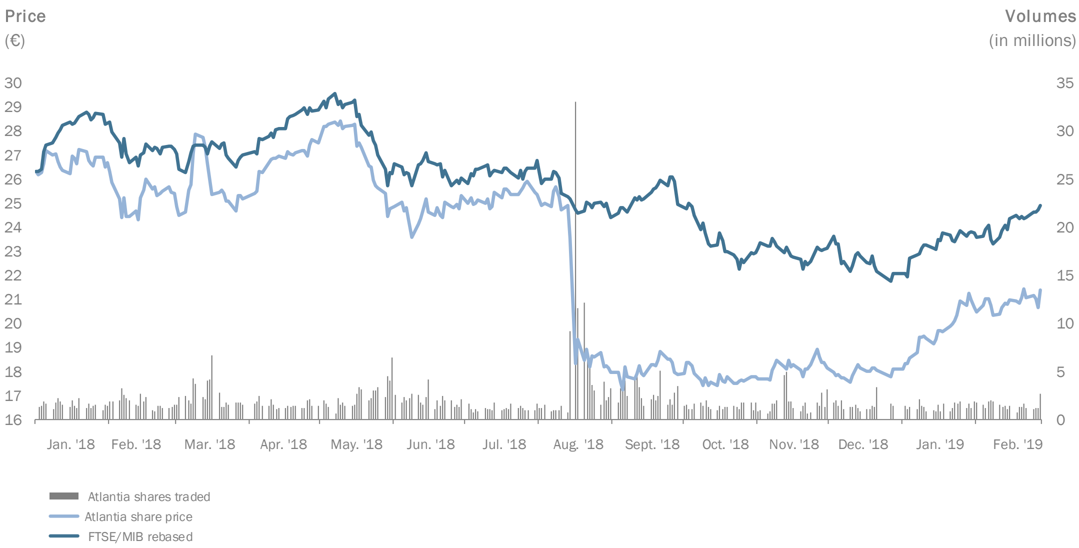


GEOGRAPHICAL BREAKDOWN OF THE FREE FLOAT [2]

(1) Source: CONSOB data as at 31 December 2018.
(2) Source: Nasdaq data as at 31 December 2018.
(3) Includes retail investors.

Atlantia share price

ATLANTIA'S SHARE PRICE PERFORMANCE



KEY MARKET DATA

	2018	2017		2018	2017
Issued capital (at 31 December) (€)	825,783,990	825,783,990	Dividend yield (1)		4.6%
Number of shares	825,783,990	825,783,990	Year-end price (€)	18.07	26.32
Market capitalisation (€m) (1)	14,922	21,735	High (€)	28.40	28.31
Earnings per share (€) (2)	0.99	1.42	Low (€)	17.21	20.96
Operating cash flow per share (€)	3.65	3.11	Share price / Earnings per share (P/E) (1)	18.24	18.54
Dividend per share (€)		1.22	Share price / Cash flow per share (1)	5.0	8.5
Interim (€)		0.57	Market to book value (1)	0.9	1.8
Final (€)		0.65	Atlantia as % of FTSE Italia All Share index (1)	0.61%	0.44%
Dividend/Cash flow per share (%)		39%	Atlantia as % of FTSE/Mib index (1)	0.92%	0.93%

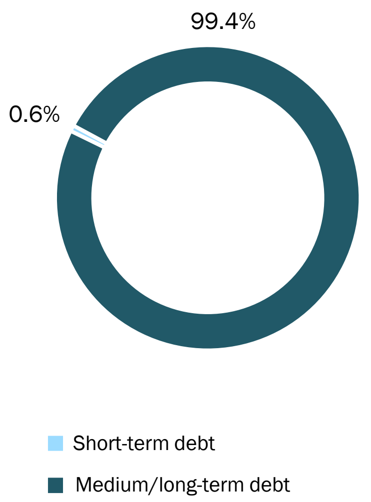
(1) Figures based on the closing price at the end of the year.

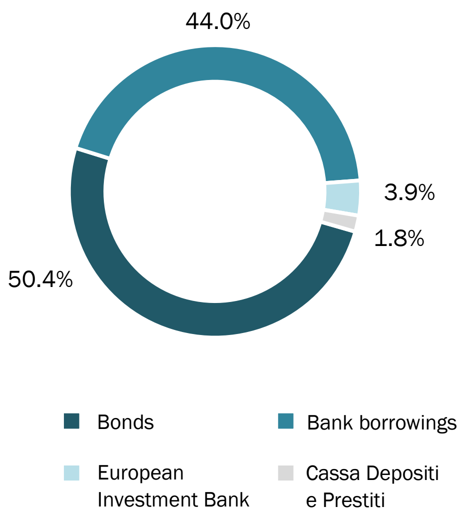
(2) Calculated on the basis of the number of shares at the end of the year, after deducting treasury shares.

Financial profile and credit ratings

STRUCTURE OF THE ATLANTIA GROUP'S DEBT

(€m as at 31 December 2018)





ATLANTIA'S CREDIT RATINGS

	Issuer		EMTN Programme (€10bn)	
	Rating	Outlook	Rating	Outlook
Standard & Poor's	BBB-	Negative	BBB-	Negative
Moody's	-	-	(P)Baa3	Negative
Fitch Ratings	-	-	BBB	Negative

Corporate bodies

Board of Directors in office for the period 2016-2018[1]	Chairman	Fabio Cerchiai
	Chief Executive Officer	Giovanni Castellucci
	Directors	Carla Angela *(independent)*
		Carlo Bertazzo
		Bernardo Bertoldi *(independent)*
		Gianni Coda *(independent)*
		Elisabetta De Bernardi di Valserra
		Massimo Lapucci *(independent)*
		Giuliano Mari *(independent)*
		Valentina Martinelli
		Marco Patuano
		Lucy P. Marcus *(independent)*
	Secretary	Stefano Cusmai
Internal Control, Risk and Corporate Governance Committee[2]	Chairwoman	Carla Angela *(independent)*
	Members	Bernardo Bertoldi *(independent)*
		Giuliano Mari *(independent)*
Committee of Independent Directors with responsibility for Related Party Transactions[3]	Chairman	Massimo Lapucci *(independent)*
	Members	Bernardo Bertoldi *(independent)*
		Lucy P. Marcus *(independent)*

(1) The outgoing Board of Directors at the date of approval of the financial statements as at and for the year ended 31 December 2018 has 12 members following the death of the Director, Gilberto Benetton, on 22 October 2018 and the resignations of Lynda Tyler-Cagni on 16 November 2018 and Monica Mondardini on 19 February 2019.

(2) Following the resignation of Giuliano Mari from his role as Chairman of the Internal Control, Risk and Corporate Governance Committee with effect from 30 January 2019, on 14 February 2019, the Internal Control, Risk and Corporate Governance Committee elected Prof. Angela as the Committee's Chairwoman.

(3) Following the resignation of Lynda Tyler- Cagni with effect from 16 November 2018, the Board of Directors' meeting of 14 December 2018 elected a replacement member of the Committee, appointing Massimo Lapucci as a member of the Committee of Independent Directors with responsibility for Related Party Transactions. In addition, following the resignation of Giuliano Mari from his role as Chairman and member of the Committee of Independent Directors with responsibility for Related Party Transactions, with effect from 30 January 2019, the Board of Directors' meeting of 18 January 2019 elected a replacement member of the Committee, appointing the independent Director, Lucy P. Marcus. On 15 February 2019, the Committee elected Massimo Lapucci as its Chairman.

Human Resources and Remuneration Committee [4]	Chairman	Gianni Coda *(independent)*
	Members	Carlo Bertazzo
		Massimo Lapucci *(independent)*
		Carla Angela *(independent)*
Nominations Committee [5]	Chairman	Gianni Coda *(independent)*
	Members	Carla Angela *(independent)*
		Bernardo Bertoldi *(independent)*
		Giovanni Castellucci
		Massimo Lapucci *(independent)*
		Marco Patuano
Board of Statutory Auditors in office for the period 2018-2020	Chairman	Corrado Gatti
	Auditors	Alberto De Nigro
		Lelio Fornabaio
		Sonia Ferrero
		Livia Salvini
	Alternate Auditors	Laura Castaldi
		Michela Zeme
Independent Auditors for the period 2012-2020	Deloitte & Touche SpA	

(4) Following the resignation of Lynda Tyler-Cagni, on 14 December 2018, the Director, Prof. Carla Angela (independent) was appointed as a replacement. Later, 17 January 2019, the Committee elected the Director, Gianni Coda (independent) as its Chairman. On 19 February 2019, Monica Mondardini resigned from all her roles at Atlantia, including her membership of the Human Resources and Remuneration Committee.

(5) The Nominations Committee was established by the Company's Board of Directors on 18 January 2019.

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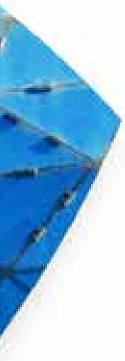

REPORT
ON OPERATIONS

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Alternative performance indicators

In application of the CONSOB Ruling of 3 December 2015, governing implementation in Italy of the guidelines for alternative performance indicators ("APIs") issued by the European Securities and Markets Authority (ESMA), the basis used in preparing the APIs published by the Atlantia Group is described below.
The APIs shown in this Annual Report are deemed relevant to an assessment of the operating performance based on the overall results of the Atlantia Group as a whole and the results of its operating segments and of individual consolidated companies. In addition, the APIs provide an improved basis for comparison of the results over time, even if they are not a replacement for or an alternative to the results determined applying the consolidated accounting standards in section 3 of the "Consolidated financial statements as at and for the year ended 31 December 2018: financial statements and notes" (the "statutory financial statements") and determined applying the international financial reporting standards (IFRS) described therein.
With regard to the APIs, Atlantia presents reclassified financial statements, for both the Group and the Parent Company, in the "Financial review for the Atlantia Group" and the "Financial review for Atlantia SpA". These statements are different from those required under IFRS, included in the consolidated financial statements and the separate financial statements as at and for the year ended 31 December 2018 (the statutory financial statements). In addition to amounts from the income statement and statement of financial position prepared under IFRS, these reclassified financial statements present a number of indicators and items derived from them, even when they are not required by the above standards and are, therefore, identifiable as APIs. In this regard, the "Reconciliation of the reclassified and statutory financial statements", included in the "Financial review for the Atlantia Group" and the "Financial review for Atlantia SpA", presents the reconciliation of the reclassified financial statements with the corresponding statutory financial statements.

Following the acquisition of Abertis Infraestructuras SA and its subsidiaries (the "Abertis group"), completed at the end of October 2018 as described in greater detail below, and in view of certain pre-existing differences with regard to presentation of certain amounts and the definition of performance indicators by the Abertis group with respect to the Atlantia Group, it was necessary to conduct a GAAP analysis and an assessment of the basis of presentation used in the statutory and reclassified financial statements. This process, which also aimed to ensure the application of standardised accounting policies in the reporting packages provided by Group companies for the purposes of preparing the consolidated accounts, did not indicate that Atlantia needs to modify its accounting policies or its presentation of information in its statutory financial statements. However, solely with regard to the reclassified income statement, it was deemed appropriate to modify the classification of provisions and uses of provisions for the repair and replacement of motorway infrastructure and provisions for risks and charges, including them in the components that contribute to EBITDA in the same way as other operating income and costs. This is in line with the basis of presentation for EBITDA adopted by the Abertis group. In order to provide a consistent basis for comparison between the two comparative periods, EBITDA for 2017 has been appropriately restated, as described in the introduction to the section, "Financial review for the Atlantia Group".

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

a) "Operating revenue" includes toll revenue, aviation revenue and other operating income, and differs from revenue in the statutory consolidated income statement in that revenue from construction services, recognised on the basis of the cost of materials and external services, service costs, staff costs, other operating costs and financial expenses relating to construction services incurred, is presented in the reclassified income statement as a reduction in the respective items under operating costs and financial expenses;
b) "Gross operating profit (EBITDA)" is the synthetic indicator of gross profit from operations, calculated by deducting operating costs, with the exception of amortisation, depreciation, impairment losses and reversals of impairment losses, provisions for the renewal of assets held under concession and other adjustments, from operating revenue;
c) "Operating profit (EBIT)" is the indicator that measures the operating return on the capital invested in the business, calculated by deducting amortisation, depreciation, impairment losses and reversals of impairment losses, provisions for the renewal of assets held under concession and other adjustments from EBITDA. Like EBITDA, EBIT does not include the capitalised component of financial expenses relating to construction services, which is shown in a specific item under financial income and expenses in the reclassified statement. This component is, however, included in revenue in the statutory consolidated income statement, thereby representing the sole difference with respect to operating profit;
d) "Net invested capital", showing the total value of non-financial assets, after deducting non-financial liabilities;
e) "Net debt", being the indicator of the portion of net invested capital funded by net financial liabilities, which consist of "Current and non-current financial liabilities" after deducting "Current and non-current financial assets" and "cash and cash equivalents";
f) "Capital expenditure", being the indicator of the total amount invested in development of the Group's businesses, calculated as the sum of cash used in investment in property, plant and equipment, in assets held under concession and in other intangible assets, not including investments in investees;
g) "Operating cash flow", being the indicator of cash generated by or used in operating activities. Operating cash flow is calculated as profit for the period + amortisation/depreciation +/- impairments/reversals of impairments of assets +/- provisions/releases of provisions in excess of requirements and uses of provisions + other adjustments + financial expenses from discounting of provisions + dividends received from investees accounted for using equity method +/- the share of profit/(loss) of investees accounted for using equity method in profit or loss +/- (losses)/gains on sale of assets +/- other non-cash items +/- deferred tax assets/liabilities recognised in profit or loss.

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

a) "Like-for-like changes", used in the analysis of changes in gross operating profit (EBITDA), profit for the period, profit for the period attributable to owners of the parent and operating cash flow, and calculated by excluding, where present, the impact of: (i) changes in the scope of consolidation; (ii) changes in exchange rates on the value of assets and liabilities denominated in functional currencies other than the euro; and (iii) events and/or transactions not strictly connected with operating activities that have an appreciable influence on amounts for at least one of the two comparative periods. The reconciliation of amounts in the reclassified financial statements and the corresponding like-for-like indicators is provided in the section, "Like-for-like financial indicators", in the "Financial review for the Atlantia Group", in addition to notes on the adjustments made;
b) "Adjusted consolidated results of operations and financial position", which present adjusted amounts for consolidated gross operating profit (EBITDA), operating cash flow and net debt. These amounts are adjusted by stripping out, from the reported amounts in the reclassified consolidated financial statements, the impact of application of the "financial model", introduced by IFRIC 12, by certain of the Atlantia Group's operators. Details of the adjustments made and the reconciliation with the corresponding reported amounts are provided in the section, "Adjusted consolidated results of operations and financial position and reconciliation with reported consolidated amounts", included in the "Financial review for the Atlantia Group";
c) "Pro-forma gross operating profit (EBITDA)", in which, given the fact that the Abertis group as only consolidated for the last two months of 2018, the Atlantia Group's estimated EBITDA for 2018 is presented after assuming that the Abertis Group was consolidated from 1 January 2018. This pro-forma statement is presented in section, "Reclassified pro-forma consolidated income statement", included in the "Financial review for the Atlantia Group".

Financial review for the Atlantia Group

Introduction

The financial review contained in this section includes and analyses the Atlantia Group's reclassified consolidated income statement, the statement of comprehensive income, the statement of changes in equity and the statement of changes in net debt for the year ended 31 December 2018, 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 2018, compared with comparative amounts as at 31 December 2017, and the reconciliation of Atlantia's equity and profit for the year with the corresponding consolidated amounts.

The international financial reporting standards (IFRS) endorsed by the European Commission and in effect as at 31 December 2018 were used in the preparation of the consolidated financial statements for 2018. With regard to the new IFRS in effect, the following standards were applied for the first time from 1 January 2018: IFRS 15 - Revenue from Contracts with Customers and IFRS 9 - Financial instruments. The impact of the new standards is described below.

The Atlantia Group's scope of consolidation as at 31 December 2018 differs from the scope as at 31 December 2017, reflecting the following:

a) the acquisition, on 2 March 2018, of a 100% interest in Aero I Global & International Sàrl, the Luxembourg-registered investment vehicle that holds a 15.49% interest in Getlink, the company that holds the concession to operate the Channel Tunnel between France and the United Kingdom. In accordance with IFRS 3, the fair values of the assets and liabilities of Aero 1 Global & International Sàrl have been recognised on a final basis and the related income, expenses, assets and liabilities consolidated on a line-by-line basis from the acquisition date. This has, however, not had a material impact on the consolidated results for 2018;
b) the acquisition, on 29 October 2018, of 98.70% of Abertis Infraestructuras SA and its subsidiaries (the "Abertis group"), following execution of the agreements entered into by Atlantia, Actividades de Construccion y Servicios SA ("ACS") and Hochtief Aktiengesellschaft ("Hochtief") relating to a joint investment in the Abertis group. The transaction was completed by Abertis Participaciones SA (a Spanish-registered company wholly owned by Abertis HoldCo SA, a Spanish-registered company established by Atlantia, which holds 50% of the company plus one share, and the other two shareholders), which acquired a 98.7% interest in Abertis Infraestructuras SA from Hochtief for a total consideration of €16,520 million. This means that the Abertis group's contribution to the results relates to the last two months of 2018, when it contributed €550 million to the Atlantia group's EBITDA. As permitted by IFRS 3, the provisional fair values of the Abertis group's assets and liabilities have been recognised in the consolidated financial statements for the year ended 31 December 2018, recognising in full the difference between the purchase cost and the net assets

acquired in goodwill (€16,774 million). Once the process of confirming the fair values of the Abertis group's assets and liabilities has been completed, which will take place within twelve months of the acquisition date, as required by IFRS 3, the Abertis group's contribution to the operating results and financial position reported in the consolidated financial statements for the year ended 31 December 2018 will be redetermined. Whilst not having an impact on the Group's scope of consolidation, it should be noted that Atlantia, in a separate transaction, has also acquired a 23.86% interest in Hochtief from ACS.

Further details of the acquisitions completed in 2018 are provided in note 6, "Acquisitions and corporate actions" in section 3 of the Annual Report, "Consolidated financial statements as at and for the year ended 31 December 2018: financial statements and notes".

The reclassified consolidated financial statements for 2017 present a number of differences compared with the information published in the Annual Report for 2017. These regard:

a) the impact of first-time adoption of IFRS 15 - Revenue from Contracts with Customers which, as a result of retrospective application required by the standard, has led to a different presentation of the incentive scheme funded by Aeroporti di Roma in 2017 in order to boost air traffic growth. This has reduced both operating revenue and costs by €7 million;
b) a different presentation of the impact on profit or loss of certain airport renewal work carried out by Aéroports de la Côte D'Azur ("ACA"), deemed to improve the related financial statement presentation. This has resulted in a reduction of €26 million in the cost of materials and external services and a matching increase in "Provisions for renewal work and other adjustments" in 2017. As a result, the statement of changes in consolidated net debt for 2017 reports increases of the same amount in net cash from operating activities and in net cash used in investment in non-financial assets;
c) the different classification of certain renewal work carried out on motorway infrastructure by Società Italiana per il Traforo del Monte Bianco, deemed to improve the related financial statement presentation. This has resulted in a reduction of €10 million in the operating change in provisions in 2017 and a matching increase in "Provisions for renewal work and other adjustments";
d) the different classification of dividends received from investees accounted for using the equity method, in order to improve the related financial statement presentation. This has resulted in a reduction of €8 million in financial income included in "Net other financial expenses" and a matching improvement in the "Share of (profit)/loss of investees accounted for using the equity method" for 2017;
e) the different classification of provisions and uses of provisions for the repair and replacement of motorway infrastructure and provisions for risks and charges in EBITDA following the acquisition of the Abertis group and the GAAP analysis described in the section, "Alternative performance indicators". This has reduced EBITDA for 2017 by €11 million, whilst EBIT is unchanged.

In addition, following first-time adoption of IFRS 9 - Financial Instruments, certain effects of financial transactions carried out in 2017 have been restated and recognised, as permitted by the standard, in the statement of financial position as at 1 January 2018. This has resulted in an increase of €32 million in consolidated equity, a reduction in non-current financial liabilities of €42 million and an increase of €10

million in deferred tax liabilities, as described in greater detail in the section, "Consolidated financial position".
Finally, with regard to material, non-recurring events, a section of the Polcevera road bridge on the A10 Genoa to Ventimiglia motorway, operated by Autostrade per l'Italia, collapsed on 14 August 2018, causing the deaths of 43 people. Convinced that Autostrade per l'Italia has complied with its concession obligations and whilst awaiting the outcome of the ongoing investigation into the causes of the collapse, Atlantia has prepared its consolidated financial statements as at and for the year ended 31 December 2018 taking into account the latest estimates of the costs directly linked to the collapse, without prejudicing any determination of liability. In particular, as specified in greater detail below, the event has resulted in reduced toll revenue, expenses and provisions linked to the cost of demolition and reconstruction of the road bridge (with related costs for expropriations and compensation payable to people, businesses and firms directly affected by the collapse), compensation payable to victims' families and to the injured, legal expenses and financial help to enable the purchase of basic necessities. This has resulted in an overall after-tax downward impact on profit for the year of approximately €371 million. These amounts prudently do not take into account the positive impact of any eventual insurance proceeds. More detailed information on the events of 14 August 2018 is provided in the section, "Significant regulatory aspects", in the report on operations and in note 6.4 in the "Consolidated financial statements as at and for the year ended 31 December 2018: financial statements and notes".

Other than the acquisitions and events described above, the Group did not enter into non-recurring, atypical or unusual transactions, either with third or related parties, having a material impact on the consolidated accounts in either of the comparative periods.

Like-for-like financial indicators

The following table shows the reconciliation of like-for-like consolidated amounts for gross operating profit (EBITDA), profit for the year, profit for the year attributable to owners of the parent and operating cash flow, as defined in the section, "Alternative performance indicators", and the corresponding amounts presented in the reclassified consolidated income statement for both 2018 and the comparative period.

€M	Note	2018				2017			
		GROSS OPERATING PROFIT (EBITDA)	PROFIT FOR THE PERIOD	PROFIT FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT	OPERATING CASH FLOW	GROSS OPERATING PROFIT (EBITDA)	PROFIT FOR THE PERIOD	PROFIT FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT	OPERATING CASH FLOW
Reported amounts (A)		3,768	1,083	818	2,984	3,679	1,432	1,172	2,566
Adjustment for non like-for-like items									
Change in scope of consolidation	(1)	550	186	83	382	-	-	-	-
Exchange rate movements	(2)	-40	-11	-7	-29	-	-	-	-
Impact connected with collapse of a section of the Polcevera road bridge	(3)	-513	-371	-328	-45	-	-	-	-
Charges pertaining to corporate transactions	(4)	-27	-110	-96	-119	-45	-73	-73	-59
Change in discount rate applied to provisions	(5)	17	14	11	2	-1	-	-1	-
Reversals of impairment losses on intangible assets	(6)	-	-	-	-	-	57	12	-
Impact on profit or loss of issue and accompanying partial repurchase of certain bonds (September 2017)	(7)	-	-	-	-	-	-16	-14	-16
Change in unconsolidated investments	(8)	-	-	-	-	-	44	44	-1
Change in tax rates (France)	(9)	-	-	-	-	-	45	17	-
Tax on transactions involved in Group restructuring	(10)	-	-	-	-	-	-46	-46	-46
Change in interests	(11)	-	-	-	-	-	-	58	-
Sub-total (B)		-13	-292	-337	191	-46	11	-3	-122
Like-for-like amounts (C) = (A)-(B)		3,781	1,375	1,155	2,793	3,725	1,421	1,175	2,688

Notes

The term "like-for-like basis", used in the analysis of changes in certain consolidated financial indicators, refers to the fact that amounts for the comparative periods have been determined by eliminating the following:

(1) from consolidated amounts for 2018 alone, the Abertis group's contribution, consolidated from the end of October 2018;

(2) for 2018 alone, the difference between foreign currency amounts for 2018 for companies with functional currencies other than the euro, converted at average exchange rates for the year, and the matching amounts converted using average exchange rates for 2017;

(3) for 2018 alone, the reduced toll revenue, expenses and provisions recognised in the income statement, after the related taxation, in relation to the collapse of a section of the Polcevera road bridge;

(4) for both comparative periods, the costs incurred in relation to the acquisition of Abertis, after the related taxation, and, for 2017 alone, the operating costs linked to the sale of interests in the Group's Italian motorway assets;

(5) from consolidated amounts for 2018 and 2017, the after-tax impact of the difference in the discount rates applied to the provisions accounted for among the Group's liabilities;

(6) for 2017 alone, the partial reversal of impairment losses on intangible assets deriving from concession rights, recognised in the past by Raccordo Autostradale Valle d'Aosta (RAV), after the related taxation;

(7) from consolidated amounts for 2017, the net financial expenses linked to the issue and accompanying partial repurchase of certain bonds by Autostrade per l'Italia, after the related taxation;

(8) the gain resulting from the sale of the investment in SAVE in 2017;

(9) for 2017 alone, the net change in deferred taxation linked to ACA following the adjustment of tax rates in accordance with the French tax reform that came into effect in 2017;

(10) for 2017 alone, the current tax expense connected with Autostrade per l'Italia's distribution, to its parent, Atlantia, of available equity reserves and of a special dividend in kind via the transfer of its entire interests in Autostrade dell'Atlantico and Autostrade Indian Infrastructure Development;

(11) from consolidated amounts for 2017, the impact on profit for the year attributable to owners of the parent resulting from the sale, to non-controlling shareholders, of an 11.94% interest in Autostrade per l'Italia and a 12.50% interest in Azzurra Aeroporti, in addition to the acquisition of a further 2.65% interest in Aeroporti di Roma, based on the assumption that these transactions were effective from 1 January 2017.

Results of operations

“Operating revenue” for 2018 amounts to €6,916 million, an increase of €950 million (16%) compared with 2017 (€5,966 million). After stripping out the Abertis group’s contribution, after its consolidation for the last two months of 2018, operating revenue is up €123 million (2%).
“Toll revenue” of €4,992 million is up €797 million (19%) compared with 2017 (€4,195 million). After adjusting for the impact of exchange rate movements, which in 2018 had a negative impact of €57 million, and the Abertis group’s contribution, amounting to €754 million, toll revenue is up €100 million, primarily due to the following:

a) traffic growth on the Italian network (up 0.2%), boosting revenue by an estimated €15 million after taking into account the positive impact of the different traffic mix, and the application of annual toll increases for 2018 on the Italian network (up €51 million, primarily reflecting a 1.08% increase applied by Autostrade per l’Italia from 1 January 2018[1]);
b) an improved contribution from overseas operators (up €32 million), linked to the application of toll increases on the overseas network and traffic growth registered by the operators in Chile (up 4.6%), Brazil (up 0.7 %) and Poland (up 5.2%).

“Aviation revenue” of €834 million is up €42 million (5%) compared with 2017 (€792 million), primarily due to traffic growth at Aeroporti di Roma (passenger traffic up 4.2%) and at the Aéroports de la Côte d’Azur group (passenger traffic up 4.1%).

“Other operating income” totals €1,090 million, an increase of €111 million compared with 2017 (€979 million). After stripping out the Abertis group’s contribution, amounting to €73 million, other operating income is up €38 million, primarily reflecting increases in non-aviation revenue and revenue from the sub-concession of space at the Aéroports de la Côte d’Azur group and at Aeroporti di Roma, as well as increased revenue at the Telepass group.

[1] *Toll increase awarded by the Ministry of Transport net of 0.43% as reimbursement for discounts granted to commuters in the period 2014-2017. This component has not had an impact on toll revenue in 2018, as the related revenue and receivables have been allocated to the annual reporting periods in which the discounts were applied.*

Reclassified consolidated income statement(*)

€M	2018	2017	INCREASE/ (DECREASE) ABSOLUTE	INCREASE/ (DECREASE) %
Toll revenue	4,992	4,195	797	19
Aviation revenue	834	792	42	5
Other operating income	1,090	979	111	11
Total operating revenue	**6,916**	**5,966**	**950**	**16**
Cost of materials and external services and other expenses	*-1,239*	*-967*	*-272*	*28*
Intercompany margin on capital expenditure [1]	*33*	*95*	*-62*	*-65*
Cost of materials and external services	-1,206	-872	-334	38
Concession fees	-532	-513	-19	4
Net staff costs	-973	-891	-82	9
Operating change in provisions	-437	-11	-426	n.s.
Total net operating costs	**-3,148**	**-2,287**	**-861**	**38**
Gross operating profit (EBITDA)	**3,768**	**3,679**	**89**	**2**
Amortisation, depreciation, impairment losses and reversals of impairment losses	-1,357	-1,012	-345	34
Provisions for renewal work and other adjustments	-168	-89	-79	89
Operating profit (EBIT)	**2,243**	**2,578**	**-335**	**-13**
Financial income accounted for as an increase in financial assets deriving from concession rights and government grants	109	73	36	49
Financial expenses from discounting of provisions for construction services required by contract and other provisions	-53	-42	-11	26
Other financial income/(expenses), net	-793	-546	-247	45
Capitalised financial expenses on intangible assets deriving from comcession rights	9	4	5	n.s.
Share of profit/(loss) of investees accounted for using the equity method	4	-2	6	n.s.
Profit/(Loss) before tax from continuing operations	**1,519**	**2,065**	**-546**	**-26**
Income tax expense	-440	-632	192	-30
Profit/(Loss) from continuing operations	**1,079**	**1,433**	**-354**	**-25**
Profit/(Loss) from discontinued operations	4	-1	5	n.s.
Profit for the year	**1,083**	**1,432**	**-349**	**-24**
(Profit)/Loss attributable to non-controlling interests	265	260	5	2
(Profit)/Loss attributable to owners of the parent	**818**	**1,172**	**-354**	**-30**

(1) The intercompany margin on capital expenditure results from the work carried out by the Group's industrial companies (Pavimental, Spea Engineering and Gesvial) on the infrastructure operated by the Group's motorway and airport operators. This margin, shown as a reduction in operating costs in the reclassified consolidated income statement, is calculated on the basis of the operating results recognised for each individual intercompany contract (operating revenue after deducting the operating costs attributable to the contracts).

	2018	2017	INCREASE/ (DECREASE)
Basic earnings per share attributable to the owners of the parent (€)	**1.00**	**1.43**	**-0.43**
of which:			
- from continuing operations	1.00	1.43	-0.43
- from discontinued operations	-	-	-
Diluted earnings per share attributable to the owners of the parent (€)	**1.00**	**1.43**	**-0.43**
of which:			
- from continuing operations	1.00	1.43	-0.43
- from discontinued operations	-	-	-

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

"Net operating costs" of €3,148 million are up €861 million compared with 2017 (€2,287 million).

The "Cost of materials and external services and other costs", totalling €1,239 million, are up €272 million compared with 2017 (€967 million). At constant exchange rates, the increase is €289 million, primarily due to a combination of the following:

a) an increase in maintenance costs on the overseas motorway network, primarily due to planned resurfacing work on motorways, above all, in 2018, those operated by the Brazilian operators, Triangulo do Sol and Rodovias das Colinas. The increase also reflects the combined effect on the Italian operators of a reduction in the cost of resurfacing work, following the work's rescheduling of work in response to the time needed to comply with new and more complex tender procedures (launched back in 2017) and an increase in maintenance costs linked to winter operations;
b) the costs incurred as a result of the collapse of a section of the Polcevera road bridge;
c) a reduction in the costs incurred for external consultants in 2018, compared with the previous year, in connection with the acquisition of a controlling interest in the Abertis group and the costs incurred on the sale of a non-controlling interest in Autostrade per l'Italia, completed in July 2017;
d) the Abertis group's contribution (€198 million).

The "Intercompany margin on capital expenditure" in 2018 has resulted in income of €33 million, a reduction of €62 million compared with 2017 (€95 million). This reflects the reduced volume of work carried out by the Group's own in-house technical units, partly linked to application of the new legislation governing tenders, and the settlement reached by Pavimental and Autostrade per l'Italia in 2017 in relation to certain infrastructure work carried out on the Barberino-Florence North section of motorway.

"Concession fees" of €532 million are up €19 million (4%) compared with 2017 (€513 million). After stripping out the Abertis group's contribution (€10 million), concession fees are up €9 million, primarily due to increased toll revenue at Autostrade per l'Italia and growth in passenger traffic at Aeroporti di Roma.

The "Operating change in provisions" in 2018 resulted in an expense of €437 million (an expense of €11 million in 2017). After stripping out the Abertis group's contribution (income of €39 million), the operating change in provisions in the two comparative periods is a negative €465 million, primarily reflecting the provisions made by Autostrade per l'Italia (an amount of €454 million) following the collapse of a section of the Polcevera road bridge.

"Net staff costs" of €973 million are up €82 million (€891 million in 2017). After adjusting for the impact of exchange rate movements (a negative impact of €7 million) and the Abertis group's contribution (€108 million), these costs are down €19 million due to a reduction in the fair value of management incentive plans, a reduction in the average workforce and an increase in the capitalised portion of such costs, partially offset by an increase in the average unit cost due to contract renewals.

"Gross operating profit" (EBITDA) of €3,768 million is up €89 million compared with 2017 (€3,679 million). On a like-for-like basis, EBITDA is up €56 million (2%).

"Amortisation and depreciation, impairment losses and reversals of impairment losses" amount to €1,357 million, marking an increase of €345 million compared with 2017 (€1,012 million). This is primarily due to the Abertis group's contribution (€222 million) and recognition, in 2017, of a partial reversal of impairment losses on intangible assets deriving from concession rights recognised in the past by Raccordo Autostradale Valle d'Aosta (€79 million).

"Provisions for renewal work and other adjustments" of €168 million are up €79 million compared with the previous year (€89 million). This primarily reflects an updated estimate of the present value of future renewal work to be carried out on the infrastructure operated under concession by Aéroports de la Côte d'Azur.

"Operating profit" (EBIT) of €2,243 million is down €335 million (13%) compared with 2017 (€2,578 million).

"Financial income accounted for as an increase in financial assets deriving from concession rights and government grants" amounts to €109 million, an increase of €36 million compared with the previous year (€73 million) essentially due to the Abertis group's contribution (€34 million).

"Financial expenses from discounting of provisions for construction services required by contract and other provisions" amount to €53 million, an increase of €11 million compared with 2017 (€42 million), essentially due to the Abertis group's contribution (€9 million).

"Net other financial expenses" of €793 million are up €247 million compared with 2017 (€546 million), essentially due to the following:

a) the financial expenses linked to the acquisition and consolidation of the Abertis group, reflecting:
    1) the contribution of the Abertis group's financial expenses (€148 million), in addition to interest expense and the accrued share of ancillary costs for the period of consolidation recognised by Abertis HoldCo in relation to the financing obtained to finance the acquisition of control of Abertis, totalling €176 million;
    2) the recharging to Atlantia of a portion of the financial expenses incurred by Hochtief in order to complete the acquisition (€24 million), in accordance with the partnership agreements entered into with ACS and Hochtief;
    3) the financial expenses incurred by Atlantia, totalling €20 million, essentially due to interest expense on lines of credit and fees, mainly commitment fees, incurred following the cancellation of certain lines of credit financing the acquisition;
b) recognition, in 2017, of a gain of €45 million on the sale of the Group's investment in SAVE;
c) the reduction in financial expenses (€39 million) linked primarily to debt repayments made essentially by the Chilean companies, the restructuring of loans from Cassa Depositi e Prestiti and the European Investment Bank in 2018 and the redemption of bonds issued by Autostrade per l'Italia in September 2017.

"Capitalised financial expenses" of €9 million are up €5 million on 2017 (€4 million), primarily due to the Abertis group's contribution.

The “Share of profit/(loss) of investees accounted for using the equity method” amounts to a profit of €4 million, an increase of €6 million compared with 2017 (a loss of €2 million).

“Income tax expense” amounts to €440 million, marking a reduction of €192 million compared with 2017 (€632 million). This reflects the reduction in pre-tax profit for 2018 and the fact that income tax expense for 2017 included €46 million recognised as a result of Autostrade per l’Italia’s distribution of a portion of its distributable reserves and its payment of a dividend in kind to Atlantia as part of the Group’s restructuring, completed in the previous year.

“Profit from continuing operations” amounts to €1,079 million, marking a reduction of €354 million compared with 2017 (€1,433 million).

“Profit for the year”, amounting to €1,083 million is down €349 million compared with 2017 (€1,432 million) and includes the Abertis group’s contribution (€186 million). On a like-for-like basis, profit for the year is down €46 million (3%).

“Profit for the period attributable to owners of the parent”, amounting to €818 million, is down €354 million compared with 2017 (€1,172 million). On a like-for-like basis, profit for the year attributable to owners of the parent is down €20 million (2%).
“Profit attributable to non-controlling interests” amounts to €265 million, an increase of €5 million on 2017 (€260 million).

Consolidated statement of comprehensive income

€M		2018	2017
Profit for the year	**(A)**	**1,083**	**1,432**
Fair value gains/(losses) on cash flow hedges		-119	80
Tax effect of fair value gains/(losses) on cash flow hedges		31	-19
Fair value gains/(losses) on net investment hedges		13	-
Tax effect of fair value gains/(losses) on net investment hedges		-3	-
Gains/(Losses) from translation of assets and liabilities of consolidated companies denominated in functional currencies other than the euro		-367	-207
Gains/(Losses) from translation of investments accounted for using the equity method denominated in functional currencies other than the euro		-1	-2
Other comprehensive income/(loss) for the year reclassifiable to profit or loss	**(B)**	**-446**	**-148**
Gains/(Losses) from actuarial valuations of provisions for employee benefits		1	-2
Tax effect of gains/(losses) from actuarial valuations of provisions for employee benefits		-1	-
(Losses)/Gains on fair value measurement of investments		-427	-
Tax effect on (losses)/gains on fair value measurement of investments		5	-
Other comprehensive income/(loss) for the year not reclassifiable to profit or loss	**(C)**	**-422**	**-2**
Reclassifications of other components of comprehensive income to profit or loss for the year	**(D)**	**3**	**21**
Tax effect of reclassifications of other components of comprehensive income to profit or loss for the year	**(E)**	**-2**	**-5**
Total other comprehensive income/(loss) for the year	**(F=B+C+D+E)**	**-867**	**-134**
of which relating to discontinued operations		-	-
Comprehensive income for the year	**(A+F)**	**216**	**1,298**
Of which attributable to owners of the parent		*177*	*1,130*
Of which attributable to non-controlling interests		*39*	*168*

The "Other comprehensive loss for the year", after the related taxation, amounts to €867 million for 2018 (€134 million in 2017), primarily reflecting the following:

a) the loss, after the related taxation, recognised in equity after fair value measurement of the investment in Hocthief, amounting to €422 million. The reduction in fair value, measured on the basis of the price of the company's shares on the Frankfurt Stock Exchange at the end of the year, was largely reversed in early 2019;

b) losses on the translation of the assets and liabilities of consolidated companies denominated in functional currencies other than the euro, totalling €367 million (including €136 million resulting from the Abertis group's contribution for the last two months of 2018), primarily due to the sharp decline in the value of the Brazilian real against the euro as at 31 December 2018 compared with the previous year; in 2017, both the Brazilian real and the Chilean peso registered similar performances;
c) an increase in fair value losses on cash flow hedges, after the related taxation, totalling €88 million, primarily due to a reduction in the interest rates applied to the hedging instruments as at 31 December 2018, compared with those used as at 31 December 2017; in 2017, there was a reduction in fair value losses on cash flow hedges, after the related taxation, of €61 million, reflecting an opposite movement in the interest rates used.

Consolidated financial position

As at 31 December 2018, “Non-current non-financial assets” of €63,656 million are up €34,396 million on the figure for 31 December 2017 (€29,260 million), essentially reflecting the Abertis group’s contribution, totalling €32,752 million.

“Property, plant and equipment” of €696 million is up €393 million compared with 31 December 2017 (€303 million), primarily reflecting the Abertis group’s contribution (€412 million).

“Intangible assets” total €57,627 million (€27,424 million as at 31 December 2017) and essentially relate to the intangible assets deriving from the Atlantia Group’s concession rights, amounting to €35,840 million. This amount includes the recognition, on a provisional basis, of goodwill resulting from the different between the purchase cost and the assets acquired and liabilities assumed as a result of the acquisition of the Abertis group (€16,774 million), in addition to goodwill (€4,383 million) recognised as at 31 December 2003, following acquisition of the majority shareholding in the former Autostrade – Concessioni e Costruzioni Autostrade SpA.
The increase in intangible assets, totalling €30,203 million, primarily reflects the following:

a) the carrying amount, at the acquisition date, of the concession rights contributed by the Abertis group, amounting to €14,364 million, in addition to the provisional recognition of the above goodwill, totalling €16,774 million at the date of acquisition of control;
b) investment during the year in construction services for which additional economic benefits are received (€486 million), including €138 million in investment carried out by the Abertis group in the last two months of 2018;
c) an increase in intangible assets deriving from concession rights due to an updated estimate of the present value on completion of investment in construction services for which no additional benefits are received (€139 million), essentially attributable to Autostrade per l’Italia;
d) amortisation for the period (€1,270 million), including the Abertis group’s contribution of €205 million;
e) a reduction due to the effect of currency translation differences recognised as at 31 December 2018, amounting to €443 million, essentially due to falls in the value of the Brazilian real and Chilean peso against the euro.

“Investments”, totalling €3,597 million, are up €3,330 million compared with 31 December 2017 (€267 million), primarily due to:

a) acquisition of a 23.86% interest in Hochtief (€2,411 million) on 29 October 2018 which, as a result of the loss recognised in equity following fair value measurement (€427 million), has a carrying amount as at 31 December 2018 of €1,984 million. This reduction in fair value, measured on the basis of the price of the company’s shares on the Frankfurt Stock Exchange at the end of the year, was largely reversed in early 2019;
b) acquisition of a 15.49% interest in Getlink (€1,056 million) following the Group’s acquisition of a 100% interest in Aero 1 Global & International Sàrl in March 2018;
c) investments held by the Abertis group, amounting to €296 million.

“Deferred tax assets” of €1,607 million, marking an increase of €349 million compared with 31 December 2017 (€1,258 million). This primarily reflects the Abertis group’s contribution (€312 million).

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Reclassified consolidated statement of financial position (*)

€M	31 December 2018	31 December 2017	INCREASE/ (DECREASE)
Non-current non-financial assets			
Property, plant and equipment	696	303	393
Intangible assets	57,627	27,424	30,203
Investments	3,597	267	3,330
Deferred tax assets	1,607	1,258	349
Other non-current assets	129	8	121
Total non-current non-financial assets (A)	63,656	29,260	34,396
Working capital			
Trading assets	2,387	1,798	589
Current tax assets	899	79	820
Other current assets	603	187	416
Non-financial assets held for sale or related to discontinued operations	1,522	5	1,517
Current portion of provisions for construction services required by contract	-428	-427	-1
Current provisions	-1,324	-380	-944
Trading liabilities	-2,140	-1,583	-557
Current tax liabilities	-233	-151	-82
Other current liabilities	-1,239	-634	-605
Non-financial liabilities related to discontinued operations	-223	-6	-217
Total working capital (B)	-176	-1,112	936
Gross invested capital (C=A+B)	63,480	28,148	35,332
Non-current non-financial liabilities			
Non-current portion of provisions for construction services required by contract	-2,787	-2,961	174
Non-current provisions	-2,658	-1,566	-1,092
Deferred tax liabilities	-3,238	-2,254	-984
Other non-current liabilities	-534	-108	-426
Total non-current non-financial liabilities (D)	-9,217	-6,889	-2,328
NET INVESTED CAPITAL (E=C+D)	54,263	21,259	33,004

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

€M	31 December 2018	31 December 2017	INCREASE/ (DECREASE)
Equity attributable to owners of the parent	8,442	8,772	-330
Equity attributable to non-controlling interests	7,890	2,991	4,899
Total equity (F)	16,332	11,763	4,569
Net debt			
Non-current net debt			
Non-current financial liabilities	44,151	15,970	28,181
Bond issues	20,872	11,362	9,510
Medium/long-term borrowings	21,731	4,012	17,719
Non-current derivative liabilities	921	566	355
Other non-current financial liabilities	627	30	597
Non-current financial assets	-4,537	-2,316	-2,221
Non-current financial assets deriving from concession rights	-2,824	-964	-1,860
Non-current financial assets deriving from government grants	-283	-250	-33
Non-current term deposits	-350	-315	-35
Non-current derivative assets	-144	-107	-37
Other non-current financial assets	-936	-680	-256
Total non-current net debt (G)	39,614	13,654	25,960
Current net debt			
Current financial liabilities	4,386	2,254	2,132
Bank overdrafts repayable on demand	-	18	-18
Short-term borrowings	294	430	-136
Current derivative liabilities	11	14	-3
Current portion of medium/long-term borrowings	3,271	1,718	1,553
Other current financial liabilities	495	74	421
Financial liabilities related to discontinued operations	315	-	315
Cash and cash equivalents	-5,073	-5,631	558
Cash in hand	-3,884	-4,840	956
Cash equivalents	-1,148	-784	-364
Cash and cash equivalents related to discontinued operations	-41	-7	-34
Current financial assets	-996	-781	-215
Current financial assets deriving from concession rights	-536	-447	-89
Current financial assets deriving from government grants	-74	-70	-4
Current term deposits	-245	-179	-66
Current derivative assets	-2	-1	-1
Current portion of other medium/long-term financial assets	-109	-71	-38
Other current financial assets	-30	-13	-17
Total current net debt (H)	-1,683	-4,158	2,475
Total net debt (I=G+H) (1)	37,931	9,496	28,435
NET DEBT AND EQUITY (L=F+I)	54,263	21,259	33,004

(1) Net debt includes non-current financial assets, unlike the Group's financial position shown in the notes to the consolidated financial statements and prepared in compliance with the European Securities and Markets Authority (ESMA) Recommendation of 20 March 2013, which does not permit the deduction of non-current financial assets from debt.

"Working capital" reports a negative balance of €176 million compared with a negative balance of €1,112 million as at 31 December 2017, marking a reduction of €936 million.

This primarily reflects a combination of the following:
a) the Abertis group's contribution as at 31 December 2018, totalling €1,527 million, primarily linked to non-financial assets held for sale and relating to the Hispasat group, totalling €1,518 million;
b) a €625 million increase in the current portion of provisions at Autostrade per l'Italia, linked primarily to provisions made to cover the costs resulting from the collapse of a section of the Polcevera road bridge.

"Non-current non-financial liabilities", totalling €9,217 million are up €2,328 million compared with 31 December 2017 (€6,889 million). The change primarily reflects the following:
a) recognition of the non-current provisions of the Abertis group (€1,157 million as at 31 December 2018), primarily relating to provisions for the repair and replacement of assets held under concession and other provisions for risks and charges;
b) an increase in "deferred tax liabilities", amounting to €984 million, primarily reflecting the Abertis group's contribution (€1,093 million), partially offset by exchange differences as at 31 December 2018, totalling €94 million, mainly reflecting falls in the value of the Brazilian real and Chilean peso against the euro as at 31 December 2018, compared with the end of 2017;
c) the increase of €426 million in "Other non-current liabilities", essentially due to the Abertis group's contribution, amounting to €429 million as at 31 December 2018.

As a result, "Net invested capital" totals €54,263 million (€21,259 million as at 31 December 2017).

"Equity attributable to owners of the parent and non-controlling interests" totals €16,332 million (€11,763 million as at 31 December 2017).
"Equity attributable to owners of the parent", totalling €8,442 million, is down €330 million compared with 31 December 2017 (€8,772 million), essentially following payment of Atlantia's final dividend for 2017 (€532 million), partly offset by:
a) comprehensive income for the year (€177 million), as described above;
b) the increase, after the related taxation, deriving from first-time adoption of the new accounting standard, IFRS 9 (€29 million).
"Equity attributable to non-controlling interests" of €7,890 million is up €4,899 million compared with 31 December 2017 (€2,991 million), essentially due to combination of the following:
a) recognition of the equity attributable to non-controlling shareholders in Abertis HoldCo which, after the return of capital carried out during the period, amounts to €3,379 million;
b) equity attributable to the Abertis group's non-controlling shareholders at the acquisition date, amounting to €1,715 million;
c) comprehensive income for the period attributable to non-controlling interests, totalling €39 million;
d) dividends declared by a number of Group companies that are not wholly owned subsidiaries, totalling €235 million.

Statement of changes in consolidated equity

€M	ISSUED CAPITAL	CASH FLOW HEDGE RESERVE	NET INVESTMENT HEDGE RESERVE	RESERVE FOR TRANSLATION DIFFERENCES ON TRANSLATION OF ASSETS AND LIABILITIES OF CONSOLIDATED COMPANIES DENOMINATED IN FUNCTIONAL CURRENCIES OTHER THAN THE EURO	RESERVE FOR TRANSLATION OF INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD DENOMINATED IN FUNCTIONAL CURRENCIES OTHER THAN THE EURO	RESERVE FOR GAINS/(LOSSES) ON FAIR VALUE MEASUREMENT OF INVESTMENTS	OTHER RESERVES AND RETAINED EARNINGS	TREASURY SHARES	PROFIT/(LOSS) FOR YEAR AFTER INTERIM DIVIDEND	TOTAL	EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT AND TO NON-CONTROLLING INTERESTS
	EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT											
Balance as at 31 December 2016	826	-199	-36	-198	-5	-	6,183	-107	760	7,224	2,699	9,923
Comprehensive income for the year	-	65	-	-105	-1	-	-1	-	1,172	1,130	168	1,298
Owner transactions and other changes												
Atlantia SpA's final dividend (€0.530 per share)	-	-	-	-	-	-	-	-	-433	-433	-	-433
Transfer of profit/(loss) for previous period to retained earnings	-	-	-	-	-	-	327	-	-327	-	-	-
Atlantia SpA's interim dividend (€0.570 per share)	-	-	-	-	-	-	-	-	-466	-466	-	-466
Dividends paid by other Group companies to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-153	-153
Purchase of treasury shares	-	-	-	-	-	-	-	-84	-	-84	-	-84
Share-based incentive plans	-	-	-	-	-	-	-6	22	-	16	-	16
Change in interests in consolidated companies	-	25	-	-	-	-	1,382	-	-	1,407	347	1,754
Returns of capital to non-controlling shareholders, reclassifications and other changes	-	-	-	-	-	-	-22	-	-	-22	-70	-92
Balance as at 31 December 2017	826	-109	-36	-303	-6	-	7,863	-169	706	8,772	2,991	11,763
Effect of application of IFRS 9 as at 1 January 2018	-	-	-	-	-	-	29	-	-	29	3	32
Balance as at 1 January 2018	826	-109	-36	-303	-6	-	7,892	-169	706	8,801	2,994	11,795
Comprehensive income for the year	-	-76	10	-152	-1	-422	-	-	818	177	39	216
Owner transactions and other changes												
Atlantia SpA's final dividend (€0.650 per share)	-	-	-	-	-	-	-	-	-532	-532	-	-532
Transfer of profit/(loss) for previous period to retained earnings	-	-	-	-	-	-	174	-	-174	-	-	-
Dividends paid by other Group companies to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-235	-235
Share-based incentive plans	-	-	-	-	-	-	-1	2	-	1	-	1
Changes in scope of consolidation	-	-	-	-	-		-	-	-	-	1,715	1,715
Contributions from and returns of capital to non-controlling sha	-	-	-	-	-	-	-	-	-	-	3,377	3,377
Other changes	-	-	-	-	-	-	-5	-	-	-5	-	-5
Balance as at 31 December 2018	826	-185	-26	-455	-7	-422	8,060	-167	818	8,442	7,890	16,332

Reconciliation of Atlantia's equity and profit with the corresponding consolidated amounts

€M	EQUITY AS AT 31 DECEMBER 2018	PROFIT FOR 2018
Amounts in financial statements of Atlantia SpA	**11,203**	**695**
Recognition in consolidated financial statements of equity and profit/(loss) for the year of investments less non-controlling interests	14,063	1,261
Elimination of carrying amount of consolidated investments	-33,994	-
Elimination of impairment losses on consolidated investments less reversals	19	-
Elimination of intercompany dividends	-	-1,169
Elimination of after-tax intercompany profits	-3,805	-
Recognition of goodwill less the the share attributable to non-controlling shareholders (**)	20,783	-
Measurement of investments at fair value and using the equity method less dividends received	-47	7
Other consolidation adjustments (**)	220	25
Consolidated carrying amounts (attributable to owners of the parent)	**8,442**	**819**
Consolidated carrying amounts (attributable to non-controlling interests)	**7,890**	**265**
Carrying amounts in consolidated financial statements	**16,332**	**1,084**

(*) As permitted by IFRS 3, this item includes the provisional recognition of goodwill, totalling €16,774 million, resulting from the difference between the purchase cost for the acquisition of Abertis Infraestructuras and the IFRS amounts for the assets and liabilities recognised in the Abertis group's consolidated financial statements, as described in more detail in the introduction.

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

The Atlantia Group's net debt as at 31 December 2018 amounts to €37,931 million (€9,496 million as at 31 December 2017), an increase of €28,435 million. This essentially reflects the impact of the acquisition and consolidation of the Abertis group (€25,847 million, including the debt contributed at the date consolidation and after the contribution from ACS and Hochtief to Abertis HoldCo) and, in a separate transaction, acquisition of the investment in Hochtief (€2,411 million), as described above.

"Non-current net debt", amounting to €39,614 million, is up €25,960 million compared with 31 December 2017 (€13,654 million) and consists of:

a) "Non-current financial liabilities" of €44,151 million, marking an increase of €28,181 million compared with 31 December 2017 (€15,970 million). This reflects a combination of the following:
   1) the Abertis group's contribution of €15,758 million, primarily in the form of bond issues (€10,163 million) and medium/long-term borrowings (€4,749 million);
   2) Abertis HoldCo's medium/long-term borrowings of €9,782 million, obtained in order to finance the acquisition of control of the Abertis group and consisting of an amortising term loan with a face value of €3,000 million (disbursed in full and maturing in between 4 and 5 years), a bridge loan with a face value of €4,750 million (a bridge-to-bond facility maturing after 18.5 months) and a bridge-to-disposal facility with a face value of €2,200 million (with €2,074 million drawn down) and maturing after 18.5 months;
   3) new term loans obtained by Atlantia, totalling €3,323 million (a face value amounting to €3,250 million), in order to finance the subscription of shares in Abertis HoldCo in order to complete the acquisition of control of the Abertis group and acquire the investment in Hochtief;
   4) the reclassification to short-term of bonds maturing in February 2019 (€593 million) and borrowings (€125 million) due for repayment within 12 months, attributable to Autostrade per l'Italia;

b) "Non-current financial assets" of €4,537 million, an increase of €2,221 million compared with 31 December 2017 (€2,316 million). This essentially reflects the financial assets contributed by the Abertis group, totalling €2,298 million, primarily attributable amounts due in accordance with agreements with various grantors regarding payment for construction services provided and in relation to unconditional rights to receive contractually guaranteed cash payments regardless of the extent to which the public uses the motorway infrastructure.

"Current net funds" of €1,683 million are down €2,475 million compared with 31 December 2017 (€4,158 million). This amount consists of:

a) "Current financial liabilities" of €4,386 million, an increase of €2,132 million compared with 31 December 2017 (€2,254 million), due essentially to:
   1) the contribution of €2,056 million from the Abertis group, primarily regarding the current portion of medium/long-term borrowings, bond issues and other current financial liabilities (€1,730 million), as well as financial liabilities linked to discontinued operations represented by the Hispasat group (€315 million);

2) the above reclassification to short-term of the bonds maturing in February 2019 (€593 million) and loans (€125 million) attributable to Autostrade per l'Italia;
3) Atlantia's redemption of retail bonds (€1,000 million) and a bank line of credit (€100 million);
4) the repayment of borrowings by Autostrade per l'Italia (€122 million);
5) the drawdown, on 19 September 2018, of the Revolving Credit Facility obtained by Atlantia on 4 July 2018, with a face value of €675 million;

b) "Current financial assets" of €996 million, an increase of €215 million compared with 31 December 2017 (€781 million), primarily reflect the Abertis group's contribution of 295 million, partially offset by the release of term deposits (€84 million) by Autopista Nueva Vespucio Sur and the release of €21 million in term deposits linked to government grants funding infrastructure works at Autostrade per l'Italia;

c) "Cash and cash equivalents" of €5,073 million is down €558 million compared with 31 December 2017 (€5,631 million). In addition to cash flow for the year, the change reflects outflows relating to the acquisition of investments in Abertis Infraestructuras, Hochtief and Aero I Global & International, partially offset by new borrowings and cash contributed by the Abertis group.

The residual weighted average term to maturity of the Group's interest-bearing debt is 5 years and 10 months as at 31 December 2018. 67% of the Group's debt is fixed rate.
The average cost of the Group's medium/long-term borrowings in 2018 was approximately 3.1% (due to the combined effect of the 2.8% paid by the companies operating in Italy, 5.5% paid by the Chilean companies and the 8.4% paid by the Brazilian companies, after stripping out the Abertis group and its parent, Abertis HoldCo, whose average cost of debt was 3.51%).

As at 31 December 2018, project debt attributable to specific overseas companies amounts to €6,293 million. At the same date, the Atlantia Group has cash reserves of €15,416 million, consisting of:

a) €5,073 million in cash and cash equivalents;
b) €595 million in term deposits allocated primarily to part finance the execution of specific construction services and to service the debt of the Chilean companies;
c) €9,748 million in undrawn committed lines of credit, which as at 31 December 2018 have an average residual term of approximately 3 years and 9 months and a weighted average residual drawdown period of approximately 2 years and 4 months.

The Group's net debt, as defined in the European Securities and Market Authority – ESMA (formerly CESR) Recommendation of 20 March 2013 (which does not permit the deduction of non-current financial assets from debt), amounts to €42,468 million as at 31 December 2018 (€11,812 million as at 31 December 2017).

Consolidated cash flow

"Net cash from operating activities" amounts to €2,943 million for 2018, an increase of €527 million compared with 2017 (€2,416 million). This primarily reflects the following:

a) an increase in operating cash flow of €418 million, mainly due to the Abertis group's contribution, amounting to €382 million. On a like-for-like basis, operating cash flow is up €105 million (4%) on 2017, primarily due to an increase in cash from operating activities;
b) a €109 million reduction in the cash outflow due to changes in operating capital and other changes in non-financial assets and liabilities in 2018, compared with 2017, when a greater amount of provisions was used.

"Cash used for investment in non-financial assets" amounts to €34,012 million (an inflow of €842 million in 2017), primarily due to:

a) the impact of the acquisition of control of the Abertis group, amounting to €29,302 million, including total debt contributed, amounting to €12,782 million;
b) acquisition of the 23.86% interest in Hochtief for €2,411 million;
c) capital expenditure after the related government grants, totalling €1,125 million, including €175 million contributed by the Abertis group;
d) the acquisition of a 100% interest in Aero 1 Global & International Sàrl, which owns 15.49% of Getlink, for a total of €1,056 million.

The figure for 2017 primarily regarded the proceeds from the sales of 11.94% of Autostrade per l'Italia and 12.50% of Azzurra Aeroporti (totalling €1,870 million), and the sale of the investment in SAVE (€221 million), in part offset by capital expenditure, totalling €1,076 million.

"Net equity cash outflows" amount to €2,615 million and primarily reflect the contributions of Abertis HoldCo's non-controlling shareholders, amounting to €3,455 million, partly offset by dividends declared by Atlantia (€532 million) and dividends declared by other Atlantia Group companies and payable to non-controlling shareholders (€235 million). The corresponding outflow in 2017, totalling €1,212 million, primarily included dividends declared (€1,052 million), the return of capital to non-controlling shareholders by the Chilean holding company, Grupo Costanera (€93 million) and the cost of Atlantia's purchase of treasury shares (€84 million).

There was also a reduction in net debt of €19 million in 2018, essentially due to an increase in fair value losses on hedging instruments, reflecting a reduction in interest rates during the period, partially offset by financial income recognised as an increase in financial assets and movements in exchange rates. There was a reduction of €135 million in net debt in 2017, linked primarily to the reduction in fair value losses on hedging derivatives and financial income recognised as an increase in financial assets.

The overall impact of the above cash flows has resulted in an increase in net debt of €28,435 million in 2018, compared with a decrease of €2,181 million recorded in 2017.

Consolidated statement of changes in net debt(*)

€M			2018	2017
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES				
Profit for the year			1,083	1,432
Adjusted by:				
Amortisation and depreciation	1,365	1,088		
Operating change in provisions, excluding uses of provisions for renewal of assets held under concession	599	96		
Financial expenses from discounting of provisions for construction services required by contract and other provisions	53	42		
Impairment losses/(Reversals of impairment losses) on financial assets and investments accounted for at fair value	-5	4		
Dividends received and share of (profit)/loss of investees accounted for using the equity method	29	10		
Impairment losses/(Reversals of impairment losses) and adjustments of current and non-current assets	-1	-69		
(Gains)/Losses on sale of non-current assets	-	-47		
Net change in deferred tax (assets)/liabilities through profit or loss	-78	79		
Other non-cash costs (income)	-61	-69		
Operating cash flow			2,984	2,566
Change in operating capital			114	-213
Other changes in non-financial assets and liabilities			-155	63
Net cash generated from/(used in) operating activities (A)			2,943	2,416
NET CASH FROM/(USED IN) INVESTMENT IN NON-FINANCIAL ASSETS				
Investment in assets held under concession	-962	-926		
Purchases of property, plant and equipment	-93	-84		
Purchases of other intangible assets	-70	-66		
Capital expenditure			-1,125	-1,076
Government grants related to assets held under concession			1	1
Increase in financial assets deriving from concession rights (related to capital expenditure)			26	75
Purchases of investments			-2,438	-169
Investment in consolidated companies, including net debt assumed			-30,358	-104
Proceeds from sales of property, plant and equipment, intangible assets and unconsolidated investments			6	224
Proceeds from disposal of non-controlling interests in consolidated companies			-	1,870
Net change in other non-current assets			-124	21
Net cash from/(used in) investment in non-financial assets (B)			-34,012	842
NET EQUITY CASH INFLOWS/(OUTFLOWS)				
Purchase of treasury shares			-	-84
Dividends declared by Atlantia and Group companies and payable to non-controlling shareholders			-767	-1,052
Contributions from non-controlling shareholders			3,455	-
Proceeds from exercise of rights under share-based incentive plans			1	17
Return of capital to non-controlling shareholders			-74	-93
Net equity cash inflows/(outflows) (C)			2,615	-1,212
Increase/(Decrease) in cash and cash equivalents during year (A+B+C)			-28,454	2,046
Change in fair value of hedging derivatives			-106	80
Financial income/(expenses) accounted for as an increase in financial assets/(liabilities)			67	55
Effect of foreign exchange rate movements on net debt and other changes			58	-
Other changes in net debt (D)			19	135
Increase/(Decrease) in net debt for year (A+B+C+D)			-28,435	2,181
Net debt at beginning of year			-9,496	-11,677
Net debt at end of year			-37,931	-9,496

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

Reconciliation of the reclassified and statutory financial statements

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

Reconciliation of the consolidated income statement with the reclassified consolidated income statement

€M	2018						2017					
Reconciliation of items	Reported basis			Reclassified basis			Reported basis			Reclassified basis		
	Ref.	Sub-items	Main entries	Ref.	Sub-items	Main entries	Ref.	Sub-items	Main entries	Ref.	Sub-items	Main entries
Toll revenue			4,992			4,992			4,195			4,195
Aviation revenue			834			834			792			792
Revenue from construction services			518						417			
Revenue from construction services - government grants and cost of materials and external services	(a)	455					(a)	366				
Capitalised staff costs - construction services for which additional economic benefits are received	(b)	47					(b)	40				
Revenue from construction services: capitalised financial expenses	(c)	9					(c)	4				
Revenue from construction services provided by sub-operators	(d)	7					(d)	7				
Other revenue	(e)		1,083				(e)		972			
Other operating income				(e+d)		1,090				(e+d)		979
Total revenue			**7,427**						**6,376**			
TOTAL OPERATING REVENUE						**6,916**						**5,966**
Raw and consumable materials			**-383**		-383				**-326**		-326	
Service costs			**-1,467**		-1,467				**-1,263**		-1,263	
Gain/(Loss) on sale of elements of property, plant and equipment			**-**		-				**2**		2	
Other operating costs			**-721**						**-621**			
Concession fees	(f)		-532				(f)		-513			
Lease expense			-30		-30				-24		-24	
Other			-160		-160				-84		-84	
Other capitalised operating costs			1		1				-		-	
Use of provisions for construction services required by contract				(k)	302					(k)	360	
Revenue from construction services: government grants and capitalised cost of materials and external services				(a)	455					(a)	366	
Use of provisions for renewal of airport infrastructure				(i)	76					(i)	97	
COST OF MATERIALS AND EXTERNAL SERVICES						**-1,206**						**-872**
CONCESSION FEES				(f)		**-532**				(f)		**-513**
Staff costs	(g)		**-1,085**				(g)		**-990**			
NET STAFF COSTS				(b+g+l)		**-973**				(b+g+l)		**-891**
OPERATING CHANGE IN PROVISIONS				(h+j)		**-437**				(h+j)		**-11**
TOTAL NET OPERATING COSTS						**-3,148**						**-2,287**
GROSS OPERATING PROFIT (EBITDA)						**3,768**						**3,679**
PROVISIONS FOR RENEWAL WORK AND OTHER ADJUSTMENTS						**-168**						**-89**
Operating change in provisions			**-523**						**4**			
(Provisions)/ Uses of provisions for repair and replacement of motorway infrastructure	(h)		-347				(h)		15			
(Provisions)/ Uses of provisions for renewal of assets held under concession			-86						15			
Provisions for renewal of assets held under concession		-162			-162			-82			-82	
Use of provisions for renewal of assets held under concession	(i)	76					(i)	97				
Provisions for risks and charges	(j)		-90				(j)		-26			
(Impairment losses)/Reversals of impairment losses				(o)	-6					(o)	-7	
Use of provisions for construction services required by contract			**367**						**419**			
Use of provisions for construction services required by contract	(k)	302					(k)	360				
Capitalised staff costs - construction services for which no additional economic benefits are received	(l)	65					(l)	59				
Amortisation and depreciation	(m)		**-1,364**				(m)		**-1,088**			
Depreciation of property, plant and equipment			-94						-68			
Amortisation of intangible assets deriving from concession rights			-1,182						-954			
Amortisation of other intangible assets			-88						-66			
(Impairment losses)/Reversals of impairment losses			**1**						**69**			
(Impairment losses)/Reversals of impairment losses on property, plant and equipment and intangible assets	(n)	7					(n)	76				
(Impairment losses)/Reversals of impairment losses	(o)	-6					(o)	-7				
AMORTISATION, DEPRECIATION, IMPAIRMENT LOSSES AND REVERSALS OF IMPAIRMENT LOSSES				(m+n)		**-1,357**				(m+n)		**-1,012**
TOTAL COSTS			**-5,175**						**-3,794**			
OPERATING PROFIT/(LOSS)			**2,252**						**2,582**			
OPERATING PROFIT/(LOSS) (EBIT)						**2,243**						**2,578**
Financial income			**398**						**398**			
Financial income accounted for as an increase in financial assets deriving from concession rights and government grants			109			109			73			73
Dividends received from investees accounted for at fair value	(p)		4				(p)		10			
Other financial income	(q)		285				(q)		315			
Financial expenses			**-1,139**						**-921**			
Financial expenses from discounting of provisions for construction services required by contract and other provisions			-53			-53			-42			-42
Other financial expenses	(r)		-1,086				(r)		-879			
Foreign exchange gains/(losses)	(s)		**4**				(s)		**8**			
Other financial expenses, after other financial income				(p+q+r+s)		**-793**				(p+q+r+s)		**-546**
Capitalised financial expenses on intangible assets deriving from concession rights				(c)		**9**				(c)		**4**
FINANCIAL INCOME/(EXPENSES)			**-737**						**-515**			
Share of (profit)/loss of investees accounted for using the equity method			**4**			**4**			**-2**			**-2**
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS			**1,519**			**1,519**			**2,065**			**2,065**
Income tax (expense)/benefit			**-440**			**-440**			**-632**			**-632**
Current tax expense			-538						-561			
Differences on tax expense for previous years			20						8			
Deferred tax income and expense			78						-79			
PROFIT/(LOSS) FROM CONTINUING OPERATIONS			**1,079**			**1,079**			**1,433**			**1,433**
Profit/(Loss) from discontinued operations			**4**			**4**			**-1**			**-1**
PROFIT FOR THE YEAR			**1,083**			**1,083**			**1,432**			**1,432**
of which:												
Profit attributable to owners of the parent			**818**			**818**			**1,172**			**1,172**
Profit attributable to non-controlling interests			**265**			**265**			**260**			**260**

Reconciliation of the consolidated statement of financial position with the reclassified consolidated statement of financial position

€M	31 December 2018				31 December 2017			
Reconciliation of items	Reported basis		Reclassified basis		Reported basis		Reclassified basis	
	Ref.	Main entries	Ref.	Main entries	Ref.	Main entries	Ref.	Main entries
Non-current non-financial assets								
Property, plant and equipment	*(a)*	696		696	*(a)*	303		303
Intangible assets	*(b)*	57,627		57,627	*(b)*	27,424		27,424
Investments	*(c)*	3,597		3,597	*(c)*	267		267
Deferred tax assets	*(d)*	1,607		1,607	*(d)*	1,258		1,258
Other non-current assets	*(e)*	129		129	*(e)*	8		8
Total non-current non-financial assets (A)				**63,656**				**29,260**
Working capital								
Trading assets	*(f)*	2,387		2,387	*(f)*	1,798		1,798
Current tax assets	*(g)*	899		899	*(g)*	79		79
Other current assets	*(h)*	603		603	*(h)*	187		187
Non-financial assets held for sale or related to discontinued operations			*(w)*	1,522			*(w)*	5
Current portion of provisions for construction services required by contract	*(i)*	-428		-428	*(i)*	-427		-427
Current provisions	*(j)*	-1,324		-1,324	*(j)*	-380		-380
Trading liabilities	*(k)*	-2,140		-2,140	*(k)*	-1,583		-1,583
Current tax liabilities	*(l)*	-233		-233	*(l)*	-151		-151
Other current liabilities	*(m)*	-1,239		-1,239	*(m)*	-634		-634
Non-financial liabilities related to discontinued operations			*(x)*	-223			*(x)*	-6
Total working capital (B)				**-176**				**-1,112**
Gross invested capital (C=A+B)				**63,480**				**28,148**
Non-current non-financial liabilities								
Non-current portion of provisions for construction services required by contract	*(n)*	-2,787		-2,787	*(n)*	-2,961		-2,961
Non-current provisions	*(o)*	-2,658		-2,658	*(o)*	-1,566		-1,566
Deferred tax liabilities	*(p)*	-3,238		-3,238	*(p)*	-2,254		-2,254
Other non-current liabilities	*(q)*	-534		-534	*(q)*	-108		-108
Total non-current non-financial liabilities (D)				**-9,217**				**-6,889**
Net invested capital (E=C+D)				**54,263**				**21,259**
Total equity (F)		**16,332**		**16,332**		**11,763**		**11,763**
Net debt								
Non-current net debt								
Non-current financial liabilities	*(r)*	44,151		44,151	*(r)*	15,970		15,970
Non-current financial assets	*(s)*	-4,537		-4,537	*(s)*	-2,316		-2,316
Total non-current net debt (G)				**39,614**				**13,654**
Current net debt								
Current financial liabilities	*(t)*	4,071		4,386	*(t)*	2,254		2,254
Bank overdrafts repayable on demand		*-*		*-*		*18*		*18*
Short-term borrowings		*294*		*294*		*430*		*430*
Current derivative liabilities		*11*		*11*		*14*		*14*
Current portion of medium/long-term borrowings		*3,271*		*3,271*		*1,718*		*1,718*
Other current financial liabilities		*495*		*495*		*74*		*74*
Current financial liabilities related to discontinued operations			*(y)*	*315*			*(y)*	*-*
Cash and cash equivalents	*(u)*	-5,032		-5,073	*(u)*	-5,624		-5,631
Cash in hand		*-3,884*		*-3,884*		*-4,840*		*-4,840*
Cash equivalents		*-1,148*		*-1,148*		*-784*		*-784*
Cash and cash equivalents related to discontinued operations			*(z)*	*-41*			*(z)*	*-7*
Current financial assets	*(v)*	-996		-996	*(v)*	-781		-781
Current financial assets deriving from concession rights		*-536*		*-536*		*-447*		*-447*
Current financial assets deriving from government grants		*-74*		*-74*		*-70*		*-70*
Current term deposits		*-245*		*-245*		*-179*		*-179*
Current derivative assets		*-2*		*-2*		*-1*		*-1*
Current portion of other medium/long-term financial assets		*-109*		*-109*		*-71*		*-71*
Other current financial assets		*-30*		*-30*		*-13*		*-13*
Total current net debt (H)				**-1,683**				**-4,158**
Total net debt (I=G+H)				**37,931**				**9,496**
Net debt and equity (L=F+I)				**54,263**				**21,259**
Assets held for sale or related to discontinued operations	*(-z+w)*	1,563			*(-z+w)*	12		
Liabilities related to discontinued operations	*(+y-x)*	538			*(+y-x)*	6		
TOTAL NON-CURRENT ASSETS	*(a+b+c+d+e-s)*	**68,193**			*(a+b+c+d+e-s)*	**31,576**		
TOTAL CURRENT ASSETS	*(f+g+h-u-v-z+w)*	**11,480**			*(f+g+h-u-v-z+w)*	**8,481**		
TOTAL NON-CURRENT LIABILITIES	*(-n-o-p-q+r)*	**53,368**			*(-n-o-p-q+r)*	**22,859**		
TOTAL CURRENT LIABILITIES	*(-i-j-k-l-m+t+y-x)*	**9,973**			*(-i-j-k-l-m+t+y-x)*	**5,435**		

Reconciliation of the statement of changes in consolidated net debt and the consolidated statement of cash flows

€M		2018				2017			
Reconciliation of items	Note	Consolidated statement of cash flows		Changes in consolidated net debt		Consolidated statement of cash flows		Changes in consolidated net debt	
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES									
Profit for the year			1,083	1,083			1,432	1,432	
Adjusted by:									
Amortisation and depreciation			1,365	1,365			1,088	1,088	
Operating change in provisions, after use of provisions for renewal of assets held under concession			599	599			96	96	
Financial expenses from discounting of provisions for construction services required by contract and other provisions			53	53			42	42	
Impairment losses/(Reversal of impairment losses) on financial assets and investments accounted for at cost or fair value			-5	-5			4	4	
Share of (profit)/loss of investees accounted for using the equity method			29	29			10	10	
Impairment losses/(Reversal of impairment losses) and adjustments of current and non-current assets			-1	-1			-69	-69	
(Gains)/Losses on sale of non-current assets			-	-			-47	-47	
Net change in deferred tax (assets)/liabilities through profit or loss			-78	-78			79	79	
Other non-cash costs (income)			-61	-61			-69	-69	
Operating cash flow					**2,984**				**2,566**
Change in operating capital	(a)				114				-213
Other changes in non-financial assets and liabilities	(b)				-155				63
Change in working capital and other changes	(a+b)		-41				-150		
Net cash generated from/(used in) operating activities (A)			**2,943**		**2,943**		**2,416**		**2,416**
NET CASH FROM/(USED IN) INVESTMENT IN NON-FINANCIAL ASSETS									
Investment in assets held under concession			-962	-962			-926	-926	
Purchases of property, plant and equipment			-93	-93			-84	-84	
Purchases of other intangible assets			-70	-70			-66	-66	
Capital expenditure					**-1,125**				**-1,076**
Government grants related to assets held under concession			1		1		1		1
Increase in financial assets deriving from concession rights (related to capital expenditure)			26		26		75		75
Purchase of investments			-2,438		-2,438		-169		-169
Cost of acquisition	(c)	*-17,576*		*-17,576*		*-104*		*-104*	
Cash and cash equivalents acquired	(d)	*2,477*		*2,477*		-		-	
Net financial liabilities assumed, excluding cash and cash equivalents acquired	(e)			*-15,259*				-	
Acquisitions of additional interests and/or investments in consolidated companies, net of cash acquired	(c+d)		-15,099				-104		
Purchases of interests in consolidated companies, including net debt assumed	(c+d+e)				-30,358				-104
Proceeds from sales of property, plant and equipment, intangible assets and unconsolidated investments			6		6		224		224
Proceeds from disposals of consolidated companies, after cash and cash equivalents transferred			-		-		1,870		1,870
Net change in other non-current assets			-124		-124		21		21
Net change in current and non-current financial assets	(f)		80				-148		
Net cash from/(used in) investment in non-financial assets (B)	**(g)**				**-34,012**				**842**
Net cash generated from/(used in) investing activities (C)	**(f+g-e)**		**-18,673**				**694**		
NET EQUITY CASH INFLOWS/(OUTFLOWS)									
Purchase of treasury shares			-		-		-84		-84
Dividends declared by Atlantia and Group companies and payable to non-controlling shareholders	(h)				-767				-1,052
Contributions from non-controlling shareholders			3,455		3,455		-		-
Dividends paid	(i)		-781				-994		
Proceeds from exercise of rights under share-based incentive plans			1		1		17		17
Return of capital to non-controlling shareholders			-74		-74		-93		-93
Net equity cash inflows/(outflows) (D)					**2,615**				**-1,212**
Net cash (used)/generated during the year (A+B+D)					**-28,454**				**2,046**
Issuance of bonds			315				2,352		
Increase in medium/long term borrowings (excluding finance lease liabilities)			13,929				271		
Bond redemptions			-1,223				-775		
Repayments of medium/long term borrowings (excluding finance lease liabilities)			-349				-297		
Payment of finance lease liabilities			-				-3		
Net change in other current and non-current financial liabilities			-50				-1,259		
Net cash generated from/(used in) financing activities (E)			**15,223**				**-865**		
Change in fair value of hedging derivatives	(j)				-106				80
Financial income/(expenses) accounted for as an increase in financial assets/(liabilities)	(k)				67				55
Effect of foreign exchange rate movements on net debt and other changes	(l)				58				-
Other changes in net debt (F)					**19**				**135**
Net effect of foreign exchange rate movements on net cash and cash equivalents (G)			**-33**				**-18**		
Increase/(decrease) in net debt for year (A+B+D+F)					**-28,435**				**2,181**
Net debt at beginning of year					**-9,496**				**-11,677**
Net debt at end of year					**-37,931**				**-9,496**
Increase/(Decrease) in cash and cash equivalents during year (A+C+E+G)			**-540**				**2,227**		
NET CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR			**5,613**				**3,386**		
NET CASH AND CASH EQUIVALENTS AT END OF YEAR			**5,073**				**5,613**		

Notes

a) the "Change in operating capital" shows the change in trade-related items directly linked to the Atlantia Group's ordinary activities (in particular: inventories, trading assets and trading liabilities);
b) the "Other changes in non-financial assets and liabilities" shows changes in items of a non-trading nature (in particular: current tax assets and liabilities, other current assets and liabilities, current provisions for construction services required by contract and other provisions);
c) "Cost of acquisitions" shows the cost incurred when purchasing investments in consolidated companies;
d) "Cash and cash equivalents acquired" includes the cash acquired as a result of the acquisition of consolidated companies;
e) the "Net financial liabilities assumed, excluding cash and cash equivalents acquired" include the net debt assumed as a result of the acquisition of consolidated companies;
f) the "Net change in current and non-current financial assets" is not shown in the "Statement of changes in consolidated net debt", as it does not have an impact on net debt;
g) "Net cash from/(used in) investment in non-financial assets" excludes changes in the financial assets and liabilities referred to in notes f) and e) that do not have an impact on net debt;
h) "Dividends declared by Atlantia and Atlantia Group companies and payable to non-controlling shareholders" regard the portion of dividends declared by the Parent Company and other Atlantia Group companies attributable to non-controlling interests, regardless of the reporting period in which they are paid;
i) "Dividends paid" refer to amounts effectively paid during the reporting period;
j) the amount represents the change in the fair value of cash flow hedges, before the related taxation, as shown in "Fair value gains/(losses) on cash flow hedges" in the consolidated statement of comprehensive income;
k) this item essentially includes financial income and expenses in the form of interest linked to loans requiring the repayment of principal and interest accrued at maturity; the financial assets are described in note 7.4 and the financial liabilities are described in note 7.15 in the consolidated financial statements;
l) this item essentially includes the impact of exchange rate movements on financial assets (including cash and cash equivalents) and financial liabilities denominated in currencies other than the euro held by Atlantia Group companies.

Adjusted consolidated results of operations and financial position and reconciliation with reported consolidated amounts

The following section presents a number of ("adjusted") alternative performance indicators, calculated by stripping out, from the corresponding reported alternative performance indicators in the reclassified consolidated income statement and the reclassified consolidated statement of financial position (reported alternative performance indicators), the impact of application of the "financial model", introduced by IFRIC 12, by the Atlantia Group's operators who apply this model. The following statement presents adjustments to gross operating profit (EBITDA), operating cash flow and net debt deriving from the specific nature of concession arrangements entered into with the grantors of the concessions held by certain operators, under which the operators have an unconditional right to receive contractually guaranteed cash payments regardless of the extent to which the public uses the service. This right is accounted for in "financial assets deriving from concession rights" in the statement of financial position. Following consolidation of the Abertis group from the end of October 2018, the adjustments to gross operating profit (EBITDA), operating cash flow and net debt also include amounts attributable to certain Chilean and Argentine operators that are part of the Abertis group and whose concession arrangements contain provisions similar to those described above.
The adjusted alternative performance indicators are presented with the sole aim of enabling analysts and the rating agencies to assess the Atlantia Group's results of operations and financial position using the basis of presentation normally adopted by them.

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

a) an increase in revenue to take account of the reduction (following collection) in financial assets accounted for in the statement of financial position, as a result of guaranteed minimum toll revenue and returns on investment;
b) an increase in revenue, corresponding to the portion of government grants accrued in relation to motorway maintenance and accounted for, in the statement of financial position, as a reduction in financial assets deriving from grants for investment in motorway infrastructure;
c) an increase in revenue, corresponding to the accrued portion of government grants collected in relation to investment in motorway infrastructure and accounted for, in the statement of financial position, as a reduction in financial assets deriving from grants for investment in motorway infrastructure;
d) the reversal of financial income deriving from the discounting to present value of financial assets deriving from concession rights (relating to guaranteed minimum toll revenue and returns on investment) and government grants for motorway maintenance, accounted for in financial income in the income statement;
e) the elimination of financial assets recognised, in the statement of financial position, in application of the "financial model" introduced by IFRIC 12.

Reconciliation of adjusted and reported consolidated amounts

€M	2018		2017	
	EBITDA	Operating cash flow	EBITDA	Operating cash flow
Reported amounts	3,768	2,984	3,679	2,566
Increase in revenue for guaranteed minimum revenue	98	98	81	81
Grants for motorway maintenance	21	21	17	17
Grants for investment in motorway infrastructure	1	1	-	-
Reversal of financial income deriving from discounting of financial assets deriving from concession rights	-	-61	-	-45
Reversal of financial income deriving from discounting of financial assets deriving from government grants for motorway	-	-7	-	-7
Total adjustments	120	52	98	46
Adjusted amounts	3,888	3,036	3,777	2,612

€M	NET DEBT AS AT 31 DECEMBER 2018	NET DEBT AS AT 31 DECEMBER 2017
Reported amounts	37,931	9,496
Reversal of financial assets deriving from:		
- takeover rights	408	400
- guaranteed minimum revenue	642	602
- grants for motorway maintenance	139	79
- other financial deriving from concession rights	394	-
Total adjustments	1,583	1,081
Adjusted amounts	39,514	10,577

Pro-forma reclassified consolidated income statement

The following pro forma disclosure is provided in order to present the material effects of the acquisition of the Abertis group, as described in the "Introduction", on Atlantia's reclassified consolidated income statement down to "Gross operating profit" (EBITDA), had the transactions been effective from 1 January 2018, rather than from the end of October 2018.

In particular, as noted above in the "Introduction", the acquisition of Abertis was completed via:
1) the establishment of Abertis Participaciones SA, a Spanish-registered company wholly owned by Abertis HoldCo SA, a Spanish-registered company also established in 2018, whose shares are held by the following shareholders: Atlantia 50% (plus one share), ACS 30% and Hochtief 20% (less one share);
2) the acquisition, by Abertis Participaciones, of the 98.7% interest in Abertis held by Hochtief, resulting from the related voluntary public tender offer for the company that was terminated on 18 May 2018 and later purchases of shares, at a price of €18.36 per share.

As permitted by IFRS 3, the provisional fair values of the Abertis group's assets and liabilities have been recognised in the consolidated financial statements for the year ended 31 December 2018, recognising in full the difference between the purchase cost and the net assets acquired in goodwill (€16,774 million). Once the process of confirming the fair values of the Abertis group's assets and liabilities has been completed, which will take place within twelve months of the acquisition date, as required by IFRS 3, the Abertis group's contribution to the operating results and financial position reported in the consolidated financial statements for the year ended 31 December 2018 will be redetermined.

To facilitate a correct interpretation of the information provided in the pro forma consolidated income statement, the following should be taken into account:
a) given that the pro forma income statement presents a hypothetical situation, had the acquisition actually been consummated at the date to which the pro forma consolidated income statement refers, the resulting impact on the accounts would not necessarily have been identical to the pro forma data presented below;
b) the pro forma adjustments shown represent material effects on the income statement linked directly to the acquisition;
c) the pro forma information has been prepared solely for the purposes of presenting the objectively measurable effects of the acquisition and, therefore, does not take account of the potential effects resulting from changes in management strategy and operational decisions resulting from implementation of that strategy;
d) the pro forma information does not reflect forward-looking information, and is not intended in any way to present the expected future operating performance of the Atlantia Group following the acquisition and, therefore, should not be used in this sense;
e) at the date to which the pro forma consolidated income statement refers, there were no direct relationships of control or affiliation between the companies participating in the acquisition, nor were they under common control as defined by IFRS 3;
f) the amounts calculated in order to compute the "Pro forma adjustments" are consistent with the accounting presentation of the transaction presented in detail in note 6.2 of section 3, "Consolidated financial statements as at and for the year ended 31 December 2018: financial statements and notes";

g) the accounting information for Abertis group companies used in the preparation of this pro forma disclosure has been prepared applying the same accounting standards and policies used in computing "Gross operating profit" (EBITDA) as those applied by the Atlantia Group following the decision to standardise the basis of accounting and presentation used for financial reporting purposes (GAAP analysis). This approach as adopted following completion of the acquisition.

The following statement presents:

a) the Atlantia Group's results for 2018 after stripping out the Abertis group's contribution for the last two months of 2018 in the column headed "Atlantia";
b) the results for 2018 extracted from the financial information published by the Abertis group in the column headed "Abertis";
c) the sum of the consolidated results of Atlantia and the Abertis group in the column headed "Combined pro forma amounts";
d) the costs incurred in 2018 in order to complete the acquisition by Atlantia and to establish the above special purposes vehicles used in the acquisition in the column headed "Pro forma adjustments";
e) the pro forma reclassified consolidated results for 2018, following the acquisition, in the column headed "Atlantia pro forma".

€M	ATLANTIA 2018 (A)	ABERTIS 2018 (B)	COMBINED PRO FORMA AMOUNTS 2018 (C) = (A) + (B)	PRO FORMA ADJUSTMENTS (D)	ATLANTIA PRO FORMA 2018 (E) = (C) - (D)
Toll revenue	4,238	5,050	9,288		9,288
Aviation revenue	834	-	834		834
Other operating revenue	1,017	205	1,222		1,222
Total operating revenue	**6,089**	**5,255**	**11,344**		**11,344**
Cost of materials and external services and concession fees	-1,530	-1,182	-2,712	-27	-2,685
Net staff costs	-865	-582	-1,447		-1,447
Operating change in provisions	-476	58	-418		-418
Total net operating costs	**-2,871**	**-1,706**	**-4,577**	**-27**	**-4,550**
Gross operating profit (EBITDA)[1]	**3,218**	**3,549**	**6,767**	**-27**	**6,794**

(1) Gross operating profit (EBITDA) for 2018 reflects the operating costs and provisions recognised following the collapse of a portion of the Polcevera road bridge in Genoa, amounting to €513 million (as described in the section, "Like-for-like financial indicators"). After stripping out this factor, the Atlantia Group's pro forma EBITDA for 2018 amounts to €7,307 million.

Financial review for Atlantia SpA

Introduction

This financial review includes and analyses the reclassified income statement, statement of comprehensive income, statement of changes in equity and statement of changes in net debt of Atlantia SpA (the "Company") for the year ended 31 December 2018, 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 2018, compared with comparative amounts as at 31 December 2017.

The financial statements for the year ended 31 December 2018 have been prepared in compliance with the international financial reporting standards (IFRS) endorsed by the European Commission and in effect as at 31 December 2018.
Compared with the accounting standards used in the preparation of the financial statements as at and for the year ended 31 December 2017, the Company has, from 1 January 2018, adopted IFRS 15 – Revenue from Contracts with Customers and IFRS 9 – Financial Instruments, although the new standards have not had a material impact on the Company's accounts.

In March 2018, the Company acquired a 100% interest in Aero I Global & International Sàrl ("Aero 1"), for a price of €1,056 million, in addition to certain loans and receivables (subsequently converted into equity) due from this company. Aero 1 is the Luxembourg-registered investment vehicle that holds a 15.49% interest (and 26.64% of the voting rights) in Getlink SE, the company that holds the concession to operate the undersea link between France and the United Kingdom.

The acquisition of control of Abertis group Infraestructuras ("Abertis" was completed in October 2018, in partnership with ACS, Actividades de Construcción y Servicios ("ACS") and Hochtief Aktiengesellschaft ("Hochtief"). The operating costs relating to consultants' fees incurred by Atlantia in 2017 (amounting to €32 million in the statement of financial position as at 31 December 2017), in relation to the voluntary public tender offer, in cash and/or shares, for the entire issued capital of Abertis Infraestructuras SA ("Atlantia's public tender offer"), have been recognised in the income statement for 2018, following the conclusion of the joint investment agreement and, as a result, the withdrawal of Atlantia's public tender offer. Together with these costs, further charges of €22 million were recognised in 2018 in relation to both the previous and the new structure of the transaction.
Following completion of the transaction, the Company has also recognised its interests in Abertis HoldCo (50% + 1 share), the investment vehicle established for the purpose subscribing for new shares issued as part of the transaction, and in Hochtief (23.86%). The related amounts as at 31 December 2018 are €3,383 million and €1,984 million, respectively.

Further details of acquisitions in 2018 are provided in note 4, "Acquisitions and corporate actions during the year" in the section of the Annual Report, "Financial statements as at and for the year ended 31 December 2018".

The Company did not enter into non-recurring, atypical or unusual transactions, either with third or related parties, having a material impact on the Company's accounts in 2018.

The reconciliation of the reclassified financial statements included and analysed in this section with the corresponding statutory financial statements is provided in the section "Reconciliation of Atlantia SpA's reclassified and statutory financial statements".

Results of operations

As in the comparative period, "Operating revenue" for 2018 amounts to €3 million and primarily consists of rental income, revenue from intra-group services and cost recoveries from subsidiaries.
"Net operating costs" for 2018 amount to €100 million, up €45 million on 2017, primarily due to a combination of the following:

a) recognition, in 2018, of the consultants' fees incurred in relation to the acquisition of control of Abertis (€54 million, including €32 million, as described in the "Introduction", already recognised in the Company's financial statements as at 31 December 2017 on the assumption that Atlantia's public tender offer, which was later withdrawn and replaced by a joint investment with ACS and Hochtief, would be successful);
b) recognition, in 2017, of the costs incurred for the external consultants engaged in the sale of a non-controlling interest in Autostrade per l'Italia (€12 million).

The "Gross operating loss" (negative EBITDA) amounts to €97 million for 2018 (a loss of €52 million in 2017).

"Dividends received from investee companies" amount to €861 million, compared with €1,800 million in 2017, when the figure essentially benefitted the distribution, in January 2017, of a special dividend in kind by Autostrade per l'Italia, via the transfer, based on the related carrying amounts, of its entire interests in Autostrade dell'Atlantico and Autostrade Indian Infrastructure Development, amounting to €754 million and €1 million, respectively).
After adjusting for this item, the figure is down €184 million, broadly reflecting the combined effect of a reduction in dividends declared by Autostrade per l'Italia (down €255 million, bearing in mind that the company did not declare an interim dividend for 2018) and the distribution of reserves approved by Autostrade dell'Atlantico (€60 million) in December 2018.

"Gains on the sale of investments" in 2017 amount to €1,052 million and primarily related to the above sale of 11.94% of Autostrade per l'Italia (€1,010 million) and the sale of the entire interest in SAVE (€40 million).

"Net other financial expenses" are negative for an amount of €111 million with an increase of €76 million compared with 2017 (€35 million). This primarily reflects the effect of the costs incurred in 2018 in relation to the acquisition of control of Abertis, regarding:

a) financial expenses on cash flow hedge (€39 million) linked to the transaction, essentially relating to differentials realised;
b) the financial expenses incurred by Hochtief (€24 million) in order to complete its public tender offer in accordance with the joint investment agreements and charged to Atlantia under the same agreements;
c) financial expenses (€20 million) essentially linked to commitment fees and accrued interest on the acquisition financing obtained in relation to Atlantia's public tender offer and on the subsequent financing used to finance the acquisition.

Current tax benefits amount to €42 million for 2018, reflecting the benefit resulting from the tax loss for the year which, in view of the Company's participation in a tax consolidation arrangement, is fully recoverable. Tax expense for 2017 essentially regarded current tax expense linked to Autostrade per l'Italia's distribution of available reserves and payment of the special dividend in kind (resulting in tax expense for Atlantia of €34 million) and the gain on the sale of interests in Autostrade per l'Italia (€19 million).

"Profit for the year" thus amounts to €695 million for 2018, whilst profit for 2017 (€2,722 million) essentially benefitted, as noted earlier, from the impact of the special dividend in kind and the sale of interests in Autostrade per l'Italia.

Reclassified income statement (*)

€M	2018	2017	INCREASE/ (DECREASE)	
			ABSOLUTE	%
Operating revenue	3	3	-	n.s.
Total operating revenue	**3**	**3**	**-**	**n.s.**
Cost of materials and external services	-80	-30	-50	n.s.
Staff costs	-20	-25	5	-20%
Total net operating costs	**-100**	**-55**	**-45**	**82%**
Gross operating loss (EBITDA)	**-97**	**-52**	**-45**	**87%**
Amortisation, depreciation, impairment losses and reversals of impairment losses	-	-1	1	n.s.
Operating loss (EBIT)	**-97**	**-53**	**-44**	**83%**
Dividends received from investees	861	1,800	-939	-52%
Gains on sale of investments	-	1,052	-1,052	n.s.
Reversals of impairment losses/(Impairment losses) on investments	-	8	-8	n.s.
Other financial income/(expenses), net	-111	-35	-76	n.s.
Profit before tax from continuing operations	**653**	**2,772**	**-2,119**	**-76%**
Income tax (expense)/benefit	42	-50	92	n.s.
Profit from continuing operations	**695**	**2,722**	**-2,027**	**-74%**
Profit for the year	**695**	**2,722**	**-2,027**	**-74%**

(*) The reconciliation with reported amounts in the income statement is provided in the section, "Reconciliation of Atlantia SpA's reclassified and statutory financial statements".

Statement of comprehensive income

€M		2018	2017
Profit for the year	**(A)**	**695**	**2,722**
Fair value gains/(losses) on cash flow hedges		-60	2
Tax effect of fair value gains/(losses) on cash flow hedges		18	-
Other comprehensive income/(loss) reclassifiable to profit or loss for the year	**(B)**	**-42**	**2**
Fair value (losses)/gains on investments		-427	
Tax effect of fair value (losses)/gains on investments		5	
Other comprehensive income/(loss) not reclassifiable to profit or loss for the year	**(C)**	**-422**	**-**
Reclassifications of other components of comprehensive income to profit or loss for the year	**(D)**	**-**	**-**
Total other comprehensive income/(loss) for the year	**(E=B+C+D)**	**-464**	**2**
Comprehensive income for the year	**(A+E)**	**231**	**2,724**

The “Total other comprehensive income for the year” in 2018 almost entirely reflects the €427 million (before taxation) represented by fair value losses (between 31 December 2018 and the acquisition date) on the investment in Hochtief following designation of the investment, in accordance with IFRS 9, as an equity instrument to be measured at fair value through other comprehensive income. These fair value losses were measured on the basis of the price of the company’s shares on the Frankfurt Stock Exchange at the end of the year, was largely reversed in early 2019.
The fair value measurement of cash flow hedges in 2018 resulted in a loss of €60 million before the related taxation. This was essentially due to the recognition of fair value losses (€48 million) on the Forward-Starting Interest Rate Swaps entered into in March 2018, and an increase in fair value losses (€14 million) on the Forward-Starting Interest Rate Swaps entered into in June 2017. These changes broadly reflect the decline in interest rates over 2018.

As a result, comprehensive income for 2018 amounts to €231 million (€2,724 million for 2017).

Financial position

"Non-current non-financial assets" of €16,110 million are up €6,372 million compared with 31 December 2017 (€9,738 million). This essentially reflects:

a) subscription for shares (50% + 1 share) in Abertis HoldCo (€3,459 million);
b) acquisition of an investment (23.86%) in Hochtief which, due to losses recognised in equity as a result of fair value measurement of the investment (amounting to €427 million, before the related taxation), has a carrying amount as at 31 December 2018 of €1,984 million. These fair value losses were measured on the basis of the price of the company's shares on the Frankfurt Stock Exchange at the end of the year, was largely reversed in early 2019;
c) acquisition of a 100% interest in Aero 1 Global & International (€1,056 million), the investment vehicle that holds the investment in Getlink.

Positive "Working capital" of €35 million is up €104 million compared with the negative amount of €69 million as at 31 December 2017. This essentially reflects taxation (€103 million) broadly linked to the settlement of tax expense for 2017 (€40 million) and the payment on account for 2018 (€17 million), as well as the recognition of current tax assets (€42 million), primarily on the tax loss for the year.

"Non-current non-financial liabilities" amount to €3 million, down €17 million compared with 31 December 2017 (€20 million). This broadly relates to the offset resulting from the recognition of deferred tax assets linked to the measurement of hedging derivatives (€18 million).

As a result, "Net invested capital" of €16,142 million, an increase of €6,493 million compared with 31 December 2017 (€9,649 million).

Reclassified statement of financial position (*)

€M	31 December 2018	31 December 2017	INCREASE/ (DECREASE)
Non-current non-financial assets			
Property, plant and equipment	6	7	-1
Investments	16,095	9,699	6,396
Other non-current assets	-	32	-32
Deferred tax assets, net	9	-	9
Total non-current non-financial assets (A)	16,110	9,738	6,372
Working capital			
Trading assets	14	10	4
Current tax assets	117	120	-3
Other current assets	1	1	-
Current provisions	-1	-2	1
Trading liabilities	-24	-23	-1
Current tax liabilities	-46	-152	106
Other current liabilities	-26	-23	-3
Total working capital (B)	35	-69	104
Gross invested capital (C=A+B)	16,145	9,669	6,476
Non-current non-financial liabilities			
Non-current provisions	-1	-1	-
Deferred tax liabilities, net	-	-14	14
Other non-current liabilities	-2	-5	3
Total non-current non-financial liabilities (D)	-3	-20	17
NET INVESTED CAPITAL (E=C+D)	16,142	9,649	6,493
Equity			
Issued capital	826	826	-
Reserves and retained earnings	9,849	8,590	1,259
Treasury shares	-167	-169	2
Profit for the year after payment of interim dividend	695	2,256	-1,561
Total equity (F)	11,203	11,503	-300
Net debt/(net funds)			
Non-current net debt/(net funds)			
Non-current financial liabilities	5,042	1,732	3,310
Bond issues	1,734	1,732	2
Medium/long-term borrowings	3,233	-	3,233
Non-current derivative liabilities	75	-	75
Non-current financial assets	-604	-617	13
Total non-current net debt/(net funds) (G)	4,438	1,115	3,323
Current net debt/(net funds)			
Current financial liabilities	802	1,135	-333
Intercompany current account payables due to related parties	2	-	2
Short-term borrowings	-	100	-100
Current portion of medium/long-term borrowings	718	1,020	-302
Current derivative liabilities	2	14	-12
Other current financial liabilities	80	1	79
Cash and cash equivalents	-281	-3,093	2,812
Cash	-218	-2,186	1,968
Cash equivalents	-	-900	900
Intercompany current account receivables due from related parties	-63	-7	-56
Current financial assets	-20	-1,011	991
Current portion of other medium/long-term financial assets	-1	-1,001	1,000
Current derivative assets	-2	-1	-1
Other current financial assets	-17	-9	-8
Total current (net funds)/net debt (H)	501	-2,969	3,470
Total (net funds)/net debt (I=G+H) (1)	4,939	-1,854	6,793
NET DEBT AND EQUITY (L=F+I)	16,142	9,649	6,493

(*) The reconciliation with the reported amounts in the statement of financial position is provided in the section, "Reconciliation of Atlantia SpA's reclassified and statutory financial statements".

(1) Net debt includes non-current financial assets, unlike the financial position shown in the notes to the financial statements and prepared in compliance with the European Securities and Markets Authority (ESMA) Recommendation of 20 March 2013, which does not permit the deduction of non-current financial assets from debt.

"Equity" amounts to €11,203 million, down €300 million compared with the figure for 31 December 2017 (€11,503 million). This broadly reflects a combination of the following:

a) payment of the final dividend for 2017 (€532 million);
b) comprehensive income for the year (€231 million) which, compared with the figure for the previous year (€695 million), reflects fair value losses on the investment in Hochtief (€422 million, after the related taxation).

Statement of changes in equity

€M	Issued capital	Reserves and retained earnings	Treasury shares	Profit for the year after payment of interim dividend	TOTAL EQUITY
Balance as at 31 December 2016	826	8,470	-107	557	9,746
Comprehensive income for the year	-	2	-	2,722	2,724
Owner transactions and other changes					
Final dividend (€0.530 per share)	-	-	-	-433	-433
Transfer of profit/(loss) for previous year to retained earnings	-	124	-	-124	-
Interim dividend (€0.570 per share)	-	-	-	-466	-466
Purchase of treasury shares	-	-	-84	-	-84
Share-based incentive plans	-	-6	22	-	16
Balance as at 31 December 2017	826	8,590	-169	2,256	11,503
Comprehensive income for the year	-	-464	-	695	231
Owner transactions and other changes					
Final dividend (€0.650 per share)	-	-	-	-532	-532
Transfer of profit/(loss) for previous year to retained earnings	-	1,724	-	-1,724	-
Share-based incentive plans	-	-1	2	-	1
Balance as at 31 December 2018	826	9,849	-167	695	11,203

As at 31 December 2018, net debt amounts to a €4,939 million, compared with net funds of €1,854 million as at 31 December 2017. This is a change of €6,793 million, essentially reflecting the investments in Abertis HoldCo, Hochtief and Aero 1 (€6,926 million) referred to above.

Non-current net debt, amounting to €4,438 million, is up €3,323 million compared with 31 December 2017 (€1,115 million). This essentially reflects the two new Term Loans (with a total face value of €3,250 million) obtained to finance the acquisition of control of Abertis.

Current net debt amounts to €501 million, marking a change of €3,470 million compared with net funds of €2,969 million as at 31 December 2017. This broadly reflects the purchase of the above investments, consisting of the cost not financed through the new Term Loans, which was covered through the use of existing liquidity and the partial drawdown (€675 million) of the Revolving Credit Facility (obtained in July 2018).

The residual weighted average term to maturity of the Company's debt is approximately 5 years and 1 month as at 31 December 2018. 30.8% of the Company's debt is fixed rate. After taking into account hedges, fixed rate debt accounts for 83.7% of the total.
The average cost of medium/long-term borrowings in 2018 was approximately 1.7%.
Following Atlantia's withdrawal of its public tender offer, on 13 April 2018, the Company cancelled the acquisition financing provided by its banks in May 2017, amounting to €14,700 million (already reduced to €11,648 million in 2017).

In 2018, the Company signed the following loan agreements providing committed lines of credit of up to €4,500 million. These break down as follows:

a) Term Loan 1 (agreed on 15 May 2018) of up to €1,500 million, repayable in tranches maturing between the first quarter of 2022 and the first quarter of 2023;
b) Term Loan 2 (agreed on 4 July 2018) of up to €1,750 million, with a bullet repayment in the third quarter of 2023;
c) a Revolving Facility (agreed on 4 July 2018) of up to €1,250 million, with a bullet repayment in the third quarter of 2023.

The two Term Loans were earmarked to finance the investment in Abertis and were drawn down in full in September 2018, at the same time as a portion of the Revolving facility was used (€675 million).

Finally, on 12 October 2018, Atlantia obtained a further revolving facility (unused as at 31 December 2018) for general corporate purposes, amounting to €2,000 million. This facility has a duration of 18.5 months (extendable for up to 36 months at Atlantia's discretion).

Cash flow

"Cash generated from operating activities" amounts to €573 million for 2018, down €386 million on the corresponding figure for 2017 (€959 million). This essentially reflects:

a) a reduction in operating cash flow (€234 million), primarily linked to the reduction in cash dividends distributed by investees (€184 million), and an increase operating costs and financial expenses (€134 million), mainly due to the purchase of investments during the year, after the related current taxation (€92 million) recognised in the income statement;
b) the outflow in 2018 resulting from other changes in non-financial assets and liabilities (€137 million), linked essentially to outflows in 2018 (€103 million) for taxation, described in the section, "Financial position", compared with an inflow in 2017, primarily connected with the recognition of current tax expense for the year (€50 million).

"Net cash used for investment in non-financial assets", amounting to €6,791 million, primarily regards outflows relating to the subscription for shares issued by Abertis HoldCo (€3,459 million), and the acquisition of shares in Hochtief (€2,411 million) and Aero 1 Global & International (€1,056 million). In contrast, net cash from investment in non-financial assets in 2017 (amounting to €2,895 million) benefitted from the proceeds from Autostrade per l'Italia's distribution of a portion of its available reserves (€1,101 million) and proceeds from the sale of interests in the same subsidiary (€1,733 million), in Azzurra Aeroporti (€136 million) and in SAVE (€221 million).

"Net equity cash outflows" amounted to €531 million in 2018, mainly reflecting payment of the final dividend for 2017.
In 2017, net equity cash outflows essentially reflected payment to shareholders of the final dividend for 2016 (€433 million) and of the interim for 2017 (€466 million), and the outflow relating to the purchase of treasury shares (€84 million), as part of the programme announced by the Company in December 2016.

As a result of the above cash flows, together with the change in the fair value of hedging instruments described in the section, "Results of operations", and other minor changes, net debt is up €6,793 million as at 31 December 2018, compared with an improvement in the financial position of €2,885 million in 2017.

Statement of changes in net debt (*)

€M	2018	2017
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Profit for the year	695	2,722
Adjusted by:		
Amortisation and depreciation	-	1
(Reversals of impairment losses)/Impairment losses on investments	-	-8
(Gains)/Losses on sale of non-current assets	-	-1,052
Net change in deferred tax (assets)/liabilities through profit or loss	1	-
Other non-cash costs (income)	-17	-750
Operating cash flow	**679**	**913**
Change in operating capital	-4	11
Other changes in non-financial assets and liabilities	-102	35
Net cash generated from/(used in) operating activities (A)	**573**	**959**
NET CASH FROM/(USED IN) INVESTMENT IN NON-FINANCIAL ASSETS		
Purchase of investments	-6,926	-265
Proceeds from sale of interests in investees	2	2,091
Proceeds from distribution of reserves by subsidiaries	100	1,101
Net change in other non-current assets	32	-32
Net cash from/(used in) investment in non-financial assets (B)	**-6,792**	**2,895**
NET EQUITY CASH INFLOWS/(OUTFLOWS)		
Dividends declared	-532	-899
Purchase of treasury shares	-	-84
Proceeds from exercise of rights under share-based incentive plans	1	17
Net equity cash inflows/(outflows)(C)	**-531**	**-966**
Increase/(Decrease) in cash and cash equivalents during year (A+B+C)	**-6,750**	**2,888**
OTHER CHANGES IN NET DEBT/NET FUNDS		
Change in fair value of hedging derivatives	-60	2
Financial income/(expenses) accounted for as an increase in financial assets/(liabilities)	8	8
Other changes in financial assets and liabilities	9	-13
Other changes in net debt/net funds (D)	**-43**	**-3**
Change in net debt/net funds for year (A+B+C+D)	**-6,793**	**2,885**
(Net debt)/Net funds at beginning of year	**1,854**	**-1,031**
Net funds/(Net debt) at end of year	**-4,939**	**1,854**

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

Reconciliation of Atlantia SpA's reclassified and statutory financial statements

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

Reconciliation of the income statement with the reclassified income statement

€m	2018					
Reconciliation of items	Reported basis			Reclassified basis		
	Ref.	Sub-items	Main entries	Ref.	Sub-items	Main entries
Operating revenue			3			3
TOTAL REVENUE			3			
Total operating revenue						3
Service costs			-62		-62	
Other operating costs			-18			
Lease expense			-1		-1	
Other			-17		-17	
Cost of materials and external services						-80
Staff costs			-20			
Staff costs						-20
Total net operating costs						-100
Gross operating profit/(loss) (EBITDA)						-97
Amortisation and depreciation			-			
Depreciation of property, plant and equipment			-			
Depreciation of investment property			-			
Amortisation of other intangible assets			-			
Amortisation, depreciation, impairment losses and reversals of impairment losses						-
TOTAL COSTS			-100			
OPERATING PROFIT/(LOSS)			-97			
Operating profit/(loss) (EBIT)						-97
Financial income			960			
Dividends received from investees			861			861
Gains on sale in investments			-			-
Reversals of impairment losses on financial assets and investments	*(m)*		-			
Other financial income	*(a)*		99			
Financial expenses			-210			
Financial expenses from discounting of provisions for construction services required by contract and other provisions			-			-
Impairment losses on investments	*(n)*		-			-
Other financial expenses	*(b)*		-210			
Foreign exchange gains	*(c)*		-			
Reversals of impairment losses/(Impairment losses) on investments				*(m+n)*		-
Other financial income/(expenses), net				*(a+b+c)*		-111
FINANCIAL INCOME/(EXPENSES)			750			
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS			653			653
Income tax (expense)/benefit			42			42
Current tax (expense)/benefit			41			
Differences on tax expense for previous years			2			
Deferred tax income and expense			-1			
PROFIT/(LOSS) FROM CONTINUING OPERATIONS			695			695
PROFIT FOR THE YEAR			695			695

Reconciliation of the income statement with the reclassified income statement

€m	2017					
Reconciliation of items	Reported basis			Reclassified basis		
	Ref.	Sub-items	Main entries	Ref.	Sub-items	Main entries
Operating revenue			3			3
TOTAL REVENUE			3			
Total operating revenue						3
Service costs			-22		-22	
Other operating costs			-8			
Lease expense			-1		-1	
Other			-7		-7	
Cost of materials and external services						-30
Staff costs			-25			
Staff costs						-25
Total net operating costs						-55
Gross operating profit/(loss) (EBITDA)						-52
Amortisation and depreciation			-1			
Depreciation of property, plant and equipment			-			
Depreciation of investment property			-1			
Amortisation of other intangible assets			-			
Amortisation, depreciation, impairment losses and reversals of impairment losses						-1
TOTAL COSTS			-56			
OPERATING PROFIT/(LOSS)			-53			
Operating profit/(loss) (EBIT)						-53
Financial income			2,956			
Dividends received from investees			1,800			1,800
Gains on sale in investments			1,052			1,052
Reversals of impairment losses on financial assets and investments	(m)		12			
Other financial income	*(a)*		92			
Financial expenses			-131			
Financial expenses from discounting of provisions for construction services required by contract and other provisions			-			-
Impairment losses on investments	*(n)*		-4			-
Other financial expenses	*(b)*		-127			
Foreign exchange gains	*(c)*		-			
Reversals of impairment losses/(Impairment losses) on investments				*(m+n)*		8
Other financial income/(expenses), net				*(a+b+c)*		-35
FINANCIAL INCOME/(EXPENSES)			2,825			
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS			2,772			2,772
Income tax (expense)/benefit			50			-50
Current tax (expense)/benefit			-49			
Differences on tax expense for previous years			-1			
Deferred tax income and expense			-			
PROFIT/(LOSS) FROM CONTINUING OPERATIONS			2,722			2,722
PROFIT FOR THE YEAR			2,722			2,722

Reconciliation of the statement of financial position with the reclassified statement of financial position

€m	31 December 2018				31 December 2017			
Reconciliation of items	Reported basis		Reclassified basis		Reported basis		Reclassified basis	
	Ref.	Main entries	Ref.	Main entries	Ref.	Main entries	Ref.	Main entries
Non-current non-financial assets								
Property, plant and equipment	(a)	6		6	(a)	7		7
Investments	(b)	16,095		16,095	(b)	9,699		9,699
Deferred tax assets	(c)	9		9	(c)	-		-
Other non-current assets	(d)	-		-	(d)	32		32
Total non-current non-financial assets (A)				**16,110**				**9,738**
Working capital								
Trading assets	(e)	14		14	(e)	10		10
Current tax assets	(f)	117		117	(f)	120		120
Other current assets	(g)	1		1	(g)	1		1
Current provisions	(h)	-1		-1	(h)	-2		-2
Trading liabilities	(i)	-24		-24	(i)	-23		-23
Current tax liabilities	(j)	-46		-46	(j)	-152		-152
Other current liabilities	(k)	-26		-26	(k)	-23		-23
Total working capital (B)				**35**				**-69**
Gross invested capital (C=A+B)				**16,145**				**9,669**
Non-current non-financial liabilities								
Non-current provisions	(l)	-1		-1	(l)	-1		-1
Deferred tax liabilities, net	(m)	-		-	(m)	-14		-14
Other non-current liabilities	(n)	-2		-2	(n)	-5		-5
Total non-current non-financial liabilities (D)				**-3**				**-20**
NET INVESTED CAPITAL (E=C+D)				**16,142**				**9,649**
Total equity (F)		**11,203**		**11,203**		**11,503**		**11,503**
Net debt/(net funds)								
Non-current net debt/(net funds)								
Non-current financial liabilities	(o)	5,042		5,042	(o)	1,732		1,732
Non-current financial assets	(p)	-604		-604	(p)	-617		-617
Total non-current net debt/(net funds) (G)				**4,438**				**1,115**
Current net debt/(net funds)								
Current financial liabilities	(q)	802		802	(q)	1,135		1,135
Intercompany current account payables due to related parties		*2*		*2*		*-*		*-*
Short-term borrowings		*-*		*-*		*100*		*100*
Current portion of medium/long-term borrowings		*718*		*718*		*1,020*		*1,020*
Current derivative liabilities		*2*		*2*		*14*		*14*
Other current financial liabilities		*80*		*80*		*1*		*1*
Cash and cash equivalents	(r)	-281		-281	(r)	-3,093		-3,093
Cash		*-218*		*-218*		*-2,186*		*-2,186*
Cash equivalents		*-*		*-*		*-900*		*-900*
Intercompany current account receivables due from related parties		*-63*		*-63*		*-7*		*-7*
Current financial assets	(s)	-20		-20	(s)	-1,011		-1,011
Current derivative assets		*-2*		*-2*		*-1*		*-1*
Current portion of other medium/long-term financial assets		*-1*		*-1*		*-1,001*		*-1,001*
Other current financial assets		*-17*		*-17*		*-9*		*-9*
Total current (net funds)/net debt (H)				**501**				**-2,969**
Total (net funds)/net debt (I=G+H)				**4,939**				**-1,854**
NET DEBT AND EQUITY (L=F+I)				**16,142**				**9,649**
TOTAL NON-CURRENT ASSETS	(a+b+c+d-p)	**16,714**			(a+b+c+d-p)	**10,355**		
TOTAL CURRENT ASSETS	(+e+f+g-r-s)	**433**			(+e+f+g-r-s)	**4,235**		
TOTAL NON-CURRENT LIABILITIES	(-l-m-n+o)	**5,045**			(-l-m-n+o)	**1,752**		
TOTAL CURRENT LIABILITIES	(-h-i-j-k+q)	**899**			(-h-i-j-k+q)	**1,335**		

Reconciliation of the statement of changes in net debt with the statement of cash flows

€m		2018			2017		
Reconciliation of items	Note	Statement of cash flows	Changes in net debt		Statement of cash flows	Changes in net debt	
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES							
Profit for the year		695	695		2,722	2,722	
Adjusted by:							
Amortisation and depreciation		-	-		1	1	
(Reversals of impairment losses)/Impairment losses on investments		-	-		-8	-8	
(Gains)/Losses on sale of non-current assets		-	-		-1,052	-1,052	
Net change in deferred tax (assets)/liabilities through profit or loss		1	1		-	-	
Other non-cash (income)/costs		-17	-17		-750	-750	
Change in operating capital	(a)			-4			11
Other changes in non-financial assets and liabilities	(b)			-102			35
Change in working capital and other changes	(a+b)	-106			46		
Net cash generated from/(used in) operating activities (A)		573		573	959		959
NET CASH FROM/(USED IN) INVESTMENT IN NON-FINANCIAL ASSETS							
Purchase of investments		-6,926		-6,926	-265		-265
Proceeds from distribution of reserves by subsidiaries		100		100	1,101		1,101
Proceeds from sale of interests in investees		2		2	2,091		2,091
Net change in other non-current assets		32		32	-32		-32
Net change in current and non-current financial assets	(c)	1,012			-271		
Net cash from/(used in) investment in non-financial assets (B)	(d)			-6,792			2,895
Net cash generated from/(used in) investing activities (C)	(c+d)	-5,780			2,624		
NET EQUITY CASH INFLOWS/(OUTFLOWS)							
Purchase of treasury shares		-		-	-84		-84
Dividends declared	(e)			-532			-899
Proceeds from exercise of rights under share-based incentive plans		1		1	17		17
Dividends paid	(f)	-532			-899		
Net equity cash inflows/(outflows) (D)				-531			-966
Net cash generated during the year (A+B+D)				-6,750			2,888
Issuance of bonds		-			1,731		
Increase in medium/long term borrowings		3,903			-		
Redemption of bonds		-1,000			-		
Increase in short-term borrowings		-			100		
Net change in other current and non-current financial liabilities		21			-1,574		
Net cash generated from/(used in) financing activities (E)		2,393			-709		
Change in fair value of hedging derivatives	(g)			-60			2
Financial income/(expenses) accounted for as an increase in financial assets/(liabilities)	(h)			8			8
Other changes in financial assets and liabilities	(i)			9			-13
Other changes in net debt/net funds (F)				-43			-3
Change in net funds/net debt for the year (A+B+D+F)				-6,793			2,885
(Net debt)/Net funds at beginning of year				1,854			-1,031
Net funds/Net debt at end of year				-4,939			1,854
Increase/(Decrease) in cash and cash equivalents during year (A+C+E)		-2,814			2,874		
NET CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		3,093			219		
NET CASH AND CASH EQUIVALENTS AT END OF YEAR		279			3,093		

Note:

a) the “Change in operating capital” shows the change in trade-related items (in particular: inventories, trading assets and trading liabilities);
b) “Other changes in other non-financial assets and liabilities” show changes in items of a non-trading nature (in particular: current tax assets and liabilities, other current assets and liabilities, current provisions for construction services required by contract and other provisions);
c) the “Net change in current and non-current financial assets” is not shown in the “Statement of changes in consolidated net debt”, as it does not have an impact on net debt;
d) “Net cash from/(used in) investment in non-financial assets” excludes changes in the financial assets and liabilities referred to in note c) that do not have an impact on net debt;
e) “Dividends declared” regard the dividends declared by the Company, regardless of the reporting period in which they are paid;
f) “Dividends paid” refer to amounts effectively paid during the reporting period;
g) the amount represents the change in the fair value of cash flow hedges, before the related taxation, as shown in “Fair value gains/(losses) on cash flow hedges” in the statement of comprehensive income;
h) this item essentially includes financial income and expenses in the form of interest linked to loans requiring the repayment of principal and interest accrued at maturity; the financial assets are described in note 5.4 and the financial liabilities are described in note 5.12 in the separate financial statements;
i) this item includes the impact on the change in net debt of the measuement of derivative financial instruments with a "deal contingent hedge" provision, connected with Atlantia's public tender offer and classified on a non-hedge accounting basis as at 31 December 2017.

Key performance indicators by operating segment

The Atlantia Group's operating segments are identified based on the information provided to and analysed by Atlantia's Board of Directors, which represents the Group's chief operating decision maker, when taking decisions regarding the allocation of resources and assessing performance. In particular, the Board of Directors assesses the performance of the business in terms of business segment and geographical area.

Following the consolidation of Abertis Infraestructuras from the end of October 2018, and bearing in mind the acquired company's partial contribution for 2018, it was decided to present the above group as a single operating segment. In addition to the companies controlled by Abertis Infraestructuras (the company that directly or indirectly owns Spanish, French, Chilean, Brazilian, Argentine, Puerto Rican and Indian motorway operators, and the remaining companies that produce and operate tolling systems), this segment also includes the investment vehicles used in the acquisition (Abertis Participaciones and Abertis HoldCo). As a result, the Atlantia Group's new structure presents information for six main operating segments (Italian motorways, overseas motorways, Italian airports, overseas airports, the Abertis group and a specific operating segment that brings together the Parent Company, Atlantia, and the other remaining activities).

The composition of the Atlantia Group's operating segments as at 31 December 2018 is as follows:

a) Italian motorways: this includes the Italian motorway operators (Autostrade per l'Italia, Autostrade Meridionali, Tangenziale di Napoli, Società Italiana per Azioni per il Traforo del Monte Bianco, Raccordo Autostradale Valle d'Aosta and Autostrada Tirrenica), whose core business consists of the management, maintenance, construction and widening of the related motorways operated under concession. This operating segment also includes the subsidiaries of Autostrade per l'Italia (AD Moving, Giove Clear, Infoblu, Essediesse and Autostrade Tech) that provide support for the Italian motorway operators;
b) Overseas motorways: this includes the activities of the holders of motorway concessions in Brazil, Chile and Poland, and the companies that provide operational support for these operators and the related foreign-registered holding companies. In addition, this segment includes the Italian holding company, Autostrade dell'Atlantico, which primarily holds investments in South America;
c) Italian airports: this includes the airports business of Aeroporti di Roma, which holds the concession to operate and expand the airports of Rome Fiumicino and Rome Ciampino, and its subsidiaries;
d) Overseas airports: this includes the airport operations of the companies controlled by Aéroports de la Côte d'Azur (ACA), the company that (directly or through its subsidiaries) operates the airports of Nice, Cannes-Mandelieu and Saint-Tropez and the international network of ground handlers, Sky Valet, in addition to Azzurra Aeroporti (the parent of ACA);
e) Abertis group: this includes the Spanish, French, Chilean, Brazilian, Argentine, Puerto Rican and Indian motorway operators and the companies that produce and operate tolling systems controlled by Abertis Infraestructuras, and the investment vehicles used in its acquisition: Abertis Participaciones and Abertis HoldCo;

f) Atlantia and other activities: this segment essentially includes:
   1) the Parent Company, Atlantia, which operates as a holding company for its subsidiaries and associates whose business is the construction and operation of motorways, airports and transport infrastructure, parking areas and intermodal systems, or who engage in activities related to the management of motorway or airport traffic;
   2) Telepass and Electronic Transaction Consultants, the companies that produce and operate free-flow tolling systems, traffic and transport management systems and electronic payment systems;
   3) the companies whose business is the design, construction and maintenance of infrastructure, essentially carried out by Spea Engineering and Pavimental;
   4) Aereo I Global & International Sarl, the Luxembourg-registered investment vehicle that holds a 15.49% interest in Getlink.

Key performance indicators by operating segment

	ITALIAN MOTORWAYS		OVERSEAS MOTORWAYS		ITALIAN AIRPORTS		OVERSEAS AIRPORTS		ATLANTIA AND OTHER ACTIVITIES		ABERTIS GROUP		CONSOLIDATION ADJUSTMENTS		TOTAL ATLANTIA GROUP	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
REPORTED AMOUNTS																
External revenue	3,954	3,898	625	648	934	893	305	281	271	246	827	-	-	-	6,916	5,966
Intersegment revenue	50	43	1	-	1	1	-	-	401	506	-	-	-453	-550	-	-
Total operating revenue	4,004	3,941	626	648	935	894	305	281	672	752	827	-	-453	-550	6,916	5,966
EBITDA	1,991	2,450	457	480	580	548	139	121	51	80	550	-	-	-	3,768	3,679
Operating cash flows	1,708	1,637	388	391	437	429	98	88	-1	21	354	-	-	-	2,984	2,566
Capital expenditure	592	555	64	183	183	207	67	53	55	76	175	-	-11	2	1,125	1,076
ADJUSTED AMOUNTS																
Adjusted EBITDA	1,991	2,450	560	578	580	548	139	121	51	80	567	-	-	-	3,888	3,777
Adjusted operating cash flow	1,708	1,637	444	437	437	429	98	88	-1	21	350	-	-	-	3,036	2,612

(1) A description of the principal amounts in the consolidated income statement and statement of financial position and the related changes is provided in the section, "Financial review for the Atlantia Group".

(2) Application of the new accounting standard, IFRS 15 - Revenue from Contracts with Customers, from 1 January 2018, has resulted in the different classification of certain types of contract in operating revenue and costs. In particular, operating revenue and costs have been reduced by €7 million, with no impact on EBITDA.

(3) The ACA group's figures for 2017 have been restated with respect to the published amounts, as described in greater detail in the introduction to the section, "Introduction".

(4) Following Autostrade per l'Italia's transfer of its interest in Infoblu to Telepass, Infoblu's activities in 2017 have been reclassified from the "Italian motorways" segment to the "Atlantia and other activities" segment.

(5) Figures for the last two months of 2018.

(6) The amount for gross operating profit (EBITDA) for 2017 differs from the amount published in the Annual Report for 2017, reflecting the different basis of presentation for this indicator adopted with effect from the Annual Report for 2018 and described in detail in the section, "Alternative performance indicators" in the report n operations.

Italian motorways

"Operating revenue" of €4,004 million in 2018 is up €63 million (2%) compared with 2017 (€3,941 million).

"Toll revenue" of €3,658 million is up €68 million (2%) compared with 2017 (€3,590 million), primarily due to the following:

- traffic growth on the Italian network (up 0.2%). Taking into account the positive impact of the different traffic mix, this boosted toll revenue by an estimated €15 million;
- the application of annual toll increases, boosting revenue by €51 million.

Autostrade per l'Italia's decision to exempt road users in the Genoa area from the payment of tolls resulted in an estimated reduction in toll revenue of approximately €7 million.

EBITDA for the Italian motorways segment in 2018 amounts to €1,991 million, a decline of €459 million (19%) compared with 2017 (€2,450 million).
The primarily reflects:

- the costs relating to the collapse of a section of the Polcevera road bridge (€502 million, including €48 million recognised in operating costs, €397 million in provisions to cover the sum requested by the Special Commissioner for Genoa and €57 million in the form of provisions for risks and charges);
- a reduction in the cost of resurfacing work, following the work's rescheduling of work in response to the time needed to comply with new and more complex tender procedures (launched back in 2017), partially offset by an increase in maintenance costs linked to winter operations;
- a reduction in staff costs, essentially due to a reduction in the fair value of management incentive plans, an increase in the capitalised portion of such costs, a reduction in the cost of early retirement schemes and a reduction in the average workforce, partially offset by an increase in the average unit cost due to contract renewals;
- the operating change in provisions, linked above all to an updated estimate of repair work to be carried out on the motorway network (partly in relation to the need to make up for the delay in resurfacing work).

Traffic

Traffic on the motorway network operated by Autostrade per l'Italia and its subsidiaries is up 0.2% in 2018 compared with the previous year. The number of kilometres travelled by vehicles with 2 axles is down 0.2%, whilst the figure for those with 3 or more axles is up 2.3%.
The performance for 2018, compared with 2017, reflects the negative impact of the heavy snowfall seen between the end of February and early March 2018. After stripping out this factor, traffic on Autostrade per l'Italia's network in 2018 is up 0.5%.

Traffic performance

OPERATOR	KM TRAVELLED (IN MILLIONS) VEHICLES WITH 2 AXLES	VEHICLES WITH 3+ AXLES	TOTAL VEHICLES	% CHANGE VERSUS 2017	ATVD (1) 2018
Autostrade per l'Italia	41,376.6	6,625.8	48,002.5	0.2%	46,071
Autostrade Meridionali	1,666.4	34.6	1,701.0	-0.1%	90,316
Tangenziale di Napoli	911.6	15.8	927.4	0.0%	125,785
Autostrada Tirrenica	278.3	25.2	303.5	-1.5%	18,318
Raccordo Autostradale Valle d'Aosta	92.5	20.6	113.1	-3.4%	9,685
Società Italiana per il Traforo del Monte Bianco	8.0	3.5	11.6	-1.8%	5,462
Total Italian operators	44,333.5	6,725.6	51,059.1	0.2%	46,481

The figures are in millions of kilometres travelled, after rounding to the nearest decimal place.

(1) ATVD - Average theoretical vehicles per day, equal to number of kilometres travelled/journey length/number of days.

Toll increases

From 1 January 2018, Autostrade per l'Italia applied an overall toll increase of 1.51%, including 0.49% as the inflation-linked component, 0.64% to provide a return capital expenditure via the "X" tariff component and -0.04% to provide a return on investment via the "K" tariff component (the shortfall in the increase awarded for 2017 was recouped almost in full for both these components) and 0.43% to recover the reduction in revenue earned in the period from June 2014 to December 2017 as a result of the discounted tolls for frequent motorway users, introduced by the Memorandum of Understanding entered into with the Ministry.

Regarding the shortfall in the increase with respect to the requested amount, equal to 0.01% (relating to the "X" component), the Grantor, following submission of additional documentation by Autostrade per l'Italia on 12 March 2018, deemed that the request was largely warranted, and therefore to be taken into account when determining the toll increase for 2019. Application of the remaining amounts was suspended, pending an update of the financial plan.

Information on the toll increases applied by the Group's other motorway operators is provided in the section, "Significant regulatory aspects".

Capital expenditure

Autostrade per l'Italia is in the process of implementing a programme of investment in major infrastructure projects under the original Agreement of 1997 and the IV Addendum of 2002, totalling €15.8 billion. 10 of the projects have been completed as at 31 December 2018, with the opening to traffic of 432 km of new lanes.

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

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

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

	TOTAL KM	VALUE OF PROJECT (€bn) TOTAL [1]	COMPLETED [2]	KM OPENED TO TRAFFIC
Autostrade per l'Italia				
Agreement of 1997	232	7.2	6.2	199
IV Addendum 2002	275	8.6	3.8	233
Single Arrangement 2007	325	5.0[3]	0.1	-
Other projects in Agreement of 1997	-	2.0	0.5	-
Total capital expenditure by Autostrade per l'Italia	**832**	**22.8**	**10.5**	**432**
Subsidiaries				
Raccordo Autostradale Valle d'Aosta	12	0.4	0.4	12
Autostrade Meridionali	20	0.6	0.6	20
Autostrada Tirrenica	59	0.8	0.3	19
Total capital expenditure by subsidiaries	**91**	**1.8**	**1.3**	**51**
Total investment in major works by the Autostrade per l'Italia Group	**923**	**24.6**	**11.8**	**484**

(1) Total cost of carrying out the works, as assessed at 31 December 2018, including the base bid price (net of tender or agreed price reductions), available funds, recognised reserves and early completion bonuses. The value of works under the Arrangement of 1997 is net of an amount included in "Other investment".

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

(3) At the end of 2016, in accordance with the Grantor, following an integrated assessment of transport needs and competitiveness, 8 upgrade projects were identified as being "priority" in nature. The upgrades regard approximately 150 km of Autostrade per l'Italia's network and will cost approximately €2.4 billion to carry out.

Autostrade Meridionali and Raccordo Autostradale Valle d'Aosta have completed their planned investment in major works under their respective concession arrangements.

Autostrada Tirrenica opened the new section of motorway between Civitavecchia and Tarquinia to traffic in 2016. Completion of the remaining section from Tarquinia to Livorno is still at the planning stage and, at the end of 2017, a related financial plan was sent to the Grantor for initial examination. In line with the conclusions of the project review of the plan to complete the road running down the Thyrrenian coast (the "Thyrrenian corridor"), conducted by the Ministry of Infrastructure and Transport, Autostrada Tirrenica is only to be responsible for construction of the section from Tarquinia to Ansedonia, plus an extra-urban link road between Ansedonia and Orbetello Scalo (amounting to a total estimated investment of approximately €0.6 billion). This plan is subject to fulfilment of the related technical and financial conditions and receipt of the necessary consents, to be verified together with execution of a memorandum of understanding and an addendum to the Concession Arrangement, which is to include a viable financial plan.

Capital expenditure in 2018

Autostrade per l'Italia and the Group's other Italian operators invested a total of €592 million in 2018.

(€M)	2018	2017
Autostrade per l'Italia -projects in Agreement of 1997	216	214
Autostrade per l'Italia - projects in IV Addendum of 2002	121	71
Autostrade per l'Italia: other capital expenditure (including capitalised costs)	171	209
Other operators (including capitalised costs)	35	23
Total investment in infrastructure operated under concession	**543**	**517**
Investment in other intangible assets	27	20
Investment in property, plant and equipment	22	18
Total capital expenditure	**592**	**555**

With regard to the works envisaged in the Agreement of 1997, work continued in 2018 on widening the A1 between Barberino and Florence North to three lanes, with mechanical boring of the Santa Lucia Tunnel currently under way alongside the existing motorway – and between Florence South and Incisa, where work is in progress on Lot 1 North.
Work is also continuing on completion of off carriageway works for the *Variante di Valico* and the Florence North-Florence South section.

In terms of the works contained in the IV Addendum of 2002, work continued on construction of link roads serving the Municipality of Fano, connected with the widening of the A14 motorway to three lanes, previously opened to traffic.
With regard to the new road and motorway system serving Genoa (the so-called "*Gronda di Genova*"), the related detailed designs for all the 10 lots forming the project were submitted to the Ministry of Infrastructure and Transport between February and August 2018. Preparations for the start-up of work are in progress whilst awaiting approval of the designs.
Autostrade per l'Italia's other capital expenditure includes approximately €51 million invested in major works, primarily construction of the fourth free-flow lane for the A4 in the Milan area, improvements to feeder roads for the Tuscan stretch of the A1 and work on the design for the new Bologna Interchange. This amount also includes disbursements provided for in agreements reached with local authorities in order to fund work on feeder roads forming part of the ordinary road network.

Planned upgrades and modernisation of the network operated under concession

		Status As At 31 December 2018	Km Covered By Project (Km)	Value Of Project(A) (€M)	Km Opened To Traffic As At 31 December 2018 (Km)	Stage Of Completion As At 31 December 2018(B) (€M)
Autostrade per l'Italia: Arrangement of 1997						
A8	3rd and 4th lanes Milan-Gallarate	Completed	28.7	65	28.7	65
A1	4th lane Modena-Bologna	Completed (1)	31.6	178	31.6	146
A14	3rd lane Bologna Ring Road	Completed (2)	13.7	59	13.7	59
A1	3rd lane Casalecchio - Sasso Marconi	Completed	4.1	82	4.1	82
A1	Variante di Valico	Completed/in progress (3)	58.7	4,327	58.7	4,205
A1	3rd lane Barberino - Incisa	Work in progress/completed (4)	57.2	2,259	24.4	1,442
A1	3rd lane Orte - Rome North	Completed	37.8	191	37.8	191
	Other projects	Work in progress/completed		22	n.a	24
	Total projects under Arrangement of 1997		231.8	7,184	199.0	6,214
Autostrade per l'Italia: Projects included in IV Addendum of 2002						
A1	3rd lane Fiano R. - Settebagni and Castelnuovo di Porto junction	Completed	15.9	138	15.9	128
A4	4th lane Milan East - Bergamo	Completed	33.6	513	33.6	513
A8	5th lane Milan - Lainate	Work in progress (5)	4.4	197	2.2	64
A9	3rd lane Lainate - Como Grandate	Completed	23.2	345	23.2	312
A14	3rd lane Rimini North - Porto Sant'Elpidio	Completed	154.7	2,575	154.7	2,270
A7/A10/A12/A26	Genoa Bypass (plus other works)	Final design approved (6)	39.7	4,326	-	159
A8	Link road for New Milan Exhibition Centre	Completed	3.8	87	3.8	86
	Other projects	Work in progress/completed (7)		404	n.a	251
	Total projects under IV Addendum of 2002		275.3	8,584	233.4	3,784
Other Group motorway operators						
A5	RAV new Morgex- Entreves section	Completed	12.4	430	12.4	422
A3	Autostrade Meridionali, 3rd lane Naples-Pompei East/Scafati (c)	Work in progress/completed	20.0	552	20.0	550
A12	Autostrada Tirrenica	Work in progress/to be approved (8)	58.7	817	19.0	259
	Total projects of other operators		91.1	1,799	51.4	1,231
	Total investment in major works by the Autostrade per l'Italia Group		598.2	17,567	483.8	11,229

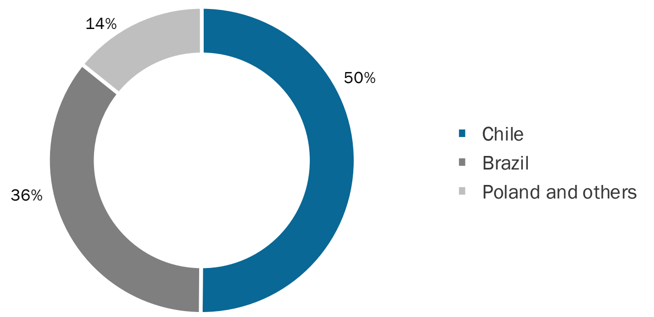
(a) Total cost of carrying out the works, as assessed at 31 December 2018, including the base bid price (net of bid or agreed reductions), available funds, recognised reserves and early completion bonuses. The value of works under the Arrangement of 1997 is net of an amount included in "Other investment".
(b) Excludes capitalised costs (financial expenses and staff costs).
(c) The concession held by Autostrade Meridionali expired on 31 December 2012. As requested by the Grantor, from 1 January 2013 the company has continued to be responsible for day-to-day operation of the motorway, including completion of the investment plan, whilst awaiting the transfer of the concession to the new operator subject to inclusion of the related costs in the value of its takeover right.

(1) Includes construction of the Modena Ring Road, a work requested by local authorities and awaiting approval from the Services Conference.
(2) Total investment of €247 million, of which €59 million in the Major Works Plan of 1997 and €188 million in "Other investment" in the Arrangement of 1997.
(3) Work is in progress on off carriageway works, landscaping and completion of the new Rioveggio junction.
(4) Work on the Barberino-Florence North section is in progress; the executive design for lot 2B + 1 South of the Florence South-Incisa section was approved in August 2018 and the tender procedure is in progress, whilst work on lot 1 North is in progress.
(5) Work on lot 1 is close to completion and work on lot 2 is in progress.
(6) The portion of the works completed relates to design of the Genoa Bypass and construction of the San Benigno Interchange.
(7) Work on the Maddaloni junction and the Tunnel Safety Plan is in progress; work on the new A4/A13 interchange at the Padua Industrial Park toll station has been completed.
(8) Work is in progress on external roads for lot 6A of the Civitavecchia-Tarquinia. Continuation of work on the planned completion of the road running down the Thyrrenian coast (the "Thyrrenian corridor") is subject to agreeing an addendum following the project review of 2017.

Overseas motorways

The overseas motorways segment, not including the operators forming part of the Abertis group, generated operating revenue of €626 million in 2018, down €22 million (3%) compared with 2017 and reflecting the impact of the sharp fall in the value of the Brazilian real[1]. At constant exchange rates, operating revenue is up €37 million (6%), primarily reflecting toll increases and movements in traffic, albeit the Brazilian performance was impacted by the truck drivers' strike of May 2018 and the federal government's subsequent decision to extend the exemption from tolls for vehicles with raised axles to the State of Sao Paul[2]. EBITDA of €457 million for 2018 is down €23 million (5%) compared with 2017. On a like-for-like basis, EBITDA is up €16 million (3%).
The financial and operating performance is broken down by country below.

Breakdown of EBITDA for the overseas motorway segment
(by geographical area)



Chile

Chilean operators' total operating revenue for 2018 amounts to €329 million, down €9 million (3%) compared with 2017. At constant exchange rates, revenue is in line with 2017, in that traffic growth and the toll increases applied from January 2018 were offset by reduced intragroup turnover at the in-house construction company, Gesvial, following completion of the principal works included in Costanera Norte's *Santiago Centro Oriente* upgrade programme. After stripping out the impact of this factor, revenue is up €26 million.
EBITDA of €229 million is up €6 million (3%) compared with 2017. At constant exchange rates, EBITDA is up €14 million (6%).

(1) The Brazilian real has fallen by approximately 16% using the average exchange rates for the two comparative periods.
(2) The lost revenue resulting from the exemption of vehicles with raised axles in the State of Sao Paulo from the payment of tolls will be compensated for in accordance with the related concession arrangements.

Traffic performance

OPERATOR	KM TRAVELLED (IN MILLIONS) FY 2018	FY 2017	% CHANGE
Grupo Costanera			
Costanera Norte	1,324	1,265	+4.7%
Nororiente	110	94	+16.2%
Vespucio Sur	969	971	-0.3%
Litoral Central	137	129	+6.8%
AMB	28	27	+5.2%
Los Lagos [1]	1,108	1,030	+7.6%
Total	**3,676**	**3,516**	**+4.6%**

(1) In terms of the number of journeys, traffic is up 8.4%.

The Chilean operators recorded traffic growth of 4.6% in 2018 compared with the previous year, measured in terms of kilometres travelled.

The Chilean operators invested a total of €32 million in 2018. In this regard:

- at the end of 2018, approximately 95% of the works to be carried out as part of the *Santiago Centro Oriente* upgrade programme had been completed. The programme involves investment of approximately €256 billion pesos (equal to approximately €350 million[3]) in the section of motorway operated by Costanera Norte;
- the operator, Nororiente has completed the rollout of the free-flow tolling system, in operation from 1 August 2018;
- work began on the investment programmes for the new AVO II and Conexión Vial Ruta 78 hasta Ruta 68 concessions, awarded through the Chilean subsidiary, Grupo Costanera, in April 2018;
- during 2018, the operator, Los Lagos, began work on road improvements and road safety required by the Grantor.

Brazil

Operating revenue for 2018 amounts to €265 million, down €45 million (15%) compared with 2017, reflecting the impact of the sharp fall in the value of the Brazilian real[4]. At constant exchange rates, operating revenue is up €8 million (3%). The increase in toll revenue benefitted from annual toll increases, partly offset by the impact on traffic of the truck drivers' strike of May 2018 and the federal government's subsequent decision to extend the exemption from tolls for vehicles with raised axles to the State of Sao Paulo with effect from 31 May 2018. Operators will be compensated for the lost revenue in accordance with their existing concession arrangements.

EBITDA of €163 million is down €36 million (18%) compared with 2017. At constant exchange rates and after adjusting for the change in the discount rates applied to provisions, EBITDA is down €1 million (1%) after an increase in maintenance costs, covered by the release of provisions.

(3) The amounts for already completed works are converted using the average exchange rate for the relevant year; amounts for future works are converted using the average exchange rate for 2018.

(4) The Brazilian real has fallen by approximately 16% using the average exchange rates for the two comparative periods.

Traffic performance

OPERATOR	KM TRAVELLED (IN MILLIONS)		
	FY 2018	FY 2017	% CHANGE
Triangulo do Sol	1,463	1,435	+1.9%
Rodovias das Colinas	2,005	2,001	+0.2%
Rodovia MG050	842	843	-0.2%
Total	**4,309**	**4,279**	**+0.7%**

The Brazilian operators recorded traffic growth of 0.7% in 2018, measured in terms of kilometres travelled.
Capital expenditure in 2018 amounted to €25 million, primarily in relation to widening work carried out by Rodovia das Colinas and progress in implementing Rodovia MG050's investment programme.

Poland

The Stalexport Autostrady group's operating revenue for 2018 amounts to €81 million, up €5 million (7%) compared with 2017. EBITDA of €69 million is up €7 million (11%) compared with 2017. The exchange rate remained broadly stable and has not had a major impact on the results.

OPERATOR	KM TRAVELLED (IN MILLIONS)		
	FY 2018	FY 2017	% CHANGE
Stalexport Autostrada Malopolska	1,009	959	+5.2%

Traffic performance

The operator, Stalexport Autostrada Malopolska, registered traffic growth of 5.2% in 2018, measured in terms of kilometres travelled.
Capital expenditure during 2018 totals €7 million and primarily regards the modernisation of drainage systems and the installation of noise barriers.

Italian airports

The Italian airports business generated operating revenue of €935 million in 2018, an increase of €41 million (5%) compared with the previous year.

Aviation revenue of €667 million is up €33 million (5%) compared with 2017, primarily reflecting the greater volume of traffic registered in 2018 (up 4.2%).

Other operating income totals €268 million. The increase of €8 million (3%) compared with the previous year is primarily due to the positive performance of non-aviation revenue across all lines of business, in addition to the positive performance of revenue from the sub-concession of space, partially offset by a reduction in other non-recurring income.

EBITDA of €580 million is up €32 million (6%) compared with the previous year, thanks to the above revenue growth, only partially offset by increases in maintenance costs and concession fees, the latter linked to the increase in traffic compared with the previous year.

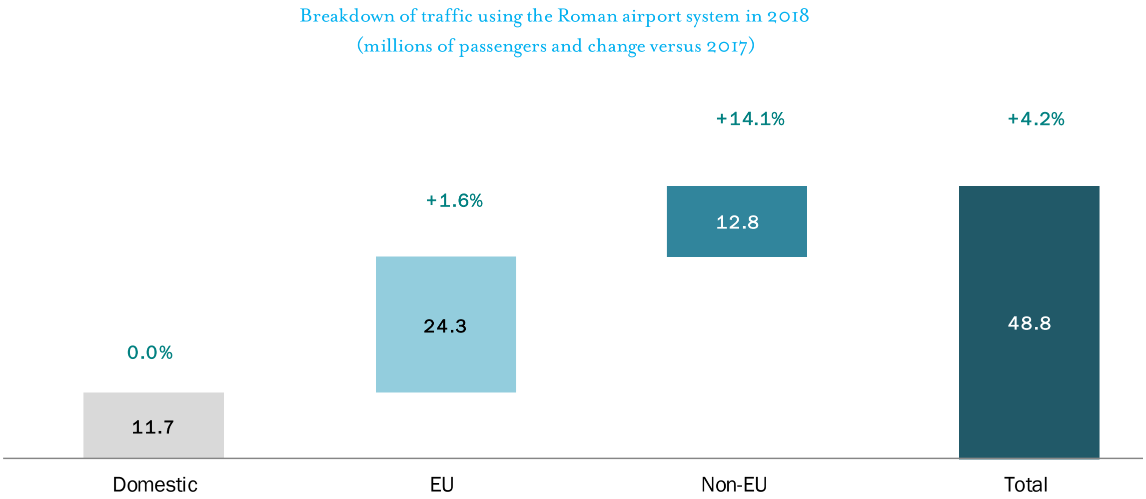
Traffic performance

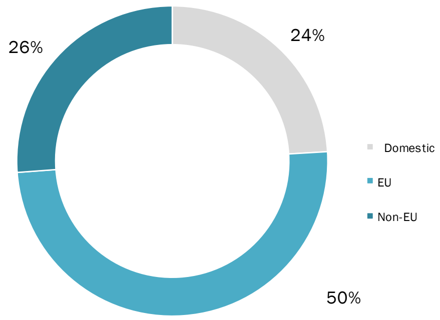
The Roman airport system handled 49 million passengers in 2018, including 43 million who used Fiumicino airport, marking an increase of 4.2% compared with 2017.
The EU segment, which accounts for 50% of total traffic, is up 1.6%, whilst the Non-EU segment is up 14.1%, primarily due to long-haul flights.
This reflects the following performance by geographical area:

- North America up 16.3%, primarily due to Norwegian's launch of services to New York and Los Angeles at the end of 2017, which had a positive impact on full-year 2018, in addition to the launch of flights to San Francisco from February 2018;
- Central/South America up 24.4%, primarily due to the launch of services by LATAM, the leading South American carrier, to Sao Paulo;
- Far East up 15.2%, thanks mainly to the launch of direct flights to Canton by China Southern, in addition to increased flights to Korea, Taiwan and Singapore.

Finally, the Domestic segment is in line with 2017.

Breakdown of traffic using the Roman airport system in 2018 (millions of pax and change 2018 vs 2017)



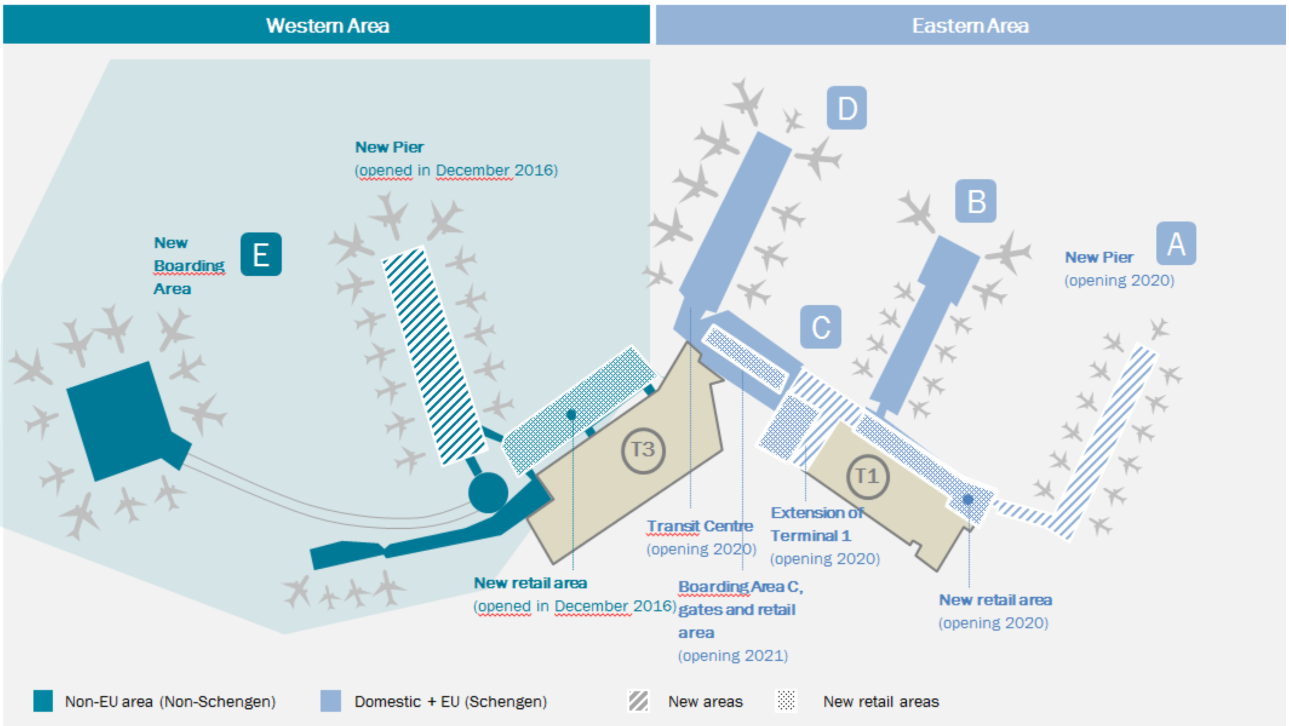


Capital expenditure

Aeroporti di Roma continues to be committed to the construction of new infrastructure for Leonardo da Vinci airport, with the aim of ensuring sufficient capacity to meet future demand and achieving continuous improvements in the level of service offered to passengers.
By 2021, the airport's capacity is expected to be in excess of 50 million passengers a year, in line with other major European airports. In addition to upgrading airside infrastructure, the investment plan is focusing on expansion of the various terminals.

Major infrastructure works in the Eastern area have been planned for the coming years (primarily for domestic and Schengen flights).
This will include:

- a new departure area towards the far side of the terminal (pier A), which will host 23 new gates, with 13 equipped with loading bridges;
- the expansion of Terminal 1, through construction of a new retail area, linked to the new pier;
- the extension of Terminal 1 towards the west and taking up space currently occupied by Terminal 2, with the complete upgrade of departure area C and of the area linking it with departure area D.



Capital expenditure totalled €183 million in 2018. At Fiumicino airport, as part of plans to upgrade the Eastern area, work continued on the new boarding area A and on a new wing for Terminal 1, whilst the relocation of the power plants and networks previously located in the former Terminal 2 was completed. The latter terminal was then demolished, with its footprint to be occupied by the westward extension of Terminal 1.

Work on the aircraft aprons for the western area (phase 2) for the *Piazzali 300* ("300 Aprons") project continued, as did work on flood defences for the western area. Work on the new transformer substation (HV/MV) and on the new electricity system serving the runways is also ongoing.

€M	2018	2017	% change
Terminal system for Eastern area	43	9	378%
Work on runways and aprons	39	58	-33%
Work on terminals and piers	26	58	-55%
Work on technical systems and networks	16	24	-33%
Work on baggage handling sub-systems and airport equipment	8	12	-33%
Other	51	46	11%
TOTAL	183	207	-12%

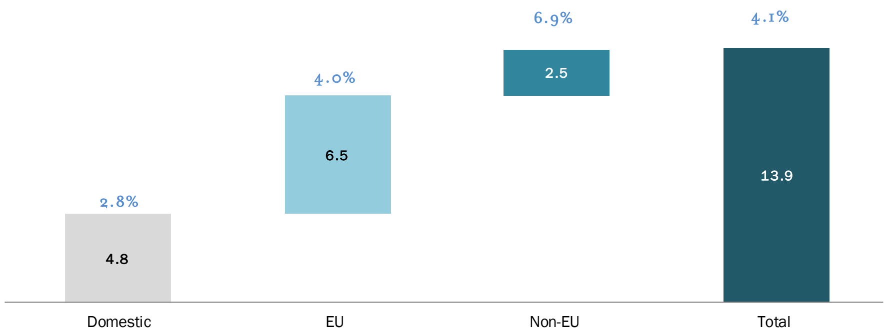
Overseas airports

The Group's overseas airports segment generated operating revenue of €305 million in 2018, up €24 million (9%) compared with the previous year. Aviation revenue, primarily consisting of fees and airport tax earned by the airports of Nice, Cannes and Saint-Tropez, in addition to the contribution from the Sky Valet FBO network, amounts to €167 million, marking an increase of €8 million compared with 2017. This reflect strong growth in traffic (up 4.1%) and in general aviation movements (up 1.1%). Other operating income of €138 million is up €16 million compared with 2017, reflecting the positive performance of retail and parking revenue and of other non-aviation revenue (including €5 million in one-off items relating to the impact of the sale of an area belonging to Nice airport under agreements regarding the exchange of land in relation to property development schemes). EBITDA of €139 million is up €18 million compared with 2017.

Traffic performance

Nice airport handled 13.9 million passengers in 2018, marking an increase of 4.1% compared with the previous year. In terms of general aviation, movements were up 1.1%[1].

Breakdown of traffic using Nice airport in 2018 (millions of pax and change 2018 vs 2017)



Capital expenditure

The Aéroports de la Côte d'Azur group's capital expenditure amounts to €67 million for 2018, including €48 million on initiatives designed to expand capacity. This primarily regarded improvements to aircraft aprons and to terminal capacity. New land was also purchased to be developed for real estate purposes and for a fuel farm. A further €3 million was invested in construction of a tram line providing access to Nice airport (opened in December 2018) and €2 million in airport security.

(1) The figures refer to the airports of Nice, Cannes and Saint-Tropez.

Other activities

Telepass

Telepass, the company responsible for operating electronic tolling systems in Italy and overseas, and the supplier of other transport-related payment systems (car parks, restricted traffic zones, etc.) and insurance services (breakdown cover in Italy and Europe, travel insurance), generated operating revenue of €188 million in 2018, marking an increase of €16 million compared with 2017. This primarily consists of Telepass fees of €116 million, Viacard subscription fees of €21 million and payments for Premium services of €27 million.

The company's EBITDA for 2018 is €111 million, marking an increase of €13 million compared with the previous year.

As at 31 December 2018, there are a total of 8.6 million active Telepass devices in circulation (an increase of approximately 342,000 compared with 31 December 2017), whilst the number of Telepass devices distributed totals 10.2 million. The number of subscribers of the Premium Option totals 2.1 million (around 56,000 more than as at 31 December 2017).

Telepass Pay, established in November 2016 and a wholly owned subsidiary of Telepass SpA, was set up to expand the offering of payment services linked to both urban and inter-city transport. As at 31 December 2018, the company has 303,000 active customers.

The Telepass group's scope of consolidation also includes Urban Next, a company incorporated under Swiss law that develops software and applications relating to urban transport, and K-Master, which operates monitoring and management systems for truck fleets via a computer platform and various dedicated software applications.

Finally, during the year, Telepass acquired a 100% interest in K-Master Broker (which, on 30 May 2018, changed its name to "Telepass Broker"), an insurance broker, in addition to a 75% interest in Infoblu, previously held by Autostrade per l'Italia.

Pavimental

The company operates primarily in Italy, providing the Group with motorway and airport maintenance services, and carries out major infrastructure works for the Group and external customers. Operating revenue for 2018 amounts to €293 million, down approximately €104 million on 2017. This primarily reflects a reduction in new work from Autostrade per l'Italia. EBITDA totals €1 million (€48 million in 2017), reflecting a slowdown across all areas of operation.

Both years benefitted from the positive impact of the settlements reached with Autostrade per l'Italia regarding contracts for the Barberino-Florence North section of motorway.

Spea Engineering

Spea Engineering operates in Italy and overseas, supplying engineering services involved in the design, project management and controls connected to the upgrade and maintenance of motorway and airport infrastructure.
Operating revenue for 2018 amounts to €108 million, marking a reduction of €2 million compared with 2017, linked to a reduction in work on motorway projects, above all in project management due to the completion of works, and a slowdown in airport contracts.
Negative EBITDA for 2018 amounts to €0.2 million, down €14 million compared with 2017, partly due to reduced margins on motorway design work and the costs incurred following the events of 14 August 2018, relating to the Polcevera road bridge.

Electronic Transaction Consultants

Electronic Transaction Consultants (ETC) operates in the USA as a provider of systems integration, maintenance and support services in the field of free-flow electronic tolling systems, including in combination with traditional methods of tolling (cash and cards).
ETC generated operating revenue of €65 million in 2018, up €5 million compared with 2017. EBITDA of €8 million is up €3 million on the figure for 2017.

The Abertis group

As indicated in the "Introduction" to the "Financial review for the Atlantia Group", the Abertis group's results for 2018 have been consolidated on a line-by-line basis for the last two months of the year.

The Abertis group's contribution to the Atlantia Group's results amounts to €827 million in terms of revenue and €550 million in terms of EBITDA.

THE ABERTIS GROUP'S CONTRIBUTION TO THE ATLANTIA GROUP'S RESULTS		
COUNTRY	NOVEMBER AND DECEMBER 2018 (€M)	
	OPERATING REVENUE	EBITDA
France	271	176
Spain	217	182
Brazil	99	47
Chile	95	76
Italy	76	47
Argentina	28	8
Puerto Rico	24	16
Rest of the world	18	7
Abertis Infraestructuras	-	-9
Total Abertis group	**827**	**550**

The Abertis group's operating results for 2018

This section reports on the Abertis group's key performance indicators for full year 2018, as derived from financial reports published by Abertis Infraestructuras.

Total operating revenue for 2018 amounts to €5,255 million, slightly down on 2017 (0.3%). This is due primarily to currency weakness (the Brazilian real, the Chilean peso, the Argentine peso and the US dollar) and deconsolidation of the operator, Vianorte, in Brazil following the expiry of the concession in May 2018. These effects are partially offset by positive operating performances, which benefitted from increased tolls, consolidation of the concessions acquired in India and non-recurring revenue of €78 million due to the accounting effects of the agreements entered into with the Argentine government in July 2018 with regard to the Ausol and GCO concessions which, among other things, have resulted in application of the financial model in accordance with IFRIC 12 in place of the previous intangible model[1]. On a like-for-like basis, revenue is up 5.3%.

COUNTRY	OPERATING REVENUE (€M)		
	2018	2017	% increase/ (decrease)
France	1,751	1,687	4%
Spain	1,425	1,362	5%
Brazil	617	779	-21%
Chile	538	489	10%
Italy	432	467	-8%
Argentina	233	227	3%
Puerto Rico	138	131	5%
Rest of the world	119	125	-5%
Abertis Infraestructuras	2	3	-20%
Total Abertis group	**5,255**	**5,271**	**-0.3%**

EBITDA of €3,549 million (up 3%) benefitted from the cost efficiencies and streamlining achieved by the group in the various areas in which it operates. On a like-for-like basis, EBITDA is up 7%.

COUNTRY	EBITDA (€M)		
	2018	2017	% increase/ (decrease)
France	1,200	1,160	3%
Spain	1,172	1,112	5%
Chile	420	378	11%
Brazil	293	429	-32%
Italy	235	215	9%
Argentina	124	71	74%
Puerto Rico	92	92	0%
Rest of the world	35	35	0%
Abertis Infraestructuras	-21	-36	-42%
Total Abertis group	**3,549**	**3,456**	**3%**

(1) After the related currency differences registered during 2018, amounting to a loss of €195 million, and derecognition of the previous concession rights, totalling €101 million, and, finally, having deducted the value of additional works (requiring additional provisions for repairs of €66 million), the benefit deriving from the agreement is recognised in revenue and amounts to the above €78 million.

Traffic performance

Traffic performed well in all the principal markets in which Abertis operates.

COUNTRY	TRAFFIC IN KM TRAVELLED (M)		
	2018	2017	% increase/ (decrease)
Spain	12,265	11,876	3.3%
France	16,754	16,472	1.7%
Italy	5,624	5,555	1.2%
Brazil	20,550	20,392	0.8%
Chile	7,794	7,546	3.3%
Puerto Rico	2,271	2,122	7.0%
Argentina	5,253	5,290	-0.7%
India	1,140	1,088	4.8%
Total Abertis	**71,653**	**70,342**	**1.9%**

Note: the figures for Brazil exclude ViaNorte, whose concession terminated in May 2018.

Capital expenditure

The group's capital expenditure amounted to €605 million in 2018, consisting primarily of investment in expansion of the network.

COUNTRY	CAPITAL EXPENDITURE (€M)		
	2018	2017	% increase/ (decrease)
Brazil	257	458	-44%
France	185	151	23%
Chile	23	80	-71%
Italy	13	15	13%
Rest of the world	7	9	-22%
Spain	6	6	0%
Abertis Holding	-	-	
Total investment in development	**491**	**719**	**-32%**
Total Abertis	**605**	**804**	**-25%**

Innovation, research and development

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

These activities, some of which are long-term in nature, are undertaken by Group companies, sometimes in collaboration with national and international research centres and universities. Numerous projects were carried out in 2018, some of which were co-financed at EU and national level.

The main activities carried out in 2018 include:

- the adaptation of free-flow tolling systems to enable them to use ANPR Vega Smart cameras for video tolling;
- the adaptation of free-flow tollgates using innovative technologies (e.g. stereoscopy, machine vision, etc.), including for use in identifying the correct class of vehicle for tolling purposes and in tracking and managing vehicles on motorways;
- the development of software for use in automated number plate recognition, using deep learning technologies;
- the continued development and upgrade of onboard units for the Italian and European markets, involving the design of next generation dual-mode devices;
- new higher performance tri-standard satellite devices;
- the development of ITS-G5 technologies for use in the provision of smart road services;
- the design and development of hardware and software to enable onboard units to be used to pay for parking;
- the testing of systems for land monitoring and inspection;
- the design and development of next generation safety barriers;
- the application of studies of fluid dynamics and fire engineering in initiatives designed to mitigate noise when entering stretches of road with noise barriers on the approach to natural tunnels, as part of work on the noise abatement plan;
- the testing of new road surface solutions designed to cut road noise;
- the development of services linked to mobility, including the payment of taxi fares by mobile app;
- the creation of support systems for Telepass Pay, its customers, the services offered to them and the merchants providing the services.

EU-funded projects include the following:

- participation in European programmes for the development and application of ITS-based services (information for road users, traffic management, freight transport and logistics services) needed in order to achieve European objectives relating to the safety and environmental impact of transport and mobility;

- participation in the REETS project, regarding implementation of a Regional European Electronic Toll Service, involving development of the systems necessary to collect tolls using satellite technology in Belgium and Germany.

Group companies' total expenditure on innovation, research and development in 2018 amounts to €26 million. This sum represents the total amount spent by the Group on research and development, including operating costs, staff costs and capital expenditure.

Workforce

As at 31 December 2018, the Atlantia Group employs 29,090 staff on permanent contracts and 1,813 temporary staff, resulting in a total workforce of 30,903, including 13,388 in Italy and 17,515 overseas. After stripping out the Abertis group's contribution (amounting to 14,307 [(1)], including 13,994 on permanent contracts and 313 temporary staff), the figure is down 149 overall compared with the workforce of 16,745 as at 31 December 2017.
After stripping out the Abertis group's contribution, the decrease of 298 in permanent staff as at 31 December 2018, compared with 31 December 2017, primarily reflects events at the following Group companies:

- the Chilean companies (down 200), primarily due to a decrease in the workforce at Gesvial after the Kennedy Tunnel was opened to traffic in October 2017, the launch of the final stages of the *Santiago Centro Oriente* expansion programme and the introduction of free-flow tolling by the operator, Nororiente;
- the Italian motorway operators (down 105), primarily due to slower turnover among operational personnel.

After stripping out the Abertis group's contribution, the increase of 149 in temporary staff as at 31 December 2018, compared with 31 December 2017, is linked primarily to increased requirements at the Italian operators, the Aeroporti di Roma group and at Pavimental.

The average workforce (including agency staff) in 2018, after stripping out the Abertis group's contribution, amounts to 15,806, down 173 compared with 2017 (when the figure was 15,979). This primarily reflects the above factors.
The Abertis group's average workforce in 2018 was 13,880[1].

Information on the performance of staff costs is provided in the "Financial review for the Atlantia Group".

(1) This includes 188 personnel (190 on average) attributable to assets held for sale (the Hispasat group).

Permanent staff

CATEGORY	31 December 2018	31 December 2017	INCREASE/(DECREASE) ABSOLUTE	%
Senior managers	290	291	(1)	0%
Middle managers	1,091	1,087	4	0%
Administrative staff	6,733	6,804	(71)	-1%
Manual workers	4,023	4,182	(159)	-4%
Toll collectors	2,959	3,030	(71)	-2%
Total excluding Abertis group	**15,096**	**15,394**	**-298**	**-2%**
Abertis group	13,994			
Total	**29,090**			

Temporary staff

CATEGORY	31 December 2018	31 December 2017	INCREASE/(DECREASE) ABSOLUTE	%
Senior managers	-	2	(2)	-100%
Middle managers	2	2	-	n.s.
Administrative staff	581	498	83	17%
Manual workers	615	540	75	14%
Toll collectors	302	309	(7)	-2%
Total excluding Abertis group	**1,500**	**1,351**	**149**	**11%**
Abertis group	313			
Total	**1,813**			

Average workforce (*)

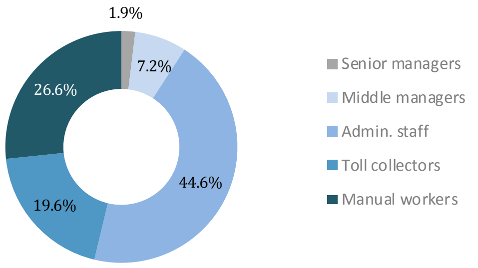
CATEGORY	2018	2017	INCREASE/(DECREASE) ABSOLUTE	%
Senior managers	293	291	2	1%
Middle managers	1,076	1,090	(14)	-1%
Administrative staff	7,086	7,092	(6)	0%
Manual workers	4,318	4,386	(68)	-2%
Toll collectors	3,033	3,120	(87)	-3%
Total	**15,806**	**15,979**	**-173**	**-1%**
Abertis group(**)	13,880			
Total	**29,686**			

(*) *Includes agency staff.*

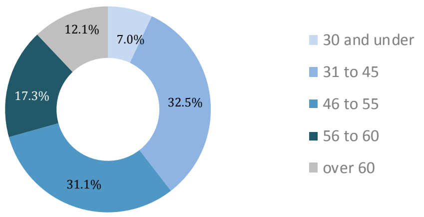
(**) *Figures for FY 2018 provided for information purposes.*

Distribution of the Group's workforce (*)

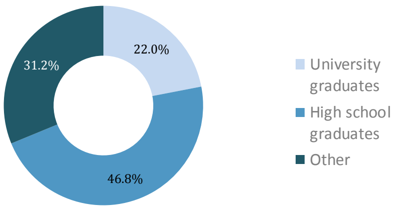
DISTRIBUTION OF PERMANENT WORKFORCE BY CATEGORY



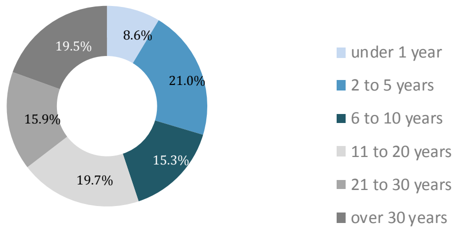
DISTRIBUTION OF PERMANENT WORKFORCE BY AGE RANGE



DISTRIBUTION OF PERMANENT WORKFORCE BY EDUCATIONAL QUALIFICATION



DISTRIBUTION OF PERMANENTWORKFORCE BY LENGTH OF SERVICE



(*) These figures refer solely to Atlantia Group companies before the acquisition of the Abertis group.

The Atlantia Group's human resources policies

During 2018, the Group extended its commitment to developing expertise, improving performance, enhancing talent and supporting organisational change.
Regarding initiatives aimed at integrating the Group's people management processes, in 2018 the Group's Human Resources department continued with the process designed to capitalise on the Group's skills base, via intercompany mobility and cross-fertilisation initiatives. These initiatives are designed to:

- take advantage of accumulated experience and know-how;
- promote and encourage diversification in order to enrich skills;
- expand cross-company experience.

The Group's succession planning and talent management procedures support career development and organisational development decisions, thus guaranteeing the continuity of the Group's management. To ensure the effectiveness of these processes, the Group has adopted a number of tools:

- Performance Management, which guides the professional and personal development of staff through the provisions of clear, direct feedback that aims to identify areas to be developed, strengthened and improved in order to enhance professional growth;
- Assessment procedures, involving structured skills appraisals designed to assess readiness for the assumption of more complex roles and professional development plans;
- Development Programmes, aimed at nurturing and developing talent.

Initiatives designed to develop the Group's young professionals continued in 2018, with the aim of creating a pool of potential leaders and provide a management pipeline for the mid to long term.

The partnership programme with Italy's major universities and polytechnics, called *Atlantia per la Conoscenza* (Atlantia for Knowledge), continued. The initiative entails provision of pre-graduate scholarships for the best students enrolled in the final year of master's degree courses, focusing in particular on the faculties of engineering and economics.
Details of remuneration policies are provided in Atlantia's Remuneration Report for 2019 (as approved by the Board of Directors on 7 March 2019) and in the information circulars for the various equity plans, prepared pursuant to art.84-bis, paragraph 1 of the Regulations for Issuers and available for inspection on the Company's website at http://www.atlantia.it/it/corporate-governance/remunerazione.html

At the end of October 2018, the Group successfully completed the acquisition of control of Abertis Infraestructuras, a company that heads a group holding motorway concessions in 14 countries, based on a business model that is very similar to Atlantia's and with human capital management and development policies in line with the Group's principles and practices.
In 2019, the Group will examine potential opportunities for integrating and sharing best practices at global level and/or in the individual countries in which it operates.

Selection

Selection

The process of finding and selecting personnel to work for the Atlantia Group is designed to attract the best available talent. Among the attributes sought are the ability to deliver excellent results, high potential and cross-functional experience.
The type of recruiting tool or channel used depends on the seniority and the specialist expertise being sought. The *Atlantia per la Conoscenza* (Atlantia for Knowledge) programme, run by Atlantia, the "Work with us" section of the website, online recruitment databases and partnerships with schools, universities and leading post-graduate programmes are used to attract recent graduates and professionals. The selection process for junior roles involves the examination of CVs sent in by young high-school graduates and individual and group tests aimed at assessing attitude, ability and potential.
The search for senior personnel is handled by head hunters and through social networks, with the selection process being based on individual interviews designed to assess personal characteristics, motivation and technical and specialist knowledge.

Training

Training plays a key role in career development, process innovation and in achieving the Group's business objectives.
A total of 272 thousand hours of training was provided in 2018, in line with the previous year. This involved over 13 thousand participants at a total cost of more than €4.5 million. Approximately 35% of the training hours provided regarded health, safety and the environment.
Management and behavioural training during the year involved the design and implementation of a number of courses focusing on Leadership, the Management of Personnel and Feedback, Change Management and Effective Communication, many employing internal expertise both during the design phase and in order to deliver the courses.
In confirmation of the importance given to the quality of customer services, the Group also renewed its commitment to providing training for Aeroporti di Roma's front-end staff and for motorway personnel.
Specialist training included seminars for engineers and architects, necessary in order to obtain training credits and update professional qualifications, to deepen technical expertise and acquire training in the new Public Tenders Code.
Training was provided in data protection following introduction of the new General Data Protection regulation (GDPR), in corporate responsibility and in the organisational, management and control model, in response to the new offences covered by Legislative Decree 231/01, as amended.
Finally, in 2018, the Group confirmed its commitment to environmental sustainability, with the in-house design and implementation of a *Green Expert* training programme, with the aim of aligning the environmental knowledge of personnel work in the area of sustainability and sharing this knowledge across the Group.

Organisation

Organisational developments in 2018 primarily involved a number of extraordinary financial transactions and the resulting changes to the structure of the Group.
In view of the growing importance of the international footprint, Atlantia's organisational structure was expended with the creation of two new departments. These have been set up to coordinate management of the Group's core motorway and airports businesses: the "Motorway Business Coordination" and "Airports Business Coordination" departments have the role of strengthening business control processes and

extending the use of best practices. They also provide reference points for the relevant subsidiaries with regard to performance assessment and pursuit of the Group's growth initiatives.
The changed scenario has also led to changes within the Finance department, with the creation of the Finance and Insurance and Corporate Finance and Investor Relations departments. This reflects the growing importance of the Group's debt management and of relations with investors, the rating agencies and the financial markets in general. Organisational changes have also been made to the structure of the various units within the Finance department (Insurance, Administration, Tax, etc).
Finally, in addition to routine organisational maintenance, work was also carried out on legal and regulatory compliance initiatives. This regarded data protection (the appointment of a Data Protection Officer and changes to data protection records), changes in relation to Legislative Decree 231/01 (the creation of a 231 Team) and renewal of the Supervisory Board.

In terms of procedures, steps were taken to revise and draw up new procedures and policies in order to more closely regulate internal processes and aspects of compliance (e.g., Sponsorship Management, Management and Protection of the Group's Industrial and Intellectual Property, etc.).

With the intention of renewing its commitment to providing a working environment based on the principles of equality, liberty, dignity and inviolability of the person, during 2018, Atlantia adopted its own Code of Conduct to prevent discrimination and to protect the dignity of women and men within the Group.

In addition, in order to manage the whistleblowing process, Atlantia has put in place a Whistleblowing Policy. This governs the process of receiving, assessing and handling disclosures and the conduct of the related investigations. The Policy has been introduced alongside a digital platform for reporting any illegal activity or irregularities, unlawful behaviour, violations of the 231 Model or of the Code of Ethics, violations of the Anti-corruption Policy, and any other violations of procedures and rules in general.

Industrial relations

The Group reached a number of agreements with the labour unions in 2018.
In the Italian motorways segment, the most important primarily regarded renewal of the second level contract, resulting in a new automation programme, the creation of a new job, the "Collector-Toll station operator", key to implementing a new model for managing toll stations and tolling, and the definition of a productivity bonus for 2018.
Agreement was also reached on renewal of the national collective labour agreement for Giove Clear staff.
Talks with the unions in the airports sector primarily regarded the following issues:

- the performance-related bonus: the three-year agreement was renewed, with the introduction of new criteria for calculating and finalising bonuses;
- the conversion of staff on fixed-term contracts at Airport Cleaning to permanent contracts and the introduction of greater flexibility in the recruitment of staff in peak periods;
- the introduction of compassionate leave ("*Permessi solidali*"), providing a mechanism that enables the Group's personnel to help each other in times of need;
- the insourcing of fire protection and the relevant coordination at Fiumicino airport.

The environment and workplace health and safety

Atlantia believes that the adoption of environmental sustainability and safety policies represents a strategic investment in the future, considering the environment and people have a key role to play in long-term growth. For this purpose, the Group is committed to safeguarding and continuously improving the environment and the health and safety of its workforce, basing its Integrated Environmental and Safety Management System on the ISO 14001:2015 and OHSAS 18001.2007 standards.

Corporate governance

Atlantia's Corporate Governance system is based on a collection of rules that are in line with regulatory guidelines and best market practices.
This system is based on Atlantia's Corporate Governance Code, which has been drawn up in accordance with the principles and criteria contained in the Corporate Governance Code for listed companies, which was updated by the Corporate Governance Committee for listed Italian companies in July 2018.
In accordance with the current Articles of Association, management of the Company is assigned to the Board of Directors, whilst supervisory functions are the responsibility of the Board of Statutory Auditors and responsibility for auditing the Group's accounts is assigned to the Independent Auditors. Based on the provisions of art. 30 of the Articles of Association, the Chairman represents the Company.
Separation of the roles of Chairman and Chief Executive Officer means that it is not necessary to appoint a Lead Independent Director.
Based on the provisions of the Company's Corporate Governance Code, the Board of Directors has established the following board committees: the Human Resources and Remuneration Committee and the Internal Control, Risk and Corporate Governance Committee. The Board has also appointed the Director, Guiliano Mari, as Director responsible for internal control and risk management.
On 18 January 2019, the Company's Board of Directors also set up the Nominations Committee in accordance with the Company's Corporate Governance Code, which was revised on the same date.
In implementation of the provisions of Legislative Decree 231/2001, Atlantia has adopted the Organisational, Management and Control Model and has set up a Supervisory Board. Lastly, in compliance with the CONSOB requirements contained in the Regulations for Related Party Transactions (Resolution 17221 of 12 March 2010, as amended), Atlantia set up a Committee of Independent Directors with responsibility for Related Party Transactions – consisting of three independent Directors – and adopted the Procedure for Related Party Transactions, which came into effect from 1 January 2011 and was last revised on 15 December 2017.
In addition to the above Procedure, Atlantia has, among others, adopted the Procedure for Market Announcements, the Procedure for relations with the Independent Auditors, the Procedure for Reporting to the Board of Statutory Auditors, the Code of Conduct for internal dealing, and the Procedure for Reporting to the Ethics Officer.
The Company's governance system is completed by the regulations contained in the Articles of Association and in the General Meeting Regulations.
Edizione Srl, via Sintonia SpA, owns 30.25% of Atlantia, holding a relative majority of the issued capital.
Atlantia's Board of Directors – elected by the Annual General Meeting held on 21 April 2016 – is made up mostly of representatives of Sintonia SpA, given that 12 out of 15 were elected from the slate presented by this shareholder. It should also be noted that this shareholder's slate obtained the majority of votes thanks also to the votes of other shareholders attending the meeting.
In this regard, the average attendance of shareholders at the general meetings held by Atlantia in 2016, 2017 and 2018 was representative of approximately 77.77% of the issued capital.

The reader will recall that, on 12 March 2009, Sintonia SA (at that time a Luxembourg-registered company) and Schemaventotto SpA (later merged with and into Sintonia) issued a joint declaration, stating that neither the Company or the Group of which it is the Parent were subject to management and coordination by either of the two companies.
Atlantia is not subject to management and coordination by any third parties. On 19 January 2018, Atlantia adopted regulations governing the exercise of management and coordination, defining the scope and procedures for the exercise of management and coordination of its subsidiaries who are not subject to management and coordination by other Group companies.
The full text of the "Annual report on Corporate Governance and the Ownership Structure", prepared in accordance with indications contained in the format for corporate governance reports formulated by Borsa Italiana, is available in the "Corporate Governance" section of the Company's website at www.atlantia.it.

Sustainability

Preamble: non-financial reporting

Alongside the disclosures required by article 2428 of the Italian Civil Code, provided in the Directors' report on operations accompanying the financial statements, the "Sustainability" section of this report only deals with topics relating to the Atlantia Group's environmental responsibility. Other non-financial aspects are dealt with in the Non-financial Statement – Integrated Report for 2018, approved together with this Annual Report and prepared in compliance with Legislative Decree 254/2016. This document is available in the "Sustainability" section of the Company's website at www.atlantia.it. This document does not include information on the non-financial performance of the Abertis group, which will be included in the Non-financial Statement – Integrated Report for 2019.

Environmental responsibility

Environmental responsibility permeates all levels of the organisation and is promoted among all parties the Atlantia Group has dealings with and in all aspects of its business.
During the phases of design, implementation and use of infrastructure, appropriate solutions are identified with the aim of achieving ever higher levels of environmental compatibility. The Group is committed to using and sustainably managing environmental inputs and outputs.

Use of resources

Particularly significant with regard to the use of resources are energy consumption, the production of waste and water usage, the impact of which on the environment is constantly monitored and mitigated.

Energy and the climate

The Atlantia Group's commitment with regard to energy translates into a long-standing commitment to improving energy efficiency, energy saving and renewable energy production.

This approach also brings benefits in terms of the ability to monitor, manage and contain both direct and indirect CO_2 emissions, and more generally in terms of the issue of climate change.
The main sources of energy used by the Atlantia Group are fuel - directly used for heating and air conditioning buildings, plant operation, maintenance equipment, service vehicles and generators - and electricity for powering the various systems and equipment.
The Group consumed 3,473 TJoules of energy in 2018, including electricity, natural gas, LPG, diesel, petrol, ethanol and thermal energy. The figure is up approximately 9.5% compared with the previous year, due primarily to increased consumption of natural gas, which powers the cogeneration plant that serves Fiumicino airport. This plant registered a 17% increase in the quantity of energy produced compared with the previous year in order to meet the airport's growing requirements.

Despite shifts in energy consumption linked to the Atlantia Group's infrastructure investment programmes, as far as day-to-day operations are concerned the aim is to reduce consumption and promote greater efficiency through the following:

- the installation of monitoring systems;
- the implementation of energy saving projects, focusing on the efficiency of equipment, plant and processes;
- the development of renewables.

Combined production (power, heat and cold) plays an important role within the Atlantia Group, with Fiumicino airport served by a cogeneration plant fuelled by natural gas, which meets almost all the airport's energy needs. Autostrade per l'Italia also has three cogeneration plants at its Rome headquarters and at its Calenzano (FI) data processing centre. 165,963 MWh of electricity and 61,702 MWh of thermal energy was produced in 2018, almost all of which consumed by Fiumicino airport.
The aim of reducing and optimising energy consumption is also pursued via the use of renewable energy and energy efficiency and saving initiatives.
During the year, the photovoltaic plants in operation produced around 11.9 GWh of electricity, with 41% used internally on site. The Group's plants also produced 0.4 GWh of thermal energy, all of which was consumed internally.
Atlantia Group companies continued to implement initiatives related to lighting in 2018, with widespread use of LED technology in both motorway tunnels and at airports, as well as in buildings, saving a total of approximately 8.5 GWh of energy.
In terms of air-conditioning, the automated, flexible management of temperatures at Fiumicino airport enabled the Group to save 7.3 GWh of electricity and 14.2 GWh of thermal energy.
Efforts continued in order to reduce heat dispersion and invest in the modernisation of systems for buildings, with the introduction of more efficient equipment, including chillers and the conversion of boilers from diesel to natural gas.
The airports of Fiumicino, Ciampino and Nice all have energy management systems certified in accordance with the ISO 50001 standard. This enables the airport operators to plan any work to be carried out and investment, and to analyse and monitor energy trends, thanks to a continuously updated action plan, in order to improve overall performance.
With regard to greenhouse gas emissions, in 2018, the Atlantia Group's CO2 equivalent emissions, amounting to 230 thousands tonnes, (Scope 1 + Scope 2) rose 4.5% compared with 2017, although the increase was limited thanks to increased energy efficiency, as reflected in the fact that in the same period consumption rose 9.5%
All the airports operated by the Atlantia Group are also carbon neutral, as confirmed by their accreditation under the Airport Carbon Accreditation scheme set up by ACI Europe (http://www.airportcarbonaccreditation.org) in order to encourage virtuous behaviours in the effort to combat climate change. Accreditation has been received by both Aeroporti di Roma and Aéroports de la Côte d'Azur for their respective airports.
From 2018, Rome's Ciampino airport was awarded the highest level of certification, "Neutrality", which means that direct and indirect carbon emissions (Scope 1 and 2) are offset with carbon credits.

Waste

The total amount of waste produced by the Atlantia Group in 2018 amounted to around 3 million tonnes, compared with the 507,000 of 2017. 98.5% of this waste is produced as a result of non-routine work on the motorway network and at Fiumicino airport, which resulted in the production of large quantities of waste consisting of soil and rocks.
All the earth moved was reused on site in accordance with the recovery plans approved by the competent authorities, with 99% of the waste produced being recovered or recycled.

Water withdrawn

The Group withdrew a total of 4.7 million cubic metres of water in 2018, a 4.7% reduction compared with the previous year. 48% of the total water withdrawn is recycled and reused, for the most part in operations at the airports of Fiumicino and Nice and in the production of bituminous conglomerate.

KEY ENVIRONMENTAL INDICATORS	2017	2018	% change 18/17
Energy consumption by type (TJoules)	**3,172**	**3,473**	**10%**
Petrol	34	27	-19%
LPG	35	33	-7%
Diesel	675	549	-19%
Electricity	1,281	1,258	-2%
Natural gas	1,045	1,542	48%
Fuel oil	91	53	-42%
Thermal energy	5	5	-8%
Ethanol	6	5	-19%
CO2 emissions (t)	**220,148**	**230,051**	**4,5%**
Direct emissions [8]	120,272	135,271	12%
Indirect emissions from electricity consumption	99,876	94,780	-5%
Waste produced (t) [9]	**507,153**	**3,040,509**	**n/a**
% of waste recycled /recovered	93	99.9	7%
Water withdrawn ('000s of m^3) [10]	**4,924**	**4,693**	**-5%**
Water recycled (%)	41	48	19%

(8) This type of emission includes fuel consumption for heating and air conditioning buildings, for motor vehicles, running generators and road maintenance works.
(9) The increase is due to non-routine work on the motorway network and at Fiumicino airport (see the paragraph on "Waste").
(10) In line with the GRI Standard GRI 303 - Water and Effluents 2018, unlike last year, the indicator shows the volume of water withdrawn and not water consumed.

Related party transactions

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

Significant regulatory aspects

Italian motorways

Toll increases for 2018

The Minister of Infrastructure and Transport (the "MIT") and Minister of the Economy and Finance (the "MEF") issued decrees on 29 December 2017, determining toll increases with effect from 1 January 2018. These are as follows:

a) an overall toll increase of 1.51%, including 0.49% as the inflation-linked component, 0.64% to provide a return capital expenditure via the "X" tariff component and -0.04% to provide a return on investment via the "K" tariff component (the shortfall in the increase awarded for 2017 was recouped almost in full for both these components) and 0.43% to recover the reduction in revenue earned in the period from June 2014 to 2017 as a result of the discounted tolls for frequent motorway users, introduced by the Memorandum of Understanding entered into with the MIT. Regarding the shortfall in the increase with respect to the requested amount, equal to 0.01% (relating to the "X" component), the Grantor, following submission of additional documentation by Autostrade per l'Italia on 12 March 2018, deemed that the request was largely warranted, and therefore to be taken into account when determining the toll increase for 2019. Application of the remaining amounts was suspended, pending an update of the financial plan;

b) Raccordo Autostradale Valle d'Aosta was to apply a toll increase of 52.69%, compared with the 81.12% requested. The company has challenged this determination before the Regional Administrative Court;

c) Autostrade Meridionali was to apply a toll increase of 5.98%, compared with the 9.9% requested;

d) Autostrada Tirrenica was to apply a toll increase of 1.33%, compared with the 36.51% requested. The company has challenged this determination before the Regional Administrative Court.
On 7 February 2019, Lazio Regional Administrative Court annulled the Decree contested by Autostrada Tirrenica regarding toll increases for 2018. Similar judgements were also handed down on the same date for the years 2014, 2016 and 2017, requiring the Ministry of Infrastructure and Transport and Minister of the Economy and Finance to review their response to the company's proposals in accordance with legal requirements and the concession arrangement. In addition, in another judgement on the same date, Lazio Regional Administrative Court, in response to the interministerial decree revoking suspension of the toll increase for 2013, ruled that the challenge was inadmissible in the absence of any interest in proceeding, recognising the jurisdiction of the ordinary court system with regard to a decision regarding compensation for the company's lost revenue during the period of the suspension;

e) Tangenziale di Napoli was to apply a toll increase of 4.31%, including recovery of amounts not applied in previous years, compared with the 1.93% requested. This application was granted on the basis of the new financial plan attached to the Addendum, signed digitally on 22 February 2018. This came into effect with the approval of Ministry of Infrastructure and Transport and Ministry of the Economy and Finance Decree 131 of 16 March 2018, registered at the Court of Auditors on 23 April 2018.

In the case of Traforo del Monte Bianco, which operates under a different regulatory regime, the Intergovernmental Committee for the Mont Blanc Tunnel gave the go-ahead for a toll increase of 1.09% for 2018. This is based on the average of the inflation rates registered in Italy and France from 1 September 2016 to 31 August 2017, in addition to an extra 0.95% increase determined by the

Committee. From 1 April 2018, the toll for all Euro 3 heavy goods vehicles, of more than 3.5 tonnes, was increased by 5%.

Toll increases for 2019

The MIT and MEF issued decrees on 31 December 2018, determining toll increases with effect from 1 January 2019. These are as follows:

a) in Autostrade per l'Italia's case, based on a willingness expressed by the Company itself, the decision was taken to leave the tolls in force as at 31 December 2018 unchanged for a period of six months. These tolls included the component of 0.43% designed to recover the reduction in revenue resulting from the discounting of tolls for frequent motorway users, which ceased to be effective on 31 December 2018. The tolls applied to road users will thus increase by 0.81% from 1 July 2019, unless otherwise agreed by the Grantor and the Company. Regarding the shortfall in the increase with respect to the requested amount, equal to 0.06% (relating to the "X" component), Autostrade per l'Italia has reserved the right to produce additional documentation with the aim of obtaining the remaining increase and, to this end, has accessed the documentation relating to the review conducted by the Grantor;
b) in Raccordo Autostradale Valle d'Aosta's case, the toll increase is 6.32%, in line with its request. The decree acknowledges that the company, in a memo dated 27 December 2018, had accepted the Grantor's request and announced its willingness to suspend the toll increase effective 1 January 2019 for residents/commuters in the Val d'Aosta area who have registered to participate in the initiative;
c) in Autostrade Meridionali's case, no toll increase was granted with respect to the requested 1.20%, as the concession had expired on 31 December 2012. The company has challenged this determination;
d) in the case of Tangenziale di Napoli, a toll increase of 1.82% has been granted, compared with a request for 1.93%. The company has filed a legal challenge, citing the failure to take into account certain investments;
e) in Autostrada Tirrenica's case, no toll increase was granted in view of the ongoing EU infraction proceedings (the company had requested an increase of 1.59% for 2019 and, given the absence of any increases in previous years, a total increase of 36.41%).

In the case of Traforo del Monte Bianco which operates under a different regulatory regime, the Intergovernmental Committee for the Mont Blanc Tunnel awarded a toll increase of 1.78% for 2019. This is based on the average of the inflation rates registered in Italy (1.57%) and France (1.98%), plus 0.95% linked to the extraordinary increase for the Frejus Tunnel and also applied to Traforo del Monte Bianco.

Five-yearly update of Autostrade per l'Italia's financial plan

On 15 June 2018, Autostrade per l'Italia submitted a proposal to the Grantor regarding a five-year update of its financial plan, which will subsequently be formalised as an addendum to the current Arrangement.

Consultation with the Transport Regulator

The Transport Regulator (ART) issued a determination on 20 February 2019, initiating a consultation designed to establish a tariff regime using a consistently applied method based on a price cap mechanism. Rather than establishing the criteria solely to be used in determining the productivity indicator, as provided for in Law Decree 109 of 28 September 2018, converted into Law 130 of 16 November 2018, the regulator's determination proposes to modify the entire tariff regime for motorway concession

arrangements, introducing new criteria for determining the components of tolls. The determination also envisages the application of this new regime not only to motorway operators for which the five-year regulatory period expired after the entry into force of Law Decree 109/2018, and for which the related update has yet to be finalised, but also to operators, such as Autostrade per l'Italia, whose regulatory period expired before the entry into force of the above Law Decree and for which the five-yearly review of the financial plan is still in progress.
The deadline for submitting observations is 29 March 2019, whilst the procedure is scheduled to be completed by 28 June 2019. The Company is considering what legal action to take in order to protect its interests.

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

In 2012, the Ministry of Infrastructure and Transport issued a call for tenders for the new concession for the A3 Naples – Pompei – Salerno motorway. On 22 March 2016, the Ministry announced its intention to exclude the two competing bidders, Autostrade Meridionali and Consorzio Stabile SIS, from the tender process. This gave rise to a complex dispute that was finally brought to a close by the Council of State judgement published on 25 February 2019, which upheld the judgement at first instance, confirming both companies' disqualification.

Events of 14 August 2018 relating to the collapse of a section of the Polcevera road bridge in Genoa

A section of the Polcevera road bridge in Genoa collapsed on 14 August 2018, resulting in the deaths of 43 people. The causes of this tragic incident have yet to be identified at the date of approval of this Annual Report.

Procedure initiated by the Grantor

On 16 August 2018, the Ministry of Infrastructure and Transport sent Autostrade per l'Italia a letter of complaint before conducting any form of prior investigation into the causes of the collapse or who was responsible. The letter alleged that the company had committed serious breaches of its contractual obligations regarding routine and extraordinary maintenance and of its obligation to ensure that the road was in good working condition. As a result, the Ministry declared that it was appropriate "to activate the procedures provided for in articles 8, 9 and 9 *bis* of the Concession Arrangement".
In its response dated 31 August 2018, and in the subsequent letter dated 13 September 2018, Autostrade per l'Italia presented its counterarguments, rejecting the accusation that it had failed to meet its contractual obligations and, in addition, asserting that any decision by the Ministry to activate the procedures provided for in articles 8, 9 and 9 *bis* of the Concession Arrangement was inadmissible and without effect.
The Inspection Committee appointed by the Ministry of Infrastructure and Transport then published its report on the collapse of a section of the Polcevera road bridge on 25 September 2018. A subsequent letter from Autostrade per l'Italia, dated 5 October 2018, highlighted a number of concerns regarding both procedural aspects and the merits of the Committee's conclusions.
Subsequently, in a letter dated 20 December 2018, the Ministry of Infrastructure and Transport added further to its letter of complaint and, in accordance with the procedure required under the arrangement, requested the company to provide further counterarguments, specifically in relation to information on aspects regarding the system used to monitor infrastructure and the potential causes of the collapse. The latter gave the company 120 days to respond.
The company believes, in part based on the opinion of leading experts, that communications with the Grantor do not qualify as the initial act in the procedure leading to termination of the concession, in accordance with art. 9 of the Single Concession Arrangement.

Law Decree 109 of 2018

In parallel, Law Decree 109 was published on 28 September 2018 and later converted into Law 130 of 16 November 2018. The legislation contains a range of urgent measures for the city of Genoa and:

a) appoints a Special Commissioner to oversee the reconstruction, who may act in derogation of the law other than criminal law, save for the binding restrictions imposed by membership of the European Union;
b) requires the operator, "as the entity responsible for ensuring that the infrastructure operated under concession was safe and fit for purpose, and therefore as the entity responsible for the events", within 30 days of receipt of the Special Commissioner's request, to pay the sum necessary for the reconstruction in the amount to be provisionally determined by the Commissioner, without prejudice to any subsequent findings regarding liability for the event;
c) excludes Autostrade per l'Italia and its subsidiaries and associates from involvement in the reconstruction;
d) assigns the Commissioner responsibility for the sections of motorway linked to the road bridge whose operation will be affected by work on the reconstruction and which the operator is obligated to hand over to the Commissioner.

Legal challenges brought by the Company before Liguria Regional Administrative court

The company has brought an action before Liguria Regional Administrative Court challenging the legislation contained in Law Decree 109 of 2018 and subsequent implementing measures, without applying for injunctive relief, the Cabinet Office Decree of 4 October 2018 appointing the Special Commissioner, and certain implementing decrees issued by the Commissioner relating to demolition and reconstruction of the bridge and the connected activities, contesting their legality, including from a constitutional viewpoint.
The hearing of 27 February 2019 has been rescheduled for 22 May 2019.
At the same time, Autostrade per l'Italia, in its acknowledged role as the operator, has handed over the sums requested by the Special Commissioner in order to fund the purchase of homes and business premises, and payments on account to the firms contracted to carry out the demolition and reconstruction and project management. The company has also committed to making available the remaining sums requested by the Special Commissioner as the work progresses.

Investigation by the Public Prosecutor's Office in Genoa

The collapse of a section of the Polcevera road bridge has resulted in criminal action before the Court of Genoa against 9 Autostrade per l'Italia SpA personnel, including executives and other people employed at the company's Rome headquarters and the relevant area office in Genoa. The action also regards a further 12 employees and managers at SPEA Engineering, the Atlantia Group company contracted to monitor the state of the infrastructure, and the Ministry of Infrastructure and Transport, in relation to offences provided for in articles: 449-434 of the criminal code ("accessory to culpable collapse"); 449-432 of the criminal code ("violation of transport safety regulations aggravated by culpable disaster"); 589-bis, paragraph 1 of the criminal code ("culpable vehicular homicide"); 590-bis, paragraph 1 of the criminal code ("grievous or very grievous bodily harm caused by road traffic violations"); 589, paragraphs 1, 2 and 3 of the criminal code ("culpable homicide resulting from breaches of occupational health and safety regulations"); 590, paragraphs 1, 3 and 4 of the criminal code ("negligent injury resulting from breaches of occupational health and safety regulations").
With specific regard to the last two offences, Autostrade per l'Italia is also under investigation pursuant to art. 25-*septies* of Legislative Decree 231/2001, relating to "Culpable homicide or grievous or very grievous bodily harm resulting from breaches of occupational health and safety regulations".
Subsequently, on 12 September 2018, the preliminary investigating magistrate (*Giudice per le Indagini Preliminari*) requested a pre-trial hearing to appoint experts to prepare a report on conditions at the disaster scene, to assess the state of repair and maintenance of the infrastructure that did not collapse and

of the parts of the road bridge that did collapse and have yet to be removed, and to identify and reach agreement with the relevant authorities on procedures for the removal of debris and for demolition, so as to preserve the evidence needed for the purposes of the investigation.
The work of the experts began on 2 October 2018 and is still in progress.
At the hearing held on 8 February 2019, the preliminary investigating magistrate upheld the request from the counsel defending Autostrade per l'Italia's personnel to discuss the translated versions of the expert reports prepared by the specially appointed laboratories with the other parties.
At the hearing of 15 February 2019, the preliminary investigating magistrate appointed an interpreter to translate the above expert reports and counsel for the defendants appointed their own technical consultants.
Finally, the preliminary investigating magistrate has scheduled a hearing for 27 March 2019 in order to discuss the expert reports and for 8 April 2019 to receive an update on the work carried out by the experts.

Overseas motorways

Chile

From January 2018[11], Grupo Costanera's motorway operators applied the following annual toll increases, determined on the basis of their concession arrangements:

a) 5.5% for Costanera Norte, Vespucio Sur and Nororiente, reflecting a combination of the increase linked to inflation in 2017 (1.9%) and a further increase of 3.5%;
b) 3.4% for AMB, reflecting a combination of the increase linked to inflation in 2017 (1.9%) and a further increase of 1.5%;
c) 1.9% for Litoral Central, reflecting the increase linked to inflation in 2017.

From January 2018, the tolls applied by Los Lagos rose 3.4%, reflecting a combination of the increase linked to inflation in 2017 (1.9%) and a further increase in the form of a bonus relating to safety improvements in 2018 (5.0%), less the bonus for safety improvements awarded in 2017 (3.5%).
On 9 May 2018, Nororiente finalised an addendum with Chile's Ministry of Public Works regarding implementation of a free flow tolling system to replace the previous manual system, with compensation, at a pre-set rate, for loss of revenue due to toll evasion. Compensation will, at the Ministry's discretion, take the form of a 10-month extension of the concession term or a cash payment at the end of the original concession term. The new free-flow tolling system entered service on 28 July 2018.

From January 2019[11], Grupo Costanera's motorway operators applied the following annual toll increases, determined on the basis of their concession arrangements:

a) 6.4% for Costanera Norte, Vespucio Sur and Nororiente, reflecting a combination of the increase linked to inflation in 2018 (2.8%) and a further increase of 3.5%;
b) 4.3% for AMB, reflecting a combination of the increase linked to inflation in 2018 (2.8%) and a further increase of 1.5%;
c) 2.8% for Litoral Central, reflecting the increase linked to inflation in 2018.

From January 2018, the tolls applied by Los Lagos were reduced by 0.1%, reflecting a combination of the increase linked to inflation in 2018 (2.8%) and a reduction in the bonus for safety improvements (the bonus of 2.0% for 2019, less the bonus for safety improvements awarded in 2018, amounting to 5.0%).

Award of the new AVO II urban motorway concession

Grupo Costanera has been awarded the concession for the Américo Vespucio Oriente II project, which regards the construction and operation of a 5-km section of tunnel for the orbital motorway in the city of Santiago, using a free-flow tolling system. The estimated cost of construction is approximately €490 million[12]. The concession was awarded in July 2017, while on 5 April 2018 the Supreme Decree awarding the concession, and signed by the President of the Republic of Chile, was published in the Official Gazette, following prior approval by the Chilean Court of Auditors. This date marks the beginning of the concession term, which is linked to the achievement of specific pre-set revenue milestones after discounting to present value. The term may not, in any event, exceed 45 years.

[11] From 10 January, in the case of Litoral Central.

Award of the new "Vial Ruta 78-68 Connection" urban motorway concession

Grupo Costanera has also been awarded the concession for the Vial Ruta 78-68 Connection project, involving construction and operation of a new 9.2-km section of urban, free-flow toll motorway in the city of Santiago. The new road will link Ruta 78 with Ruta 68, the two main roads connecting Santiago with the ports of Valparaiso and San Antonio, and will be connected with the section already operated under concession by Costanera Norte. The estimated cost of the project is approximately €210 million[12]. The concession was awarded in February 2018, while on 21 April 2018 the Supreme Decree awarding the concession, and signed by the President of the Republic of Chile, was published in the Official Gazette, following prior approval by the Chilean Court of Auditors. This date marks the beginning of the concession term, which is linked to the achievement of specific pre-set revenue milestones after discounting to present value. The term may not, in any event, exceed 45 years.

Brazil

From 1 July 2018, Triangulo do Sol and Rodovias das Colinas applied their annual toll increase of 2.9% based on the rate of general price inflation in the period between 1 June 2017 and 31 May 2018, as provided for in the respective concession arrangements. This reflects the fact that this figure was lower than the rate of consumer price inflation in the same period (4.3%). The difference will be adjusted for in accordance with the concession arrangement.
From 31 May 2018, the toll exemption for vehicles with raised axles was extended to the State of Sao Paulo. This measure was adopted by the federal government to settle the truck drivers' strike that began on 21 May 2018. The lost income will be adjusted for to compensate the operator.
The tolls applied by the operator, Rodovia MG050, were raised by 2.8% from 13 June 2018, based on the rate of consumer price inflation in the period between 1 May 2017 and 30 April 2018, as provided for in the concession arrangement.

Italian airports

Tariff proposal for 2018

On completion of the consultation with airport users, on 22 December 2017, the Civil Aviation Authority (*ENAC*) announced the airport fees for Fiumicino and Ciampino for the period 1 March 2018 - 28 February 2019. The fees for Fiumicino and Ciampino fell by an average of 0.7% and 4%, respectively, compared with the fees for 2017[13].

Tariff proposal for 2019

On 7 August 2018, Aeroporti di Roma ("ADR") began a consultation process, involving the users of Fiumicino and Ciampino airports, on the proposed revision of regulated fees for the 2019 annual period (1 March 2019-29 February 2020). The procedure meets existing Italian and EU requirements and is in line with the guidelines in the "Procedure for consultation between airport operators and users for ordinary planning agreements and those in derogation" issued by ENAC on 31 October 2014.

[12] Based on the average exchange rate in December 2018.
[13] Based on the ratio between the maximum permitted revenue and fee-paying passengers for the twelve months from 1 March.

In order to ensure the maximise the involvement of users, on 10 August 2018, ADR published the information documents setting out the proposed fees for 2019 on its website.
The consultation process came to a conclusion on 5 November 2018. During the process, ADR responded to the observations received from users by the deadlines announced at the beginning of the procedure. On 24 December 2018, having completed its review conducted as part of the tariff revision process for 2019, ENAC announced that it had approved the new airport fees to be applied by the two Rome airports from 1 March 2019. The fees were then published on the authority's website.
The revised fees for the period 1 March 2019 - 29 February 2020 envisage a 1.4% reduction for Fiumicino airport and a 2.2% increase for Ciampino with respect to the fees currently in force[15].

Continuity of the services provided by Alitalia in Extraordinary Administration

On 2 May 2017, Alitalia – Società Aerea Italiana SpA ("Alitalia") was placed into extraordinary administration.
Law Decree 38 of 27 April 2018 introduced urgent measures modifying the terms of the procedure for selling the industrial assets owned by Alitalia. The Decree extended the deadline for completion of the sale procedures from 30 April 2018, previously set by Law Decree 148/2017 ("Urgent financial measures and measures relating to non-deferrable needs"), until 31 October 2018. As a result, the term for full repayment of the interest-bearing government loan to the company in extraordinary administration, amounting to €900 million, was extended until 15 December 2018.
Art. 2 of Law Decree 135 of 14 December 2018 (the so-called Simplification Decree) then modified the terms of repayment of the government loan to Alitalia, requiring the loan to be repaid within 30 days of the effective date of the sale of the assets in accordance with the procedures set out in art. 50 of Law Decree 50 of 24 April 2017 and, in any event, no later than 30 June 2019.
Finally, the Ministerial Decree of 5 December 2018, regarding "Replacement of the special commissioner for the Alitalia SAI group companies in extraordinary administration", appointed Daniele Discepolo special commissioner, with immediate effect, in place of Luigi Gubitosi.

Overseas airports

Tariff review for the 2018-2019 period

On 14 July 2018, a decree was published by the French Minister of Transport who, within the scope of the Minister's powers, has established the criteria for determining the fees payable in return for the airport services provided by the Aéroports de la Côte d'Azur group ("ACA").
Specifically, the decree (i) defines and differentiates the scope of regulated and non-regulated activities (essentially commercial and real estate activities, with the exception of car parks that come under regulated activities), and (ii) establishes a tariff regulation mechanism for activities regulated by a price cap system (*plafond tarifaire*) linked to inflation, notwithstanding the limit on the allowed return on invested capital. The decree thus establishes a stable and predictable regulatory framework for the period of the airport concession term, which may be reflected both in annual tariff increases and in the context of annual

[15] Based on the ratio between the maximum permitted revenue and fee-paying passengers for the twelve months from 1 March.

regulatory agreements lasting five years, which in any event are subject to approval by the Independent Supervisory Authority.
However, in spite of the provisions in the Decree and ACA's submission of a tariff proposal for the period November 2018 – October 2019, in January 2019, the Independent Supervisory Authority refused to endorse the proposed tariffs, adopted the same approach with other French airports. ACA has challenged this refusal before the French Council of State.
Even whilst the challenge is pending, the authority may independently set tariffs for the relevant tariff period, in accordance with the legislation in force. ACA will also have the option of challenging this decision.
In the meantime, and without prejudice to the legal challenge, the authority has entered into a consultation process with ACA, the grantor, France's Civil Aviation Authority and the Users' Committee, based on its own tariff proposal.
In the meantime, the existing tariffs will continue to apply.

Other activities

Electronic Transaction Consultants (ETC)

Following the withholding of payment by the Miami-Dade Expressway Authority ("MDX") for the on site and office system management and maintenance services provided by ETC, on 28 November 2012 ETC petitioned the Miami Dade County Court in Florida to order MDX to settle unpaid claims and pay any additional costs incurred and damages for breach of contact. In January 2018, the court issued judgement at first instance upholding ETC's claim for breach of contract by MDX, awarding ETC damages of US$43 million, together with accrued interest of approximately US$10 million, making a total of approximately US$53 million, in addition to interest payable until settlement.
The court also awarded ETC costs to cover reasonable legal expenses, amounting to the sum of US$8 million following an agreement between ETC and MDX.
On 25 April 2018, MDX appealed the above judgement. ETC has until 14 May 2019 to file its defence brief.
On 20 June 2018, MDX also appealed the judgement awarding ETC costs to cover the reasonable legal expenses incurred. ETC has until 21 May 2019 to file its defence brief.

The Abertis group

Toll increases 2018-2019

Spain

From 1 January 2018, the Spanish operators applied the following annual toll increases, as per the applicable contracts:

- +1.9% for the state concessions (Acesa, Aumar, Iberpistas – Castellana, Avasa, Aulesa), to adjust for the full rate of inflation, calculated as the annual average rate of change of the inflation index in the period between 1 November 2016 – 31 October 2017;
- +1.5% for the concessions with the regional Government of Catalonia (Aucat, Invicat, Tunels), to adjust for 95% of the annual rate of change of the inflation index in October 2017 (1.6%).

From 1 January 2019, the Spanish operators applied the following annual toll increases, as per the applicable contracts:

- +1.7% for the state concessions (Acesa, Aumar, Iberpistas – Castellana, Avasa, Aulesa), to adjust for the full rate of inflation, calculated as the annual average rate of change of the inflation index in the period between 1 November 2017 – 31 October 2018.
- +2.2% for the concessions with the regional Government of Catalonia (Aucat, Invicat, Tunels), to adjust for 95% of the annual rate of change of the inflation index in October 2018 (2.3%).

France

In February 2018, the French operators raised their rates by 1.4%, to reflect the combined effect of 70% of the 2017 inflation rate (+1.0%), the adjustments related to the recovery of the frozen 2015 toll increases, and the return on the additional investment plan known as "*Plan de Investissement Autoroutier*" (+0.7%).
In February 2019, the French operators raised their rates by 1.7%, to reflect the combined effect of 70% of the 2018 inflation rate (+1.9%), the adjustments related to the recovery of the frozen 2015 toll increases, and the return on the additional investment plan known as "*Plan de Investissement Autoroutier*" (+0.3%).

Italy

From 1 January 2018, the rates charged by the Italian concession Autostrada A4 - Brescia Padova, under a RAB regime, rose by 2.1%, to reflect the combined effect of the inflation rate (+ 1.7%) and a quality indicator (0.4%).
In 2019, the rates charged by the Italian operator of the A4 - Brescia Padova motorway did not increase. The operator's requests for an increase were not approved by the Ministry of Infrastructure and Transport, pending the finalisation of the operating and financial plan and on the basis of objections raised in connection with the amount of maintenance expenses. The company, considering the objections groundless, challenged the rejection before Lazio Regional Administrative Court, requesting the suspension of its effectiveness and its annulment.

Chile

In 2018, the Abertis group's Chilean operators implemented the following annual toll increases as per the applicable contracts:

- from 1 January 2018, the rates charged by Autopista Central and Autopista del Los Andes increased by 5.5%, to reflect the combined effect of the inflation adjustment for the period 1 December 2016 – 30 November 2017 (+ 1.9%) and the increase factor of 3.5%;
- from 1 January 2018, the rates charged by Autopista del Sol increased by 0.6%, to reflect the inflation adjustment for the six months between 1 June – 30 November 2017. A further increase of 1.5% took effect on 1 July 2018, due to the inflation for the six months between 1 December 2017 – 31 May 2018;
- from 1 January 2018, the rates charged by Rutas del Pacifico increased by 2.5%, to reflect the combined effect of the inflation adjustment for the period 1 December 2016 – 30 November 2017 (+1.9%) and the toll increase related to the safety premium 2018 (+5.0%) minus the safety premium granted in 2017 (+4.4%);
- from 1 January 2018, the rates charged by Elqui increased by 5.2%, to reflect the combined effect of the inflation adjustment for the period 1 December 2016 – 30 November 2017 (+1.9%) and the toll increase related to the safety premium 2018 (+5.0%) minus the safety premium granted in 2017 (+1.7%);
- from 1 February 2018, the rates charged by Autopista del Los Libertadores increased by 3.1%, to reflect the combined effect of the inflation adjustment for the period 1 January – 31 December 2017 (+2.3%) and the toll increase related to the safety premium for 2018 (+5.0%) minus the safety premium granted in 2017 (+4.1%).

In 2019, the Chilean operators implemented the following annual toll increases as per the applicable contracts:

- from 1 January 2019, the rates charged by Autopista Central and Autopista del Los Andes increased by 6.4%, to reflect the combined effect of the inflation adjustment for the period 1 December 2017 – 30 November 2018 (+ 2.8%) and the increase factor of 3.5%
- from 1 January 2019, the rates charged by Autopista del Sol increased by 1.3%, to reflect the inflation adjustment for the six months between 1 June – 30 November 2018.
- from 1 January 2019, the rates charged by Rutas del Pacifico and Elqui increased by 2.8%, to reflect the combined effect of the inflation adjustment for the period 1 December 2017 – 30 November 2018 (+2.8%) and the confirmation of the safety premium for 2018;
- from 1 February 2018, the rates charged by Autopista del Los Libertadores increased by 2.6%, to reflect the combined effect of the inflation adjustment for the period 1 January – 31 December 2018 (+2.6%) and confirmation of the safety premium for 2018.

Brazil

As of 1 July 2018, the rates charged by Centrovias, Autovias and Intervias rose by 2.9%, reflecting the corresponding change of the consumer price inflation in the period between 1 June 2017 – 31 May 2018, as it was lower than the change in the IGP-M in the same period of reference (4.3%), with the difference to be rebalanced financially pursuant to the concession agreement.
Starting from 31 May 2018, the State of Sao Paulo implemented the exemption for heavy vehicles with suspended axles from toll payments, a measure adopted by the federal government to meet the demands of truck drivers, who had starting a protest on 21 May 2018. Operators will be compensated for the loss of revenue.
On 25 January 2019, Via Paulista, which will include the Autovias section, expiring in June 2019, began charging tolls on 3 toll plazas.
The operators of Brazilian federal concessions (ANTT – Agencia Nacional de Transportes) applied the following annual toll increases for 2018:

- on 22 December 2018, Fernao Dias raised its rates by 4.5%, to reflect the combined effect of the change in consumer price inflation between 1 December 2017 and 30 November 2018 (+4.7%) and adjustments linked to investments and regulatory receivables/payables;
- on 22 December 2018, Planalto Sul raised its rates by +8.9%, to reflect the combined effect of the change in consumer price inflation between 1 December 2017 and 30 November 2018[6] (+4.7%) and adjustments linked to investments and regulatory receivables/payables.
- on 29 December 2018, Regis Bittencourt raised its rates by +3.4%, to reflect the combined effect of the change in consumer price inflation between 1 December 2017 and 30 November 2018[6] (+4.0%) and adjustments linked to investments and regulatory receivables/payables.
- on 17 February 2018, Fluminense raised its rates by +11.3%, to reflect the combined effect of the change in consumer price inflation between 1 December 2017 and 30 November 2018[6] (+3.1) and adjustments linked to investments and regulatory receivables/payables;
- on 24 February 2018, Litoral Sul raised its rates by +5.3%, to reflect the combined effect of the change in consumer price inflation between 1 December 2017 and 30 November 2018[6] (+3.0%) and adjustments linked to investments and regulatory receivables/payables.

Argentina

Until 24 July 2018 the tolls of the GCO and AUSOL concessions included an amount to be paid back to the Authority (RAE). On 2 February 2018, the GCO and AUSOL concessions raised their tolls by 23.7% and 31.6%, respectively, reflecting an effective increase of +36.1% for GCO and 18% for Ausol.

On 24 July 2018, the operators entered into agreements with the grantor whereby the toll component that was previously paid back to the grantor is now kept by the operators to compensate for regulatory imbalances. Accordingly, even though tolls were unchanged for users, the net toll increase was +70% for Ausol and +24% for GCO.
On 5 January 2019, tolls were raised by +38% for both concessions.

Puerto Rico

The Concessions in Puerto Rico raised their rates on 1 January 2018:

- Metropistas raised its tolls by +3.6%, to reflect the rate of inflation in the U.S. (+2.1%) plus an increase in real terms of +1.5%;
- APR raised its tolls by +1.4%, to reflect the rate of inflation in Puerto Rico.

On 1 January 2019:

- Metropistas raised its tolls by +3.6%, to reflect the rate of inflation in the U.S. (+2.1%) plus an increase in real terms of +1.5%.
- APR raised its tolls by +1.5%, to reflect the rate of inflation in Puerto Rico.

India

On 1 September 2018, the Indian operators, JPEL and TTPL, raised their tolls by 2.6%, to reflect the adjustment for producer price inflation.

Spain

Royal Decree 457/2006 (Acesa)

The operator, Acesa, filed a complaint against the Grantor in relation to the failure by the Grantor to pay sums under Royal Decree 457/2006, which approved the agreement between the Spanish government and the company in relation to the amendments to the terms and conditions of the concession granted to the latter.
The agreement called for, among others, the construction of additional lanes on certain sections of the AP-7 motorway, with implementation of a closed toll system as well as free passage and discounts upon occurrence of certain conditions, as well as Acesa's waiver to request compensation for possible negative impacts on its traffic deriving from the construction of second lanes on parallel roads N-II and CN-340. By contrast, the agreement calls for procedures to calculate the consequent compensation payable to the company upon expiration of the concession.
Based on the provisions of the Royal Decree, compensation that Acesa deems to be payable to it amounts to approximately €2,950 million at the end of 2018.
In light of disputes arising in connection with the method to calculate compensation, Acesa initiated legal proceedings against the Grantor, in June 2015, to have the Court ascertain the correct method to calculate compensation. Following completion of the proceedings, on 6 February 2018, the Council Chamber of the Supreme Court met to adopt a decision on the case. At the date of approval of this Annual report, the decision has not been adopted yet. The Atlantia Group's consolidated financial statements for 2018 do not include the receivables associated with the disputed amount of the compensation due to Acesa.
The portion of this sum that is not disputed (€890.4 million as at 31 December 2018) has been recognised in the Atlantia Group's consolidated financial statements.

Royal Decree 1132/1986 (Aumar)

In February 2011, Aumar requested the Grantor to provide compensation in relation to loss of revenues deriving from the construction of roads parallel to the toll road under concession.
This request for compensation includes the revenue lost by the company for the period 2002-2019 (end of the concession).
In the face of the Grantor's rejection of the request for compensation, Aumar filed several complaints, the last of which was reviewed by the Council Chamber of the Supreme Court on 13 February 2019 for a decision to be handed down shortly.
Even though the company did not recognise any such receivable in its financial statements, the amount requested by the operator amounts to approximately €400 million.

Investment in Alazor

Regarding a dispute related to the obligations assumed under the financial support agreement between Iberpistas and Acesa with the lending banks of the investee, Alazor Inversiones SA (a company undergoing liquidation proceedings), on 22 January 2019, 5 funds deemed to be the current creditors for part of Alazor Inversiones SA's debt, began legal proceedings in order to obtain payment of a total amount of €223.5 million, corresponding to the guarantees provided by the above-mentioned financial support agreement. As described in note 7.14, provisions for risks and charges have been made for this sum as at 31 December 2018.

Other information

As at 31 December 2018, Atlantia SpA holds 7,819,488 treasury shares, representing 0.95% of its issued capital. Atlantia does not own, either directly or indirectly through trust companies or proxies, shares or units issued by parent companies. No transactions were carried out during the period involving shares or units issued by parent companies.
During 2018, share grants issued in relation to share-based incentive plans for certain of the Group's managers were converted into a total of 97,336 shares and a total of 65,453 shares were allotted as a result of the exercise of share options.
Atlantia does not operate branch offices. Its administrative headquarters are at Via Bergamini 50, 00159 Rome.
With reference to CONSOB Ruling 2423 of 1993, regarding criminal proceedings or judicial investigations, the Group is not involved in proceedings, other than those described in note 10.7, "Significant legal and regulatory aspects", that may result in charges or potential liabilities with an impact on the consolidated financial statements.
In 2013, a meeting of the Board of Directors elected to apply the exemption provided for by article 70, paragraph 8 and article 71, paragraph 1-bis of the CONSOB Regulations for Issuers (Resolution 11971/99, as amended). The Company will therefore exercise the exemption from disclosure requirements provided for by Annex 3B of the above Regulations in respect of significant mergers, spin-offs, capital increases involving contributions in kind, acquisitions and disposals.

Accounts of Non-EU companies (in accordance with art. 15 of the CONSOB Regulation on Markets)

With regard to the requirements of art. 15 of the CONSOB Regulation on Markets, setting out conditions for the listing of shares of parent companies that control companies incorporated under and regulated by the law of countries other than EU Member States, following the inclusion of Abertis Infraestructuras and its subsidiaries in the Atlantia Group's scope of consolidation, requiring application of the above article, from the current year, the Group has adopted the procedures necessary to ensure compliance with the regulation. At the end of 2018, the related requirements apply to the following subsidiaries: Sociedad Concesionaria Autopista Central SA, Sociedad Concesionaria Costanera Norte SA, Sociedad Concesionaria Autopista Nueva Vespucio Sur SA, Rodovias das Colinas SA, AB Concessoes SA and Autopistas Metropolitanas de Puerto Rico LLC.
As required by the regulation in question, information on the above companies is made available to the public at the registered office of the Parent Company, Atlantia.

Completion of the joint investment in Abertis

As reported in other sections of this report on operations and described in note 6.2 in the Atlantia Group's consolidated financial statements as at and for the year ended 31 December 2018 and in note 4.2 in Atlantia's separate financial statements as at the same date, on 29 October 2018, Atlantia, ACS and

Hochtief implemented the agreement signed on 23 March 2018 regarding a joint investment in Abertis Infraestructuras SA ("Abertis").
The parties established Abertis Participaciones SA, a Spanish-registered company that acquired a 98.7% interest in Abertis from Hochtief, and whose issued capital is in turn held by Abertis HoldCo SA, a newly established Spanish-registered company whose shares are held by the following shareholders: Atlantia 50% (plus one share), ACS 30% and Hochtief 20% (less one share).
To acquire 98.7% of Abertis, the parties invested a total of €16.5 billion. This amount was financed by equity of €6.9 billion transferred to Abertis HoldCo, whilst the remaining amount was financed through a an acquisition financing package including an amortising term loan of €3.0 billion (maturing in between 4 and 5 years), a bridge-to-bond facility maturing after 18.5 months, totalling €4.7 billion, and a bridge-to-disposal facility of €2.2 billion (including €1.7 billion that will be repaid with the proceeds from the already completed sale of Abertis's interest and the sale of Hispasat, which is in progress).
In accordance with the same agreement, in a separate transaction, Atlantia also acquired a 23.9% interest in Hochtief from ACS at a price of €143.04 per share, making a total outlay of €2.4 billion.

Events after 31 December 2018

Sale of Abertis's 89.7% interest in Hispasat to Red Eléctrica agreed

On 12 February 2019, Abertis Infraestructuras, through its subsidiary, Abertis Telecom Satélites, reached agreement with Red Eléctrica for the sale of its 89.7% interest in Hispasat for a consideration of €949 million.

The sale is subject to the suspensively conditional on receipt of clearance from the Spanish government and the Spanish and Portuguese competition and markets authorities and on any other regulatory consent. The transaction is expected to complete by the end of the first half of 2019.

Outlook and risks or uncertainties

The Group's operating performance leads us to expect positive operating results in 2019 across the Atlantia Group's various operating platforms, with stronger growth in the Group's overseas and airports businesses. The Italian motorway segment is expected to be broadly stable (excluding non-recurring items linked to the collapse of the road bridge in Genoa), despite the fact that the performance of traffic could potentially be affected by the current economic slowdown in Italy.

The potential risks resulting from the letter of complaint sent to Autostrade per l'Italia by the Ministry of Infrastructure and Transport on 16 August 2018, alleging serious breaches of the Company's contractual obligations in relation to the collapse of the Polcevera road bridge should be taken into account. In its response dated 31 August 2018, Autostrade per l'Italia presented its counterarguments, rejecting the accusation that it had failed to meet its contractual obligations and, in addition, asserting that any decision by the Ministry to activate the procedures provided for in articles 8, 9 and 9 *bis* of the Concession Arrangement would be inadmissible and without effect.
Subsequently, in a letter dated 20 December 2018, the Ministry of Infrastructure and Transport added further to its letter of complaint and, in accordance with the procedure required under the arrangement, requested the Company to provide further counterarguments, giving it a period of 120 days to respond.

The process of integrating Abertis will continue during the year. The group will be consolidated for 12 months and the integration will lead to the achievement of synergies that we expect to result in improved operating margins.

Proposals for Atlantia SpA's Annual General Meeting

Dear Shareholders,

In conclusion, we invite you:

a) to approve the financial statements as at and for the year ended 31 December 2018, which report profit of €694,721,201, having taken note of the accompanying documents;
b) to appropriate profit for the year of €694,721,201, as follows, based on the number of shares outstanding as at 28 February 2019, amounting to 817,964,502:
    1) to pay shareholders a dividend of €0.84 per share, amounting to an estimated €687,090,182;
    2) to take the remaining profit for the year, estimated as €7,631,019, to retained earnings;
c) to also distribute to shareholders a portion of the available reserves in retained earnings (which, as at 31 December 2018, amount to €1,952,929,865), in the amount of €0.06 per share, amounting to an estimated €49,077,870;
d) to, as a result, approve payment of a total dividend of €0.90 per share, amounting to an estimated €736,168,052;
e) to establish the dividend payment date as 22 May 2019, the ex-dividend date for coupon 33 as 20 May 2019 and the record date as 21 May 2019.

For the Board of Directors

The Chairman

Fabio Cerchiai

CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2018

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statement of financial position

€000	NOTE	31 December 2018	OF WHICH RELATED PARTY TRANSACTIONS	31 December 2017	OF WHICH RELATED PARTY TRANSACTIONS
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	7.1	**695,769**		**302,799**	
Property, plant and equipment		692,474		299,502	
Property, plant and equipment held under finance leases		2,451		2,789	
Investment property		844		508	
Intangible assets	7.2	**57,626,877**		**27,424,561**	
Intangible assets deriving from concession rights		35,839,767		22,465,021	
Goodwill and other intangible assets with indefinite lives		21,322,522		4,548,756	
Other intangible assets		464,588		410,784	
Investments	7.3	**3,597,313**		**266,974**	
Investments accounted for at fair value		2,170,589		82,283	
Investments accounted for using the equity method		1,426,724		184,691	
Other non-current financial assets	7.4	**4,537,472**		**2,316,125**	
Non-current financial assets deriving from concession rights		2,823,604		963,602	
Non-current financial assets deriving from government grants		283,475		249,936	
Non-current term deposits		349,548		315,474	
Non-current derivative assets		143,887		107,268	
Other non-current financial assets		936,958	*48,746*	679,845	*23,557*
Deferred tax assets	7.5	**1,607,126**		**1,258,163**	
Other non-current assets	7.6	**128,481**		**8,005**	
TOTALNON-CURRENT ASSETS		68,193,038		31,576,627	
CURRENT ASSETS					
Trading assets	7.7	**2,386,690**		**1,798,108**	
Inventories		98,428		76,299	
Contract assets		20,042		18,703	
Trade receivables		2,268,220	*44,982*	1,703,106	*34,234*
Cash and cash equivalents	7.8	**5,031,817**		**5,624,716**	
Cash		3,883,672		4,840,250	
Cash equivalents		1,148,145		784,466	
Other current financial assets	7.4	**996,090**		**780,207**	
Current financial assets deriving from concession rights		536,466		447,089	
Current financial assets deriving from government grants		74,085		70,110	
Current term deposits		245,271		179,222	
Current derivative assets		1,525		528	
Current portion of medium/long-term financial assets		108,493		70,720	
Other current financial assets		30,250		12,538	
Current tax assets	7.9	**899,898**	*6,743*	**79,482**	*6,743*
Other current assets	7.10	**602,580**		**187,059**	
Non-current assets held for sale and related to discontinued operations	7.11	**1,563,468**		**11,061**	
TOTAL CURRENT ASSETS		11,480,543		8,480,633	
TOTAL ASSETS		79,673,581		40,057,260	

Consolidated statement of financial position

€000	NOTE	31 December 2018	OF WHICH RELATED PARTY TRANSACTIONS	31 December 2017	OF WHICH RELATED PARTY TRANSACTIONS
EQUITY AND LIABILITY					
EQUITY					
Equity attributable to owners of the parent		**8,441,946**		**8,772,377**	
Issued capital		825,784		825,784	
Reserves and retained earnings		6,964,967		7,410,418	
Treasury shares		-166,846		-169,489	
Profit/(Loss) for the year net of interim dividends		818,041		705,664	
Equity attributable to non-controlling interests		**7,889,801**		**2,990,601**	
Issued capital and reserves		7,667,002		2,788,006	
Profit/(Loss) for the year net of interim dividends		222,799		202,595	
TOTAL EQUITY	**7.12**	**16,331,747**		**11,762,978**	
NON-CURRENT LIABILITIES					
Non-current portion of provisions for construction services required by contract	**7.13**	**2,786,839**		**2,960,647**	
Non-current provisions	**7.14**	**2,657,576**		**1,566,541**	
Non-current provisions for employee benefits		291,261		142,296	
Non-current provisions for repair and replacement of motorway infrastructure		1,492,347		1,183,716	
Non-current provisions for renewal of assets held under concession		271,299		192,467	
Other non-current provisions for risks and charges		602,669		48,062	
Non-current financial liabilities	**7.15**	**44,151,388**		**15,969,835**	
Bond issues		20,871,885		11,362,089	
Medium/long-term borrowings		21,731,470	*8,368*	4,011,504	-
Non-current derivative liabilities		921,144		565,575	
Other non-current financial liabilities		626,889		30,667	
Deferred tax liabiltiies	**7.5**	**3,237,897**		**2,253,718**	
Other non-current liabilities	**7.16**	**534,328**	***6,276***	**108,052**	***6,462***
TOTAL NON-CURRENT LIABILITIES		**53,368,028**		**22,858,793**	
CURRENT LIABILITIES					
Trading liabilities	**7.17**	**2,139,300**		**1,583,415**	
Contract liabilities		579		1,642	
Trade payables		2,138,721	*8,402*	1,581,773	*1,893*
Current portion of provisions for construction services required by contract	**7.13**	**428,493**		**426,846**	
Current provisions	**7.14**	**1,324,197**		**379,823**	
Current provisions for employee benefits		65,707		25,658	
Current provisions for repair and replacement of motorway infrastructure		950,512		215,323	
Current provisions for renewal of assets held under concession		85,763		75,062	
Other current provisions for risks and charges		222,215		63,780	
Current financial liabilities	**7.15**	**4,070,988**		**2,253,836**	
Bank overdrafts repayable on demand		217		17,813	
Short-term borrowings		293,520		430,086	
Current derivative liabilities		11,369		14,372	
Current portion of medium/long-term financial liabilities		3,270,753		1,717,935	
Other current financial liabilities		495,129		73,630	
Current tax liabilities	**7.9**	**233,024**		**151,500**	
Other current liabilities	**7.18**	**1,239,264**	***11,781***	**633,803**	***15,554***
Liablities related to discontinued operations	**7.11**	**538,540**		**6,266**	
TOTAL CURRENT LIABILITIES		**9,973,806**		**5,435,489**	
TOTAL LIABILITIES		**63,341,834**		**28,294,282**	
TOTAL EQUITY AND LIABILITIES		**79,673,581**		**40,057,260**	

Consolidated income statement

€000	NOTE	2018	OF WHICH RELATED PARTY TRANSACTIONS	2017	OF WHICH RELATED PARTY TRANSACTIONS
REVENUE					
Toll revenue	8.1	4,992,213		4,195,258	
Aviaton revenue	8.2	834,036		792,577	
Revenue from construction services	8.3	518,019		417,551	
Other operating income	8.4	1,082,847	92,139	971,058	85,485
TOTAL REVENUE		7,427,115		6,376,444	
COSTS					
Raw and consumable materials	8.5	-382,976		-325,964	
Service costs	8.6	-1,466,814		-1,263,014	
Gains/(Losses) on sales of components of fixed assets		-242		2,022	
Staff costs	8.7	-1,086,021	-32,782	-989,266	-40,506
Other operating costs	8.8	-720,857		-622,092	
Concession fees		-532,048		-513,205	
Lease expense		-29,464		-23,818	
Other		-160,064		-85,069	
Other capitalised costs		719		-	
Operating change in provisions	8.9	-522,838		3,715	
(Provisions)/ Uses of provisions for repair and replacement of motorway infrastructure		-346,759		15,320	
(Provisions)/ Uses of provisions for renewal of assets held under concession		-86,171		14,772	
Provisions for risks and charges		-89,908		-26,377	
Use of provisions for construction services required by contract	8.10	367,884		419,191	
Amortisation and depreciation		-1,365,006		-1,088,480	
Depreciation of property, plant and equipment	7.1	-94,775		-68,403	
Amortisation of intangible assets deriving from concession rights	7.2	-1,182,480		-954,391	
Amortisation of other intangible assets	7.2	-87,751		-65,686	
(Impairment losses)/Reversals of impairment losses	8.11	2,182		69,294	
TOTAL COSTS		-5,174,688		-3,794,594	
OPERATING PROFIT/(LOSS)		2,252,427		2,581,850	
Financial income		398,272		397,948	
Financial income accounted for as an increase in financial assets deriving from concession rights and government grants		108,796		73,506	
Dividends received from investees accounted for at fair value		4,232		9,889	
Other financial income		285,244		314,553	
Financial expenses		-1,139,389		-921,363	
Financial expenses from discounting of provisions for construction services required by contract and other provisions		-53,035		-42,234	
Other financial expenses		-1,086,354		-879,129	
Foreign exchange gains/(losses)		3,947		8,658	
FINANCIAL INCOME/(EXPENSES)	8.12	-737,170		-514,757	
Share of (profit)/loss of investees accounted for using the equity method	8.13	4,006		-1,661	
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		1,519,263		2,065,432	
Income tax (expense)/benefit	8.14	-439,989		-632,194	
Current tax expense		-537,816		-560,493	
Differences on tax expense for previous years		19,674		7,676	
Deferred tax income and expense		78,153		-79,377	
PROFIT/(LOSS) FROM CONTINUING OPERATIONS		1,079,274		1,433,238	
Profit/(Loss) from discontinued operations	8.15	3,596		-1,245	
PROFIT FOR THE YEAR		1,082,870		1,431,993	
of which:					
Profit attributable to owners of the parent		818,041		1,171,783	
Profit attributable to non-controlling interests		264,829		260,210	

€		2018	2017
Basic earnings per share attributable to owners of the parent	8.16	1.00	1.43
of which from:			
- continuing operations		1.00	1.43
- discontinued operations		-	-
Diluted earnings per share attributable to owners of the parent	8.16	1.00	1.43
of which from:			
- continuing operations		1.00	1.43
- discontinued operations		-	-

Consolidated statement of comprehensive income

€000		2018	2017
Profit for the year	**(A)**	**1,082,870**	**1,431,993**
Fair value gains/(losses) on cash flow hedges		-119,238	79,689
Tax effect of fair value gains/(losses) on cash flow hedges		31,512	-18,667
Fair value gains/(losses) on net investment hedges		12,937	-
Tax effect of fair value gains/(losses) on net investment hedges		-3,234	-
Gains/(Losses) from translation of assets and liabilities of consolidated companies denominated in functional currencies other than the euro		-366,827	-207,079
Gains/(Losses) from translation of investments accounted for using the equity method denominated in functional currencies other than the euro		-919	-2,088
Other fair value measurements		96	-
Other comprehensive income/(loss) for the year reclassifiable to profit or loss	**(B)**	**-445,673**	**-148,145**
Gains/(Losses) from actuarial valuations of provisions for employee benefits		754	-1,531
Tax effect of gains/(losses) from actuarial valuations of provisions for employee benefits		-705	343
(Losses)/Gains on fair value measurement of investments		-427,055	-
Tax effect on (losses)/gains on fair value measurement of investments		5,124	-
Other comprehensive income/(loss) for the year not reclassifiable to profit or loss	**(C)**	**-421,882**	**-1,188**
Reclassifications of other components of comprehensive income to profit or loss for the year	**(D)**	**3,465**	**20,866**
Tax effect of reclassifications of other components of comprehensive income to profit or loss for the year	**(E)**	**-2,325**	**-5,484**
Total other comprehensive income/(loss) for the year	**(F=B+C+D+E)**	**-866,415**	**-133,951**
of which relating to discontinued operations		*107*	-
Comprehensive income for the year	**(A+F)**	**216,455**	**1,298,042**
Of which attributable to owners of the parent		*177,115*	*1,129,692*
Of which attributable to non-controlling interests		*39,340*	*168,350*

Statement of changes in consolidated equity

€000	EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT										EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT AND TO NON-CONTROLLING INTERESTS
	ISSUED CAPITAL	CASH FLOW HEDGE RESERVE	NET INVESTMENT HEDGE RESERVE	RESERVE FOR TRANSLATION DIFFERENCES ON TRANSLATION OF ASSETS AND LIABILITIES OF CONSOLIDATED COMPANIES DENOMINATED IN FUNCTIONAL CURRENCIES OTHER THAN THE EURO	RESERVE FOR TRANSLATION OF INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD DENOMINATED IN FUNCTIONAL CURRENCIES OTHER THAN THE EURO	RESERVE FOR GAINS/(LOSSES) ON FAIR VALUE MEASUREMENT OF INVESTMENTS	OTHER RESERVES AND RETAINED EARNINGS	TREASURY SHARES	PROFIT/(LOSS) FOR YEAR AFTER INTERIM DIVIDEND	TOTAL		
Balance as at 31 December 2016	825,784	-198,723	-36,400	-198,234	-4,427	-	6,183,356	-106,874	759,387	7,223,869	2,699,251	9,923,120
Comprehensive income for the year	-	65,450	-	-105,469	-1,189	-	-883	-	1,171,783	1,129,692	168,350	1,298,042
Owner transactions and other changes												
Atlantia SpA's final dividend (€0.530 per share)	-	-	-	-	-	-	-	-	-433,012	-433,012	-	-433,012
Transfer of profit/(loss) for previous period to retained earnings	-	-	-	-	-	-	326,375	-	-326,375	-	-	-
Atlantia SpA's interim dividend (€0.570 per share)	-	-	-	-	-	-	-	-	-466,119	-466,119	-	-466,119
Dividends paid by other Group companies to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-152,982	-152,982
Purchase of treasury shares	-	-	-	-	-	-	-5,474	21,557	-	16,083	283	16,366
Share-based incentive plans	-	-	-	-	-	-		-84,172	-	-84,172	-	-84,172
Change in interests in consolidated companies	-	24,637	-	7	-131	-	1,382,517	-	-	1,407,030	345,513	1,752,543
Returns of capital to non-controlling shareholders, reclassifications and other changes	-	-187	-	-	-34	-	-20,773	-	-	-20,994	-69,814	-90,808
Balance as at 31 December 2017	825,784	-108,823	-36,400	-303,696	-5,781	-	7,865,118	-169,489	705,664	8,772,377	2,990,601	11,762,978
Effect of application of IFRS 9 as at 1 January 2018	-	-	-	-	-	-	28,570	-	-	28,570	3,086	31,656
Balance as at 1 January 2018	825,784	-108,823	-36,400	-303,696	-5,781	-	7,893,688	-169,489	705,664	8,800,947	2,993,687	11,794,634
Comprehensive income for the year	-	-75,582	9,450	-152,575	-538	-421,931	250	-	818,041	177,115	39,340	216,455
Owner transactions and other changes												
Atlantia SpA's final dividend (€0.65 per share)	-	-	-	-	-	-	-	-	-531,607	-531,607	-	-531,607
Transfer of profit/(loss) for previous period to retained earnings	-	-	-	-	-	-	174,057	-	-174,057	-	-	-
Dividends paid by other Group companies to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-235,126	-235,126
Share-based incentive plans	-	-	-	-	-	-	-1,708	2,643	-	935	-54	881
Changes in scope of consolidation	-	-	-	-	-	-	-	-	-	-	1,714,501	1,714,501
Contributions from and returns of capital to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	3,377,597	3,377,597
Other changes	-	-122	-	-	72	-	-5,394	-	-	-5,444	-144	-5,588
Balance as at 31 December 2018	825,784	-184,527	-26,950	-456,271	-6,247	-421,931	8,060,893	-166,846	818,041	8,441,946	7,889,801	16,331,747

Consolidated statement of cash flows

€000	NOTE	2018	2017
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES			
Profit for the year		1,082,870	1,431,993
Adjusted by:			
Amortisation and depreciation		1,365,006	1,088,480
Operating change in provisions, excluding uses of provisions for renewal of assets held under concession		598,473	95,900
Financial expenses from discounting of provisions for construction services required by contract and other provisions	8.12	53,034	42,234
Impairment losses/(Reversals of impairment losses) on financial assets and investments accounted for at fair value		-4,850	3,999
Dividends received and share of (profit)/loss of investees accounted for using the equity method	8.13	29,285	10,056
Impairment losses/(Reversals of impairment losses) and adjustments of current and non-current assets		-1,208	-69,024
(Gains)/Losses on sale of non-current assets		201	-46,917
Net change in deferred tax (assets)/liabilities through profit or loss		-78,153	78,915
Other non-cash costs (income)		-59,916	-69,338
Change in working capital and other changes		-40,337	-150,214
Net cash generated from operating activities [a]	9.1	2,944,405	2,416,084
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES			
Investment in assets held under concession	7.2	-961,885	-926,305
Purchases of property, plant and equipment	7.1	-93,354	-84,415
Purchases of other intangible assets	7.2	-69,568	-65,817
Government grants related to assets held under concession		521	1,497
Increase in financial assets deriving from concession rights (related to capital expenditure)		25,888	74,969
Purchases of investments		-2,438,369	-168,512
Acquisitions of additional interests and/or investment in consolidated companies, net of cash acquired		-15,099,253	-103,952
Proceeds from sales of property, plant and equipment, intangible assets and unconsolidated investments		6,496	223,565
Proceeds from sales of consolidated investments, net of cash and cash equivalents transferred		13	1,870,007
Net change in other non-current assets		-124,148	20,918
Net change in current and non-current financial assets		80,218	-148,060
Net cash generated used in investing activities [b]	9.1	-18,673,441	693,895
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES			
Purchase of treasury shares	7.12	-	-84,172
Dividends paid	7.12	-780,973	-994,357
Contributions from non-controlling shareholders		3,454,662	-
Return of capital to non-controlling shareholders	7.12	-74,304	-93,385
Proceeds from exercise of rights under share-based incentive plans		935	16,617
Issuance of bonds	7.15	314,593	2,352,354
Increase in medium/long term borrowings (excluding finance lease liabilities)		13,929,234	271,044
Increase in finance lease liabilities		220	-
Redemption of bonds	7.15	-1,223,389	-774,741
Repayments of medium/long term borrowings (excluding finance lease liabilities)		-348,412	-296,518
Payment of finance lease liabilities		-471	-2,611
Net change in other current and non-current financial liabilities		-49,554	-1,259,357
Net cash generated used in financing activities [c]	9.1	15,222,541	-865,126
Net effect of foreign exchange rate movements on net cash and cash equivalents [d]		-34,223	-17,686
Increase/(Decrease) in cash and cash equivalents for year [a+b+c+d]	9.1	-540,718	2,227,167
NET CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		5,613,425	3,386,258
NET CASH AND CASH EQUIVALENTS AT END OF YEAR		5,072,707	5,613,425

Additional information on the statement of cash flows

€000	NOTE	2018	2017
Income taxes paid		665,093	434,429
Interest and other financial income collected		84,586	62,985
Interest and other financial expenses paid		839,558	708,818
Dividends received	7.3	37,522	18,284
Foreign exchange gains collected		1,547	405
Foreign exchange losses incurred		5,351	423

Reconciliation of net cash and cash equivalents

€000	NOTE	2018	2017
NET CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**5,613,425**	**3,386,258**
Cash and cash equivalents	7.8	5,624,716	3,383,029
Bank overdrafts repayable on demand	7.15	-17,813	-4,757
Cash and cash equivalents related to discontinued operations	7.11	6,522	7,986
NET CASH AND CASH EQUIVALENTS AT END OF YEAR		**5,072,707**	**5,613,425**
Cash and cash equivalents	7.8	5,031,817	5,624,716
Bank overdrafts repayable on demand	7.15	-217	-17,813
Cash and cash equivalents related to discontinued operations	7.11	41,107	6,522

Notes

1. INTRODUCTION

The core business of the Atlantia Group is the management of concessions granted by the relevant authorities. Under the related concession arrangements, the Atlantia Group's operators are responsible for the construction, management, improvement and upkeep of motorway and airport infrastructure in Italy and abroad. Further information on the Atlantia Group's concession arrangements is provided in note 4.

The Parent Company is Atlantia SpA ("Atlantia" or the "Company" or the "Parent Company"), a holding company listed on the screen-based trading system *(Mercato Telematico Azionario)* operated by Borsa Italiana SpA and is, therefore, subject to supervision by the CONSOB (the *Commisione Nazionale per le Società e la Borsa*, Italy's Securities and Exchange Commission).
The Company's registered office is in Rome, at Via Antonio Nibby, 20. The Company does not have branch offices. The duration of the Company is currently until 31 December 2050.
At the date of preparation of these consolidated financial statements, Sintonia SpA is the shareholder that holds a relative majority of the issued capital of Atlantia SpA. Neither Sintonia SpA nor its direct parent, Edizione Srl, exercise management and coordination of Atlantia SpA.

The consolidated financial statements as at and for the year ended 31 December 2018 were approved by the Board of Directors of Atlantia at its meeting of 7 March 2019.

2. BASIS OF PREPARATION

The consolidated financial statements as at and for the year ended 31 December 2018 are based on the assumption that the Parent and consolidated companies are going concerns. They have been prepared in accordance with articles 2 and 3 of Legislative Decree 38/2005 and in compliance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), in addition to the previous International Accounting Standards (IAS) and interpretations issued by the Standard Interpretations Committee (SIC) and still in force, as endorsed by the European Commission. For the sake of simplicity, all the above standards and interpretations are hereinafter referred to as "IFRS".
Moreover, the measures introduced by the CONSOB, in application of paragraph 3 of article 9 of Legislative Decree 38/2005, relating to the preparation of financial statements, have also been taken into account.

The consolidated financial statements consist of the statement of financial position, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and these notes. The historical cost convention has been applied, with the exception of those items that are required by IFRS to be recognised at fair value, as explained in the accounting policies for individual items described in note 3, "Accounting standards and policies applied". The statement of financial position is based on the format that separately discloses current and non-current assets and liabilities. The income statement is classified by nature of expense. The statement of cash flows has been prepared in application of the indirect method.
IFRS have been applied in accordance with the indications provided in the "Conceptual Framework for Financial Reporting", and no events have occurred that would require exemptions pursuant to paragraph 19 of IAS 1.

CONSOB Resolution 15519 of 27 July 2006 requires that, in addition to the specific requirements of IAS 1 and other IFRS, financial statements must, where material, include separate sub-items providing (i)

disclosure of amounts deriving from related parties transactions; and, with regard to income statement, (ii) separate disclosure of income and expenses deriving from events and transactions that are non-recurring in nature or transactions or events that do not occur on a frequent basis in the normal course of business.
In this regard, it should be noted that:

a) no non-recurring, atypical or unusual transactions, having a material impact on the Atlantia Group's income statement and statement of financial position, were entered into in 2018, either with third or related parties. As a result, the consolidated financial statements therefore show material amounts relating to related party transactions during the reporting period;
b) a non-recurring event occurred in 2018, when a section of the Polcevera road bridge on the A10 Genoa to Ventimiglia motorway, operated by Autostrade per l'Italia, collapsed on 14 August 2018. The impact on the consolidated income statement is shown and described in detail in note 8.18.

Finally, in view of the importance of the transaction, it should be noted that the acquisition of control of the Abertis Infraestructuras group was completed during the year. This transaction is described in note 6.2, which provides details of the impact of the transaction on the Atlantia Group's results of operation and financial position.

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

Each component of the consolidated financial statements is compared with the corresponding amount for the comparative reporting period. Given their importance, it should also be noted that, from 1 January 2018, the following accounting standards have become effective: IFRS 9 – Financial Instruments and IFRS 15 – Revenue from Contracts with Customers. Further details are provided in note 3 below. In adopting IFRS 9 – Financial Instruments, the Group elected to recognise the impact of retrospective restatement of amounts in equity as at 1 January 2018, without restating the comparative prior-year amounts. In adopting "IFRS 15 – Revenue from Contracts with Customers", the Group opted for retrospective application, restating comparative amounts.

With respect to the information published in the consolidated financial statements as at and for the year ended 31 December 2017, the following reclassifications have been carried out in order to improve presentation:

a) in the consolidated income statement:
    1) expenses of €12 million have been reclassified from "(Provisions)/Uses of provisions for the repair and replacement of motorway infrastructure" to "(Provisions)/Uses of provisions for the renewal of assets held under concession";
    2) dividends of €8,395 thousand have been reclassified from "Share of (profit)/loss of investees accounted for using the equity method" to "Financial income";
b) the consolidated statement of financial position presents a different classification of work on renewal of the infrastructure held under concession by Aéroports de la Côte d'Azur ("ACA") and Società Italiana per Azioni per il Traforo del Monte Bianco ("TMB"). This has been done to improve the basis of presentation for these line items. This has resulted in the reclassification of €84 million from "Provisions for repair and replacement" to "Provisions for the renewal of assets held under concession";

c) the consolidated statement of cash flows shows an increase in "Net cash from operating activities" and "Net cash from investing activities", reflecting the use of €26 million of provisions for the renewal of infrastructure made by ACA, as referred to above in point b).

Finally, in order to provide a clearer definition of the line items in the consolidated accounts, the following names have been amended:

1) the item, "(Provisions)/Uses of provisions for the repair and replacement of motorway and airport infrastructure" has been renamed "(Provisions)/Uses of provisions for the repair and replacement of motorway infrastructure";
2) the item, "(Provisions)/Uses of provisions for the renewal of airport infrastructure" has been renamed "(Provisions)/Uses of provisions for the renewal of assets held under concession";
3) the item, "Provisions for the repair and replacement of motorway and airport infrastructure" has been renamed "Provisions for the repair and replacement of motorway infrastructure";
4) the item, "Provisions for the renewal of airport infrastructure" has been renamed "Provisions for the renewal of assets held under concession".

3. ACCOUNTING STANDARDS AND POLICIES APPLIED

A description follows of the more important accounting standards and policies used in the consolidated financial statements as at and for the year ended 31 December 2018. These accounting standards and policies are consistent with those applied in preparation of the consolidated financial statements for the previous year, with the exception of the changes resulting from first-time adoption, from 1 January 2018, of the new accounting standards, IFRS 9 – Financial Instruments and IFRS 15 – Revenue from Contracts with Customers. A below section of these notes describes the differences between these new standards (described below) with respect to the standards previous applied and the impact of their adoption.

Property, plant and equipment

Property, plant and equipment is stated at cost. Cost includes expenditure that is directly attributable to the acquisition of the items and financial expenses incurred during construction of the asset. Assets acquired through business combinations prior to 1 January 2004 (the IFRS transition date) are stated at previous amounts, as determined under Italian GAAP for those business combinations and representing deemed cost.
The cost of assets with finite useful lives is systematically depreciated on a straight-line basis applying rates that represent the expected useful life of the asset. Each component of an asset with a cost that is significant in relation to the total cost of the item, and that has a different useful life, is accounted for separately. Land, even if undeveloped or annexed to residential and industrial buildings, is not depreciated as it has an indefinite useful life.
Investment property, which is held to earn rentals or for capital appreciation, or both, is recognised at cost measured in the same manner as property, plant and equipment. The relevant fair value of such assets has also been disclosed.
The bands of annual rates of depreciation used in 2018 are shown in the table below by asset class:

PROPERTY, PLANT AND EQUIPMENT	RATE OF DEPRECIATION
Buildings	2.5% - 33.33%
Plant and machinery	10% - 33%
Industrial and business equipment	4.5% - 40%
Other assets	8.6% - 33.33%

Assets acquired under finance leases are initially accounted for as property, plant and equipment, and the underlying liability recorded in the statement of financial position, at an amount equal to the relevant fair value or, if lower, the present value of the minimum payments due under the contract. Lease payments are apportioned between the interest element, which is charged to the income statement as incurred, and the capital element, which is deducted from the financial liability.
Property, plant and equipment is tested for impairment, as described below in the relevant note, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Property, plant and equipment is derecognised on disposal. Any gains or losses (determined as the difference between disposal proceeds, less costs to sell, and the carrying amount of the asset) are recognised in the income statement for the year in which the asset is sold.

Intangible assets

Intangible assets are identifiable assets without physical substance, controlled by the entity and from which future economic benefits are expected to flow, and purchased goodwill. Identifiable intangible assets are those purchased assets that, unlike goodwill, can be separately distinguished. This condition is normally met when: (i) the intangible asset arises from a legal or contractual right, or (ii) the asset is separable, meaning that it may be sold, transferred, licensed or exchanged, either individually or as an integral part of other assets. The asset is controlled by the entity if the entity has the ability to obtain future economic benefits from the asset and can limit access to it by others.
Internally developed assets are recognised as assets to the extent that: (i) the cost of the asset can be measured reliably; (ii) the Group has the intention, the available financial resources and the technical expertise to complete the asset and either use or sell it; (iii) the Group is able to demonstrate that the asset is capable of generating future economic benefits.
Intangible assets are stated at cost which, apart from concession rights, is determined in the same manner as the cost of property, plant and equipment. The cost of concession rights is recovered in the form of payments received from road users and may include one or more of the following:

a) the fair value of construction and/or upgrade services carried out on behalf of the Grantor (measured as described in the note on "Construction contracts and services in progress") less finance-related amounts, consisting of (i) the amount funded by government grants, (ii) the amount that will be unconditionally paid by replacement operators on termination of the concession (so-called "takeover rights"), and/or (iii) any minimum level of tolls or revenue guaranteed by the Grantor. In particular, the following give rise to intangible assets deriving from concession rights:
    1) rights received as consideration for specific obligations to provide construction services for road widening and improvement for which the operator does not receive additional economic benefits. These rights are initially recognised at the fair value of the construction services to be provided in the future (equal to their present value, less the portion covered by grants, and excluding any financial expenses that may be incurred during provision of the services), with a contra entry of an equal amount in “Provisions for construction services required by contract”, accounted for in liabilities in the statement of financial position. In addition to the impact of amortisation, the initial value of the rights changes over time as a result of periodic reassessment of the fair value of the part of the construction services still to be rendered at the end of the reporting period (equal to their present value, less the portion covered by grants, and excluding any financial expenses that may be incurred during provision of the services);
    2) rights received as consideration for construction and/or upgrade services rendered for which the operator receives additional economic benefits in the form of specific toll increases and/or significant increases in the expected number of users as a result of expansion/upgrade of the infrastructure;
    3) rights to infrastructure constructed and financed by service area concession holders which will revert free of charge to Group companies on expiry of the related concessions;
b) rights acquired from third parties, to the extent costs were incurred to acquire concessions from the Grantor or from third parties (the latter relating to the acquisition of control of a company that holds a concession).

Concession rights, on the other hand, are amortised over the concession term in a pattern that reflects the estimated manner in which the economic benefits embodied in the right are consumed. Amortisation rates are, consequently, determined taking, among other things, any significant changes in traffic volumes during the concession term into account. Amortisation is charged from the date on which economic benefits begin to accrue.
In contrast, amortisation of other intangible assets with finite useful lives begins when the asset is ready for use, in relation to their residual useful lives.

The bands of annual rates of amortisation used in 2018 are shown in the table below by asset class:

INTANGIBLE ASSETS	RATE OF AMORTISATION
Concession rights	On the commencement of generation of economic benefits for the entity, based on the residual term of the concession or, when significant, traffic projections.
Development costs	4.8% - 33.33%
Industrial patents and intellectual property rights	5% - 55%
Licences and similar rights	7.7% - 33.33%
Other assets	3.3% - 33.33%

Intangible assets are tested for impairment, as described below in the note on "Impairment of assets and reversals (impairment testing)", whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable.
Gains and losses on the disposal of intangible assets are determined as the difference between the disposal proceeds, less costs to sell, and the carrying amount of the asset and then recognised in profit or loss on disposal.

Business combinations and goodwill

Acquisitions of companies or business units are accounted for using the acquisition method, as required by IFRS 3. For this purpose, the identifiable assets acquired and liabilities assumed through business combinations are measured at their respective fair values at the acquisition date. The cost of an acquisition is measured as the fair value, at the date of exchange, of the assets acquired, liabilities assumed and any equity instruments issued by the Group in exchange for control.
Ancillary costs directly attributable to the business combination are recognised as an expense in the income statement when incurred.
Goodwill is initially measured as the positive difference between the acquisition cost, plus both the fair value at the acquisition date of any previous non-controlling interests held in the acquiree and the value of non-controlling interests held by third parties in the acquiree (at fair value or prorated to the current net asset value of the acquiree), and the fair value of the net assets acquired.
The goodwill, as measured on the date of acquisition, is allocated to each of the substantially independent cash generating units or groups of cash generating units which are expected to benefit from the synergies of the business combination.
A negative difference between the cost of the acquisition, as increased by the above components, and the Group's share in the fair value of net assets is recognised as income in profit or loss in the year of acquisition.
Goodwill on acquisitions of non-controlling interests is included in the carrying amount of the relevant investments.
If the Group is not in possession of all the information necessary to determine the fair value of the assets acquired and the liabilities assumed, these are recognised on a provisional basis in the year in which the business combination is completed and retrospectively adjusted within twelve months of the acquisition date.
After initial recognition, goodwill is no longer amortised and is carried at cost less any accumulated impairment losses, determined as described in the note on impairment testing.
IFRS 3 was not applied retrospectively to acquisitions prior to 1 January 2004, the Parent Company's IFRS transition date. As a result, the carrying amount of goodwill on these acquisitions is that determined under Italian GAAP, which is the net carrying amount at this date, subject to impairment testing and the recognition of any impairment losses.

Investments

Investments in associates and joint ventures are accounted for using the equity method. The Group's share of post-acquisition profits or losses is recognised in the income statement for the accounting period to which they relate, with the exception of the effects deriving from other changes in the equity of the investee, excluding any owner transactions, when the Group's share is recognised directly in comprehensive income. In addition, when measuring the value of the investment, this method is also used to recognise the fair value of the investee's assets and liabilities and any goodwill, determined with reference to the acquisition date. Such assets and liabilities are subsequently measured in future years on the basis of the standards and accounting policies described in this note.
Provisions are made to cover any losses of an associate or joint venture exceeding the carrying amount of the investment, to the extent that the investor is required to comply with actual or constructive obligations to cover such losses.
Investments in unconsolidated subsidiaries and other companies, which qualify as equity instruments as defined by IFRS 9, 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 through profit or loss, with the exception of investments not held for trading and for which, as permitted by IFRS 9, the Group has exercised the option, at the time of purchase, to designate the investment at fair value through other comprehensive income.

Inventories

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

Financial instruments

Financial instruments include cash and cash equivalents, derivative financial instruments and financial assets and liabilities (as defined by IFRS 9 and including, among other things, trade receivables and payables).

Cash and cash equivalents

Cash and cash equivalents is recognised at face value. They include highly liquid demand deposits or very short-term instruments subject to an insignificant risk of changes in value.

Derivative financial instruments

All derivative financial instruments are recognised at fair value at the end of the year.
As required by IFRS 9I, 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.
Changes in the fair value of cash flow hedges hedging assets and liabilities (including those that are pending and highly likely to arise in the future) are recognised in the statement of comprehensive income. The gain or loss relating to the ineffective portion is recognised in profit or loss. Accumulated changes on fair value taken to the cash flow hedge reserve are reclassified in profit or loss in the year in which the hedging relationship ceases.
Changes in the value of fair value hedged assets or liabilities are recognised in profit or loss for the period. Analogously, the hedged assets and liabilities are restated at fair value through profit or loss. Accordingly, the hedged assets and liabilities are also measured at fair value through profit or loss.
Since derivative contracts deemed net investment hedges in accordance with IFRS 9, because they were concluded to hedge the risk of unfavourable movements in the exchange rates used to translate net investments in foreign operations, are treated as cash flow hedges, the effective portion of fair value gains or losses on the derivatives is recognised in other comprehensive income, thus offsetting changes in the

foreign currency translation reserve for net investments in foreign operations. Accumulated fair value gains and losses, recognised in the net investment hedge reserve, are reclassified from comprehensive income to profit or loss on the disposal or partial disposal of the foreign operation.
Changes in the fair value of derivative instruments that do not qualify for hedge accounting under IFRS 9 are recognised in profit or loss.

Financial assets
The classification and related measurement are driven by both the business model in which the financial asset is held and the contractual cash flow characteristics of the asset.
The financial asset is measured at amortised cost subject to both of the following conditions:
a) the asset is held in conjunction with a business model whose objective is to hold assets in order to collect contractual cash flows; and
b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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 (an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.
Receivables measured at amortised cost are initially recognised at the fair value of the underlying asset, after any directly attributable transaction proceeds. The receivables are measured at amortised cost using the effective interest method, less provisions for impairment losses (recognised in profit or loss) for amounts considered uncollectible. The estimate for uncollectible amounts is based on the present value of expected cash-out flows. These cash flows take account of expected collection times, estimated realisable value, any guarantees received, 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.
Trade receivables subject to normal commercial terms and conditions, or that do not include significant financial components, are not discounted to present value.
Financial assets measured at amortised cost include the following receivables arising from assets held under concession:
a) "takeover rights", being the amount that will be unconditionally paid by an incoming operator on termination of the concession;
b) The present value of the minimum tolls guaranteed by the Grantor, representing an unconditional right to receive contractually guaranteed cash payments regardless of the extent to which the public uses the service;
c) amounts due from public entities as grants or similar compensation relating to the construction of infrastructure (construction and/or upgrade services.

The financial asset is measured at fair value through other comprehensive income if the objectives of the business model are to hold the financial asset to collect the contractual cash flows, or to sell it, and the contractual terms of the financial asset give rise, on specified dates, to cash flows that solely represent a return on the financial asset.
Finally, any remaining financial assets, other than those described above, are classified as held for trading and measured at fair value through profit or loss.
No financial instruments were reclassified from one of the above categories to another in 2018.

Financial liabilities

Financial liabilities are initially recognised at fair value, after any directly attributable transaction costs. After initial recognition, financial liabilities are measures at amortised cost using the effective interest method.

Trading liabilities subject to normal commercial terms and conditions, or that do not include significant financial components, are not discounted to present value.

If there is a modification of one or more terms of an existing financial liability (including as a result of its novation), it is necessary to conduct a qualitative and quantitative assessment in order to decide whether or not the modification is substantial with respect to the existing contractual terms. In the absence of substantial modifications, the difference between the present value of the modified cash flows (determined using the instrument's effective interest rate at the date of modification) and the carrying amount of the instruments is accounted for in profit or loss. As a result, the value of the financial liability is adjusted and the instrument's effective interest rate recalculated. If the modifications are substantial, the existing instrument is derecognised and the fair value of the new instrument is recognised, with the related difference recognised in profit or loss.

Derecognition of financial instruments

Financial instruments are derecognised in the financial statements when, following their sale or settlement, the Group is no longer involved in their management and has transferred all the related risks and rewards of ownership and, therefore, no longer has the right to receive cash flows from the financial asset.

Fair value measurement and the fair value hierarchy

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

a) identification of the unit of account, defined as the level at which an asset or a liability is aggregated or disaggregated in an IFRS for recognition purposes;
b) identification of the principal market or, in the absence of such a market, the most advantageous market in which the particular asset or liability to be measured could be traded; unless otherwise indicated, it is assumed that the market currently used coincides with the principal market or, in the absence of such a market, the most advantageous market;
c) definition for non-financial assets of the highest and best use of the asset; unless otherwise indicated, highest and best use is the same as the asset's current use;
d) definition of valuation techniques that are appropriate for the measurement of fair value, maximising the use of relevant observable inputs that market participants would use when determining the price of an asset or liability;
e) determination of the fair value of assets, based on the price that would be received to sell an asset, and of liabilities and equity instruments, based on the price paid to transfer a liability in an orderly transaction between market participants at the measurement date;
f) inclusion of non-performance risk in the measurement of assets and liabilities and above all, in the case of financial instruments, determination of a valuation adjustment when measuring fair value to include, in addition to counterparty risk (CVA – credit valuation adjustment), the own credit risk (DVA - debit valuation adjustment).

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

a) level 1: includes quoted prices in active markets for identical assets or liabilities;
b) level 2: includes inputs other than quoted prices included within level 1 that are observable, such as the following: i) quoted prices for similar assets or liabilities in active markets; ii) quoted prices for similar

or identical assets or liabilities in markets that are not active; iii) other observable inputs (interest rate and yield curves, implied volatilities and credit spreads);

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

Definitions of the fair value hierarchy level in which individual financial instruments measured at fair value have been classified, or for which the fair value is disclosed in the financial statements, are provided in the notes to individual components of the financial statements.
There are no assets or liabilities classifiable in level 3 of the fair value hierarchy.
No transfers between the various levels of the fair value hierarchy took place during the year.
The fair value of derivative financial instruments is based on expected cash flows that are discounted at rates derived from the market yield curve at the measurement date and the curve for listed credit default swaps entered into by the counterparty and Group companies, to include the non-performance risk explicitly provided for by IFRS 13.
In the case of medium/long-term financial instruments, other than derivatives, where market prices are not available, the fair value is determined by discounting expected cash flows, using the market yield curve at the measurement date and taking into account counterparty risk in the case of financial assets and own credit risk in the case of financial liabilities.

Provisions for construction services required by contract and other provisions

"Provisions for construction services required by contract" relate to any outstanding contractual obligations for construction services to be performed, having regard to motorway expansion and upgrades for which the operator receives no additional economic benefits in terms of a specific increase in tolls and/or a significant increase in expected use of the infrastructure. Since the performance of such obligations is treated as part of the consideration for the concession, an amount equal to the fair value of future construction services (equal to the present value of the services, less the portion covered by grants, and excluding any financial expenses that may be incurred during provision of the services) is initially recognised. The double entry is concession rights for works without additional economic benefits. The fair value of the residual liability for future construction services is, therefore, periodically reassessed and changes to the measurement of the liabilities (such as, for example, changes to the estimated cash outflows necessary to discharge the obligation, a change in the discount rate or a change in the construction period) are recognised as a matching increase or reduction in the corresponding intangible asset. Any increase in provisions to reflect the time value of money is recognised as a financial expense.
Other provisions are made when: (i) the Group has a present (actual or constructive) obligation as a result of a past event; (ii) it is probable that an outflow of resources will be required to settle the obligation; and (iii) the related amount can be reliably estimated.
Provisions are measured on the basis of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. If the discount to present value is material, provisions are determined by discounting future expected cash flows to their present value at a rate that reflects the market view of the time value of money. Subsequent to the computation of present value, the increase in provisions over time is recognised as a financial expense.
"Provisions for the repair and replacement of motorway infrastructure" cover the liability represented by the contractual obligation to repair and replace infrastructure, as required by the concession arrangements entered into by the Group's motorway operators and the respective grantors. These provisions are calculated on the basis of the usage and state of repair of motorways at the end of the reporting period, taking into account, if material, the time value of money.
Routine maintenance costs are, in contrast, recognised in the income statement when incurred and are not, therefore, included in the provisions.
The provisions for cyclical maintenance include the estimated cost of a single cycle and are determined separately for each category of infrastructure (viaducts, flyovers, tunnels, safety barriers, motorway surfaces). The following process is applied for each category, based on specific technical assessments, the available information, the current state of motorway traffic and existing materials and technologies:

a) the duration of the cycle linked to the repair or replacement work is estimated;
b) the serviceability of the infrastructure is assessed, classifying the various types of intervention based on the state of repair of the infrastructure and the number of years remaining until the scheduled maintenance work;
c) the cost for each category is determined, based on the verifiable and documented evidence available at the time and comparable work;
d) the total value of the work included in the relevant cycle is determined;
e) the provisions at the reporting date are calculated, allocating the cost to the income statement in relation to the number of years remaining until the date of the scheduled maintenance work, in line with the above classification based on the state of repair of the infrastructure, discounting the resulting amount to present value at the measurement date using an interest rate with a duration in line with that of the expected cash flows.

The above effects are recognised in the following income statement items:
a) the "Operating change in provisions", reflecting the impact of the revision of estimates as a result of technical assessments (the value of the works to be carried out and the expected timing of such works) and the change in the discount rate used compared with the previous year;
b) "Financial expenses from discounting of provisions", reflecting the time value of money, calculated on the basis of the value of the provisions and the interest rate used to discount the provisions to present value at the prior year reporting date.

When the cost of the works is actually incurred, the cost is recognised by nature and the item "Operating change in provisions" reflects use of the provisions previously made, as described in point e) above.
In accordance with existing contractual obligations, "Provisions for the renewal of motorway infrastructure" reflect the present value of the estimated costs to be incurred over time in order to satisfy the contractual obligation, to be fulfilled by the operator in accordance with the concession arrangement, requiring performance of the necessary extraordinary maintenance of the assets operated under concession and their repair and replacement. Given that these costs cannot be accounted for as an increase in the value of the assets as they are effectively incurred from time to time, and that they do not meet the necessary requirement for recognition in intangible assets, they are accounted for, together with the assets to which they relate, as provisions in accordance with IAS 37. This is done based on the degree to which the infrastructure is used, as this is deemed to represent the likely cost to be incurred by the operator in order to guarantee fulfilment, over time, of the obligation to ensure the serviceability and safety of the assets operated under concession. Given the cyclical nature of the works, the value of the provisions recognised in the financial statements is limited to the estimated costs to be incurred as part of the first maintenance cycle, following the end of the reporting period, calculated, taking into account the necessary impact of discounting to present value, for each individual intervention. Classification of the works, as among those to be included in the provisions or as construction/upgrade services performed on behalf of the grantor, is based on the operator's assessment, with the support of its technical units, of the essential elements of the projects included in the approved investment programmes, identifying those that satisfy the criteria described above.

Employee benefits

Short-term employee benefits, provided during the period of employment, are accounted for as the accrued liability at the end of the reporting period.
Liabilities deriving from medium/long-term employee benefits are recognised in the vesting period, less any plan assets and advance payments made. They are determined on the basis of actuarial assumptions and, if material, recognised on an accruals basis in line with the period of service necessary to obtain the benefit.
Post-employment benefits in the form of defined benefit plans are recognised at the amount accrued at the end of the reporting period.

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

Non-current assets held for sale, assets and liabilities included in disposal groups and/or related to discontinued operations

Where the carrying amount of non-current assets held for sale, or of assets and liabilities included in disposal groups and/or related to discontinued operations is to be recovered primarily through sale rather than through continued use, these items are presented separately in the statement of financial position. Immediately prior to being classified as held for sale, each asset and liability is recognised under the specific IFRS applicable and subsequently accounted for at the lower of the carrying amount and fair value. Any impairment losses are recognised immediately in the income statement.
Disposal groups or discontinuing operations are recognised in the income statement as discontinued operations provided the following conditions are met:
a) they represent a major line of business or geographical area of operation;
b) they are part of a single coordinated plan to dispose of a separate major line of business or geographical area of operation;
c) they are subsidiaries acquired exclusively with a view to resale.
After tax gains and losses resulting from the management or sale of such operations are recognised as one amount in profit or loss with comparatives.

Revenue

Revenue is recognised when the fair value can be reliably measured and it is probable that the economic benefits associated with the transactions will flow to the Group. The amount recognised as revenue reflects the consideration to which the Group is entitled in exchange for goods transferred to the customer and services rendered. This revenue is recognised when the performance obligations under the contract have been satisfied.

Depending on the type of transaction, revenue is recognised on the basis of the following specific criteria:
a) toll revenue is accrued with reference to traffic volumes;
b) revenue from airport charges is recognised when the facilities are utilised by airport users;
c) to the extent, for sales of goods, that significant risks and rewards of ownership are transferred to the buyer;
d) the provision of services is prorated to the percentage of completion of the work, 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 or on a cost-to-cost basis. Under this method, contract revenue is matched with the contract costs incurred in reaching the stage of completion, resulting in the reporting of revenue and profit in each reporting period in proportion to the stage of completion.
In addition to contract payments, contract revenues include variations, price revisions and any additional payments to the extent that their payment is probable and that their amount can be reliably measured. In the event that a loss is expected to be incurred on the completion of a contract, this loss shall be immediately recognised in profit or loss regardless of the stage of completion of the contract.
Any positive or negative difference between the accrued revenue and any advance payments is recognised in assets or liabilities in the statement of financial position, taking into account any impairment recognised in order to reflect the risks linked to the inability to recover the value of work performed on behalf of customers. When service revenue cannot be reliably determined, it is only recognised to the extent that expenses are considered to be recoverable. This category revenue is classified in "Other operating income";

e) rental income or royalties, on an accruals basis, based on the agreed terms and conditions of the contract. This revenue includes amounts generated by the sub-concession of retail and office space to third parties within the airports and motorway networks operated by the Group and, as they substantially equate to the lease of portions of infrastructure, are subject to IAS 17. This revenue, under existing contractual agreements, is partly dependent on the revenue earned by the sub-operator and, as a result, the related amount varies over time;
f) interest income (and interest expense) is calculated with reference to amount of the financial asset or liability, in accordance with the effective interest method;
g) dividend income is recognised when the right to receive payment is established.

Provision of the above services also includes construction and/or upgrade services provided to Grantors, in application of IFRIC 12, and relating to concession arrangements to which certain Group companies are party. These revenues represent the consideration for services provided and are measured at fair value, calculated on the basis of the total costs incurred (primarily consisting of the costs of materials and external services, the relevant employee benefits and attributable financial expenses, the latter only in the case of construction and/or upgrade services for which the operator receives additional economic benefits) plus any arm's length profits realised on construction services provided by Group entities (insofar as they represent the fair value of the services). The double entry of revenue from construction and/or upgrade services is represented by a financial asset (concession rights and/or government grants) or an intangible asset deriving from concession rights.

Government grants

Government grants are accounted for at fair value when: (i) the related amount can be reliably determined and there is reasonable certainty that (ii) they will be received and that (iii) the conditions attaching to them will be satisfied.
Grants related to income are accounted for in the income statement for the accounting period in which they accrue, in line with the corresponding costs.
Grants received for investment in motorways and airports are accounted for as construction service revenue, as explained in the note on "Construction contracts and services work in progress".
Any grants received to fund investment in property, plant and equipment are accounted for as a reduction in the cost of the asset to which they refer and result in a reduction in depreciation.

Income taxes

Income taxes are recognised on the basis of an estimate of tax expense to be paid, in compliance with the regulations in force, as applicable to each Group company.
Income tax payables are reported under current tax liabilities in the statement of financial position less any payments of taxes on account. Any overpayments are recognised as current tax assets.
Income tax payables are reported under current tax liabilities in the statement of financial position less any payments of taxes on account. Any overpayments of IRAP are recognised as current tax assets.
Deferred tax assets and liabilities are determined on the basis of temporary differences between the carrying amounts of assets and liabilities as in the Company's books (resulting from application of the accounting policies) and the corresponding tax bases (resulting from application of the tax regulations the tax regulations in force in the country relevant to each subsidiary), as follows:
a) deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the asset can be utilised;
b) deferred tax liabilities are always recognised.
The Parent Company, Atlantia SpA, has again operated a tax consolidation arrangement 2018, in which certain Italian-registered subsidiaries participate.

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

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

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

Translation of foreign currency items

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

Activities in hyperinflationary economies

As required by IAS 29, the Group assesses whether or not any of the functional currencies used by subsidiaries are the currencies of a hyperinflationary economy.
For this purpose, the group examines the nature of the economic environment of the country in which the entity operates, with reference to the presence of one or more of the following key features:

a) the general population prefers to keep its wealth in non-monetary assets or in a relatively stable foreign currency, in order to maintain purchasing power;
b) prices, wages and interest rates are linked to a price index, or are expressed (or the related transactions are conducted in) a relatively stable foreign currency;
c) the cumulative inflation rate over three years is approaching, or exceeds,100%.

If the assessment concludes that the entity operates in a hyperinflationary economy, the non-monetary assets and liabilities (as defined by IAS 29, essentially represented by non-current assets and liabilities not linked by contract to price movements) expressed in the related functional currency are restated on the basis of the general level of inflation in the country and the impact of this restatement recognised in profit or loss. Monetary assets and liabilities should continue to be recognised at their historical cost.
Following the restatement, the reporting packages of the related entities are converted into euros applying the method described in the section, "Translation of foreign currency items", in these notes.

Earnings per share

Basic earnings per share is computed by dividing profit attributable to owners of the parent by the weighted average number of shares outstanding during the accounting period.
Diluted earnings per share is computed by dividing profit attributable to owners of the parent by the above weighted average, also taking into account the effects deriving from the subscription, exercise or conversion of all potential shares that may be issued as a result of the exercise of any outstanding rights.

New accounting standards adopted from 1 January 2018: IFRS 15 – Revenue from Contracts with Customers and IFRS 9 – Financial Instruments

IFRS 15 – Revenue from Contracts with Customers

IFRS 15 has replaced the previous IAS 18 and IAS 11 and the related interpretations, IFRIC 13, IFRIC 15, IFRIC 18 and SIC 31.
The new standard establishes the standards to follow in recognising revenue from contracts with customers, with the exception of contracts falling within the scope of application of standards governing leases, insurance contracts and financial instruments.

The standard provides an overall framework for identifying the timing and amount of revenue to be recognised in the financial statements.
Under IFRS 15, the entity must analyse the contract and the related accounting effects using the following steps:
a) identification of the contract;
b) identification of the performance obligations in the contract;
c) determination of the transaction price;
d) allocation of the transaction price to each identified performance obligation;
e) recognition of revenue when the performance obligation is satisfied.

The amount recognised as revenue by an entity must, therefore, reflect the consideration to which the entity is entitled in exchange for goods transferred to the customer and/or services rendered. This revenue is to be recognised when the entity has satisfied its performance obligations under the contract.
Following the assessment conducted, the adoption of IFRS 15 is not expected to have any impact on the Atlantia Group, with the exception of the renaming of certain line items, with the exception of:
a) the reclassification of certain amounts paid by Aeroporti di Roma to airline customers as an incentive to boost air traffic and which, under the new standard, have been classified as a reduction in the revenue received by this subsidiary, rather than being recognised as a cost of services provided by the airlines, as was previously the case;
b) renaming of the items "Contract work in progress" and "Liabilities deriving from contract work in progress" as "Contract assets" and "Contract liabilities".

With regard to point a), the consolidated income statement for 2017, presented for comparative purposes, has been restated, with a reduction of €6,567 thousand in both "Aviation revenue" and "Service costs", without having any impact on profit for the year and/or on consolidated equity.

IFRS 9 – Financial Instruments
IFRS 9, which has replaced IAS 39, has introduced new rules for the classification and measurement of financial instruments, a new impairment model for financial assets and a new hedge accounting model.
The changes that are most relevant to the Group in terms of their impact on the income statement and/or the financial position primarily regard:
a) the reporting of changes in fair value in connection with the credit risk of certain financial assets and liabilities, which IFRS 9 requires to be recognised in other comprehensive income rather than in profit or loss;
b) recognition of the difference between the present value of the modified cash flows (determined using the instrument's effective interest rate at the date of modification) and the carrying amount of the instrument in profit or loss in the event of non-substantial modifications to the terms of a financial instrument. Previously in such cases, under IAS 39, the Atlantia Group continued to account for the instrument at the previously recognised amortised cost, redetermining the related effective interest rate on a prospective basis.

As permitted by IFRS 9, the Atlantia Group has restated the assets and liabilities accounted for as at 31 December 2017, recognising the impact of adoption of the new standard as an adjustment to equity as at 1 January 2018.
In terms of the Atlantia Group's assets and liabilities as at 31 December 2017, as reported in the statement of financial position included in the consolidated financial statements as at that date, the only effect of note resulting from adoption of IFRS 9 regards the non-substantial modifications of financial liabilities carried out by Autostrade per l'Italia and Aeroporti di Roma in 2017 (as described in note 7.15 to the consolidated financial statements as at and for the year ended 31 December 2017). Under the new standard, these modifications have resulted in recognition of the difference between the present value of

the modified cash flows (determined using the instrument's effective interest rate at the date of the modification) and the carrying amount of the instrument at the date of the modification.
As a result, and as shown in the following consolidated statement of financial position as at 1 January 2018, non-current financial liabilities have been reduced by €42 million, recognising the related deferred tax liabilities of €10 million. This has, therefore, resulted in an increase in consolidated equity of €32 million, including €29 million attributable to owners of the parent.
The following table shows the above impact.

Consolidated statement of financial position

€000	31 December 2017	Impact of adoption of IFRS 9	1 January 2018
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	302,799		302,799
Intangible assets	27,424,561		27,424,561
Investments	266,974		266,974
Non-current financial assets	2,316,125		2,316,125
Deferred tax assets	1,258,163		1,258,163
Other non-current assets	8,005		8,005
TOTAL NON-CURRENT ASSETS	**31,576,627**	**-**	**31,576,627**
CURRENT ASSETS			
Trading assets	1,798,108		1,798,108
Cash and cash equivalents	5,624,716		5,624,716
Current financial assets	780,207		780,207
Current tax assets	79,482		79,482
Other current assets	187,059		187,059
Assets held for sale or related to discontinued operations	11,061		11,061
TOTAL CURRENT ASSETS	**8,480,633**	**-**	**8,480,633**
TOTAL ASSETS	**40,057,260**	**-**	**40,057,260**
EQUITY AND LIABILITIES			
EQUITY			
Equity attributable to owners of the parent	8,772,377	28,570	8,800,947
Equity attributable to non-controlling interests	2,990,601	3,086	2,993,687
TOTAL EQUITY	**11,762,978**	**31,656**	**11,794,634**
NON-CURRENT LIABILITIES			
Non-current portion of provisions for construction services required by contract	2,960,647		2,960,647
Non-current provisions	1,566,541	-	1,566,541
Non-current financial liabilities	15,969,835	-41,652	15,928,183
Deferred tax liabilities	2,253,718	9,996	2,263,714
Other non-current liabilities	108,052		108,052
TOTAL NON-CURRENT LIABILITIES	**22,858,793**	**-31,656**	**22,827,137**
CURRENT LIABILITIES			
Trading liabilities	1,583,415		1,583,415
Current portion of provisions for construction services required by contract	426,846		426,846
Current provisions	379,823		379,823
Current financial liabilities	2,253,836		2,253,836
Current tax liabilities	151,500		151,500
Other current liabilities	633,803		633,803
Liabilities related to discontinued operations	6,266		6,266
TOTAL CURRENT LIABILITIES	**5,435,489**	**-**	**5,435,489**
TOTAL LIABILITIES	**28,294,282**	**-31,656**	**28,262,626**
TOTAL EQUITY AND LIABILITIES	**40,057,260**	**-**	**40,057,260**

In addition, the following table provides an overview of financial assets and liabilities as at 31 December 2017, showing the measurement criteria applied under the previous IAS 39 and under the new IFRS 9. From the table, it is clear that the introduction of IFRS 9 has not had an impact with respect to the measurement criteria already used.

Consolidated statement of financial position

	IAS 39			IFRS 9		
€000	Portfolio	Measurement criteria	Balance as at 31 December 2017	Portfolio	Measurement criteria	Balance as at 1 January 2018
NON-CURRENT FINANCIAL ASSETS						
Investments						
Investments accounted for at fair value	AFS	FVTOCI	82,283	HFT	FVTPL FVTOCI	82,283
Non-current financial assets						
Non-current financial assets deriving from concession rights	HTM	AMORTISED COST	963,602	HTC	AMORTISED COST	963,602
Non-current financial assets deriving from government grants	L&R	AMORTISED COST	249,936	HTC	AMORTISED COST	249,936
Non-current term deposits	L&R	AMORTISED COST	315,474	HTC	AMORTISED COST	315,474
Non-current derivative assets - HA portion	HEDGE ACCOUNTING	CASH FLOW HEDGE FAIR VALUE HEDGE	55,471	HEDGE ACCOUNTING	CASH FLOW HEDGE FAIR VALUE HEDGE	55,471
Non-current derivative assets - non-HA portion	FVTPL	FVTPL	51,797	FVTPL	FVTPL	51,797
Other non-current financial assets	L&R	AMORTISED COST	679,845	HTC	AMORTISED COST	679,845
CURRENT FINANCIAL ASSETS						
Trading assets						
Trade receivables	L&R	AMORTISED COST	1,703,106	HTC	AMORTISED COST	1,703,106
Cash and cash equivalents						
Cash	L&R	AMORTISED COST	4,840,250	HTC	AMORTISED COST	4,840,250
Cash equivalents	L&R	AMORTISED COST	784,466	HTC	AMORTISED COST	784,466
Current financial assets						
Current financial assets deriving from concession rights	HTM	AMORTISED COST	447,089	HTC	AMORTISED COST	447,089
Current financial assets deriving from government grants	L&R	AMORTISED COST	70,110	HTC	AMORTISED COST	70,110
Current term deposits	L&R	AMORTISED COST	179,222	HTC	AMORTISED COST	179,222
Current derivative assets - HA portion	HEDGE ACCOUNTING	CASH FLOW HEDGE FAIR VALUE HEDGE	-	HEDGE ACCOUNTING	CASH FLOW HEDGE FAIR VALUE HEDGE	-
Current derivative assets - non-HA portion	FVTPL	FVTPL	528	FVTPL	FVTPL	528
Current portion of other medium/long-term financial assets	L&R	AMORTISED COST	70,720	HTC	AMORTISED COST	70,720
Other current financial assets	L&R	AMORTISED COST	12,538	HTC	AMORTISED COST	12,538

Consolidated statement of financial position

€000	IAS 39 Measurement criteria	IAS 39 Balance as at 31 December 2017	IFRS 9 Measurement criteria	IFRS 9 Balance as at 1 January 2018
LIABILITIES				
Non-current financial liabilities				
Bond issues	AMORTISED COST	10,976,377	AMORTISED COST	10,968,313
Bond issues	FVTPL	385,712	FVTPL	385,712
Medium/long-term borrowings	AMORTISED COST	4,011,504	AMORTISED COST	3,977,916
Non-current derivative liabilities	CASH FLOW HEDGE FAIR VALUE HEDGE	390,465	CASH FLOW HEDGE FAIR VALUE HEDGE	390,465
Non-current derivative liabilities	FVTPL	175,110	FVTPL	175,110
Other non-current financial liabilities	AMORTISED COST	30,667	AMORTISED COST	30,667
Trading liabilities				
Trade payables	AMORTISED COST	1,581,773	AMORTISED COST	1,581,773
Current financial liabilities				
Bank overdrafts repayable on demand	AMORTISED COST	17,813	AMORTISED COST	17,813
Short-term borrowings	AMORTISED COST	430,086	AMORTISED COST	430,086
Current derivative liabilities	CASH FLOW HEDGE FAIR VALUE HEDGE	-	CASH FLOW HEDGE FAIR VALUE HEDGE	-
Current derivative liabilities	FVTPL	14,372	FVTPL	14,372
Current portion of medium/long-term borrowings	AMORTISED COST	1,717,935	AMORTISED COST	1,717,935
Other current financial liabilities	AMORTISED COST	73,630	AMORTISED COST	73,630

KEY	
AFS	*Available for sale*
AMORTISED COST	*Amortised cost*
FVTPL	*Fair value through profit or loss*
FVTOCI	*Fair value through other comprehensive income*
HEDGE ACCOUNTING	*Accounted for as a hedge*
HFT	*Held for trading*
HTC	*Held to collect*
HTC&S	*Held to collect and/or sell*
HTM	*Held to maturity*
L&R	*Loans and receivables*

New accounting standards and interpretations, or revisions and amendments of existing standards and interpretations, that have yet to come into effect

As required by IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, this section describes new accounting standards and interpretations, and amendments of existing standards and interpretations that are already applicable, that have yet to come into effect as at 31 December 2018 and that may in the future be applied in the Group's consolidated financial statements:

Name of document	Effective date of IASB document	Date of EU endorsement
New accounting standards and interpretations		
IFRS 16 - Leases	1 January 2019	October 2017
Amendments to existing standards and interpretations		
Annual improvements to IFRSs: 2015-2017	1 January 2019	Not endorsed
Amendments to IAS 1 – Presentation of Financial Statements	1 January 2020	Not endorsed
IAS 8 – Accounting Policies, Change in Accounting estimates and Errors	1 January 2020	Not endorsed
Amendments to IAS 19 – Employee Benefits	1 January 2020	Not endorsed
Amendments to IFRS 3 – Business Combinations	1 January 2020	Not endorsed

IFRS 16 – Leases

On 13 January 2016, the IASB published the final version of the new financial reporting standard on leases, which replaced IAS 17, IFRIC 4, SIC 15 and SIC27 and is due to take effect on 1 January 2019. The new standard provides a different definition of lease and introduces a criterion based on control of the asset, to distinguish a lease from a service contract, indicating as discriminating factors the identification of the asset, the right to replace the asset, the right to obtain substantially all the economic benefits deriving from the use of the asset and, lastly, the right to direct the use of the asset underlying the contract.

The new financial reporting standard removes the distinction between operating and finance leases for the lessee. In fact, IFRS 16 requires the lessee to recognise the at lease commencement in the statement of financial position a right-of-use asset (i.e. in the same item where the corresponding assets would be recognised if they were owned), to be depreciated over the term of the right-of-use. At lease commencement, the lessor also recognises, as a contra-entry to the above right-of-use, a liability arising from the contract, for an amount equal to the present value of the minimum lease payments due.

IFRS 16 clarifies that, within the context of the lease contract, a lessee must separate the components related to the lease (which are accounted for as per IFRS 16) from those related to other services, which are accounted for in accordance with other IFRS.

The lessee may elect not to apply the new standard lease contracts of up to 12 months and those concerning low-value assets, considering that they have little significance.

Regarding the lessor, instead, the distinction between finance lease and operating lease continues to apply, depending on the characteristics of the contract, as per IAS 17. Consequently, the lessor will recognise a financial receivable (if a finance lease) or a tangible asset (if an operating lease).

As to the possible impacts for the Atlantia Group deriving from the introduction of IFRS 16, the possible effects of its introduction were analysed. It is noted that the Group is does not hold significant assets as a lessee, with the relevant contracts referring mainly to property leases.

The project for the preliminary identification of potential impacts took place in different stages, including one involving the mapping of contracts that might potentially include a lease arrangement and the analysis of such contracts to understand the main provisions that would be relevant in relation to IFRS 16.

To that end, the Group intends to avail itself of the simplifications allowed by the standard:

a) prospective application, with recognition in the statement of financial position as of 1 January 2019 of the cumulative effects deriving from the adoption of the standard, without any change in the comparative income statement for 2018;
b) use of the information available at the transition date to determine the length of the lease arrangement, with special emphasis to the exercise of extension options and early termination;

c) exclusion of the new accounting method for lease contracts of little significance, with a residual term of up to 12 months (starting from 1 January 2019) or for low-value assets, relating essentially to computers, telephones and other electronic devices. For these assets, lease payments will continue to be recognised through profit or loss, for the duration of the relevant contracts;
d) exclusion of initial direct costs from the measurement of the right as of 1 January 2019;
e) exclusion of the application of the new standard for contracts containing a lease arrangement with underlying intangible assets.

For this purpose, the assessment of the impact of the new standard on the Atlantia Group's consolidated financial statements is close to completion. Based on the information available, financial liabilities (for leases) in the consolidated statement of financial position as of 1 January 2019 are expected to increase by approximately €150 million, reflecting essentially an increase in right-of-use assets. On the other hand, the impact on profit for the year is not expected to be significant over time, with recognition of the present value of financial expenses and depreciation of the assets, instead of the current recognition of lease payments.

Annual Improvements to IFRSs: 2015 – 2017

On 12 December 2017 the IASB published "Annual Improvements to IFRSs: 2015 – 2017 cycle" regarding amendments to certain standards.
The main amendments that might affect the Group related to:
a) IFRS 3 – Business Combinations and IFRS 11 – Joint Arrangements. The amendments clarify that when an entity obtains control of a business that is a joint operation, it measures at fair value the interests previously held in that business. On the other hand, this approach is not applied when an entity obtains joint control of the business;
b) IAS 12 – Income Taxes. The amendments clarify that all the tax effects of dividends (including payments relating to financial instruments classified as capital instruments) are accounted for consistently with the transaction that generated them. They will, therefore, be recognised in the income statement, in comprehensive income or in equity, as appropriate.

Amendments to IAS 1 – Presentation of Financial Statements and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

On 31 October 2018 the IASB published "Definition of Material (Amendments to IAS 1 and IAS 8)", which has introduced an amendment designed to make the definition of "material" more specific. The amendment also introduces the concept of "obscured information", in addition to the concepts of "omitted" and "misstated" information already present in the two amended standards. The amendment clarifies that information is "obscured" if it is provided in such a way as to produce for general users of financial statements an effect similar to that which would be produced if such information had been omitted or misstated.

Amendments to IAS 19 – Employee Benefits

On 7 February 2018 the IASB published "Plan Amendment, Curtailment or Settlement (Amendments to IAS 19)", amending IAS 19 to clarify how an entity should recognise an amendment (or a curtailment or a settlement) to a defined-benefit plan. The amendment requires the entity to review its assumptions and remeasure the liability or the net assets of the plan. After such occurrence, the entity must use the new assumptions to measure the service cost and net interest for the period after the remeasurement.

Amendments to IFRS 3 – Business Combinations

On 22 October 2018 the IASB published "Definition of a Business (Amendments to IFRS 3)", to amend IFRS 3 in such a way as to clarify the definition of a business.
In particular, the amendment clarifies that an output is not the necessary condition to identify a business in the presence of a set of activities/processes and assets. However, to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that

together significantly contribute to the ability to create outputs. To this end, the IASB has replaced "ability to create outputs" with "contribution to the ability to create outputs" to clarify that a business can exist also without all the inputs and processes necessary to create an output.
Moreover, the amendment has introduced an optional concentration test, to determine whether an acquired set of activities and assets is a business. To that end, the amendment added a large number of illustrative examples to IFRS 3, to allow comprehension of the practical application of the new definition of a business in specific cases. The amendments apply to all business combinations and acquisitions occurring after 1 January 2020, with early application permitted.

The Atlantia Group is assessing the potential impact, which cannot currently be reasonably estimated, of future application of all the newly issued standards and revisions and amendments of existing standards, with the exception of IFRS 16, the expected impact of which is described above.

4. CONCESSIONS

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

Italian motorways

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

The only changes to the motorway concessions held by the companies included in the "Italian motorways" operating segment, compared with 2017, are as follows:

a) a II Addendum to Autostrade per l'Italia's Single Concession was signed on 22 February 2018. The Addendum governs the inclusion of the Casalecchio Interchange – Northern section among the operator's investment commitments in the Single Concession Arrangement. The project will involve expenditure of up to approximately €158 million, including around €2 million already incurred for design work, and almost €156 million to be paid to ANAS, which will carry out the work and then operate the infrastructure. This amount will be paid to ANAS on a stage of completion basis and under a specific agreement to be executed. The amount will then be recouped by Autostrade per l'Italia through the specific "K" tariff component.
   The Addendum came into effect with approval by decree 128 of 16 March 2018 issued by the Ministry of Infrastructure and Transport and the Ministry of the Economy and Finance, and registered by the Court of Auditors on 31 May 2018.

b) on 15 June 2018, Autostrade per l'Italia submitted a proposal to the Grantor regarding a five-year update of its financial plan, which will subsequently be formalised as an addendum to the current Arrangement. Talks with the Grantor are in progress with a view to finalising the update.

c) the decision of the European Commission regarding the extension of Autostrade per l'Italia's concession: in July 2017, the Ministry of Infrastructure and Transport reached an agreement with the European Commission. The agreement sets out the key conditions to be met in order to grant Autostrade per l'Italia a 4-year extension to its concession in return for pre-determined toll increases and recognition of a takeover right on expiry. On 27 April 2018, the European Commission announced that the Commission had given its approval for the "plan for investment in Italian motorways". In view of the implementation of Autostrade per l'Italia's investment plan of approximately €7.9 billion, the approval envisages extension of the concession term by four years (from 31 December 2038 to 31 December 2042), a cap on toll increases and introduction of a takeover right on expiry of the concession. The European Commission's decision was published on its website on 31 July 2018. At the date of approval of these consolidated financial statements, the Italian government has yet to follow up on the European Commission's decision.

d) the agreement on the upgrade of the existing motorway system/ring road interchange serving Bologna, signed by Autostrade per l'Italia, the Ministry of Infrastructure and Transport, Emilia-Romagna Regional Authority, the Bologna Metropolitan Authority and Bologna City Council in April 2016, regards the upgrade of the existing motorway system/ring road interchange serving the city of Bologna. Work on the environmental impact assessment was completed with the EIA order of 31 March 2018. On 21 March 2018, Autostrade per l'Italia requested the Ministry of Infrastructure and Transport to convene the Services Conference, which was then scheduled for 13 September 2018. Following a series of specific meetings with the Ministry, it became necessary to conduct a technical analysis of the proposed design solution. As a result, the Ministry decided to postpone the Services Conference to a later date. At the date of approval of these consolidated financial statements, talks are underway with the Ministry with a view to assessing the potential for alternatives to the design to be submitted to the Services Conference.

e) the signature of an Addendum to Tangenziale di Napoli's Single Concession Arrangement on 22 February 2018, setting out the results of the five-yearly review (2014 – 2018) of the financial plan annexed to the Arrangement, was digitally signed on 22 February 2018. The Addendum came into effect with its approval by the Ministry of Infrastructure and Transport and the Ministry of the Economy and Finance in decree 128 of 16 March 2018, registered by the Court of Auditors on 31 May 2018.

The process of revising the financial plans of Raccordo Autostradale Valle d'Aosta, Tangenziale di Napoli and Autostrada Tirrenica is still in progress.

With regard to Autostrade per l'Italia's concession, the company is in the process of implementing a programme of investment in major infrastructure projects (including the works envisaged in the Concession Arrangement of 1997, the IV Addendum of 2002 and other investment), worth approximately €18.0 billion, including approximately €10.4 billion already completed as at 31 December 2018 (€10.1 billion as at 31 December 2017). This programme essentially regards the upgrade of existing motorways.

With regard to the concession held by Autostrade Meridionali, which expired on 31 December 2012, the company is continuing to operate the relevant motorway (the A3 Naples-Salerno) under a contract extension, in accordance with the terms of the previous arrangement, and whilst awaiting the conclusion of the tender process that will select the new operator to take over operation of the motorway. Further information is provided in note 10.7, "Significant legal and regulatory aspects".

Overseas motorways

Brazil

The concessions held by the Brazilian companies, included in the "Overseas motorways" operating segment, envisage a series of obligations relating to the construction, expansion, modernisation, maintenance and operation of the motorways covered by the concession arrangements, in return for the right to charge motorway users a toll, revised annually on the basis of inflation.
The following should be noted with regard to these operators' investment commitments, based on their significance:

a) Rodovias das Colinas has residual investment commitments, of approximately 103 million Brazilian reals (equal to €26 million). In parallel, the operator is negotiating an addendum with the Grantor relating to a new project with a value of approximately 154 million Brazilian reals (equal to approximately €40 million) in return for a consideration to be received by the operator;
b) Rodovia MG050 is currently carrying out work designed to upgrade the section of motorway. The remaining value of the works to be carried out is approximately 815 million Brazilian reals (equal to approximately €185 million). This sum includes works covered by an addendum agreed with the Grantor and signed in May 2017, which has revised, among other things, the investment programme.

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

Chile

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

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

The concessions held by Nororiente and AMB expire on reaching specific thresholds for total revenue discounted to present value (using a discount rate defined in the related concession arrangement) and, in any event, not beyond a certain date.

The Addendum, signed by the operator, Costanera Norte, and the Grantor in previous years, contains an investment programme named "*Programma Santiago Centro Oriente*" (or "CC7"), covering seven projects designed to eliminate the principal bottlenecks on the section operated under concession. The total value of the work to be carried out is around 255 billion Chilean pesos (€347 million) with approximately 95% of the wok completed at the end of 2018. The Addendum envisages a mechanism for compensating the operator for the cost of investment in the project. This will be in the form of additional revenue generated by new tollgates under a revenue-sharing arrangement with the Grantor, potential payments from the Grantor and/or extension of the concession term in order to guarantee an unconditional return on the investment for up to 3 years. Should there be a residual amount due to the operator at the end of any extension, the Grantor will pay the balance.

In July 2018, Nororiente completed implementation of a free-flow tolling system, costing approximately 3 billion Chilean pesos (equal to approximately €4 million), included in an addendum agreed with Chile's Ministry of Public Works in May 2018. The operator will be compensated for loss of revenue due to toll evasion through a 10-month extension of the concession term or, at the Ministry's discretion, a cash payment at the end of the original concession term.

The operator, AMB, has plans in place for the construction of the northern section of the motorway covered by its concession at an estimated cost of approximately 25 billion Chilean pesos (equal to €32 million). Subject to receiving the necessary consents, work is expected to begin in 2019.

In July 2017, Grupo Costanera was awarded the concession covering the last 5.2 km section of the inner ring road in the city of Santiago (Amerigo Vespucio Oriente II). The section is to consist entirely of a tunnel and will cost approximately 380 billion Chilean pesos to build (€490 million). The concession term began from 5 April 2018, the date on which the Supreme Decree awarding the concession was published in the Official Gazette.

In February 2018, Grupo Costanera was also awarded the concession a new 9.2-km section of urban motorway connecting Ruta 78 and Ruta 68 in the city of Santiago. The estimated cost of the project is approximately 165 billion pesos (equal to approximately €210 million). The concession term began from 21 April 2018, the date on which the Supreme Decree awarding the concession was published in the Official Gazette.

Finally, in December 2017, Chile's Ministry of Public Works and Ministry of Finance signed a resolution requesting the operator, Los Lagos, to carry out certain construction services and road safety works as a matter of urgent public interest ("*Programa de Obras de Seguridad y Serviciabilidad*"), which the operator will be compensated for at a pre-set rate via extension of the concession term and/or an eventual cash payment, to be included in a specific addendum to the concession arrangement. The total value of the programme is approximately 29 billion Chilean pesos (The total value of the programme is approximately €37 million).

Poland

Stalexport Autostrada Malopolska SA's concession requires it to implement an investment programme and to operate and maintain the specific section of motorway covered by its concession arrangement. In return for the services rendered, the operator has the right to charge motorway users a toll. There have been no changes in this concession with respect to 2017.

Italian airports

The operator, Aeroporti di Roma ("ADR") holds an exclusive concession to manage the airport system serving Italy's capital city, consisting of "Leonardo da Vinci" Fiumicino airport and "G.B. Pastine" Ciampino airport, in accordance with the concession awarded to the company by Law 755 of 10 November 1973, the Single Concession Arrangement covering management of the capital city's airport system and the Planning Agreement ("the Single Deed"), signed on 25 October 2012, and which replaced the previous Arrangement 2820, dated 26 June 1974. The Single Deed regulates, in one document, both relations pertaining to the airport concession (Section I of the Agreement), and the criteria for determining and periodically reviewing the applicable regulatory tariffs, being the fees receivable for the aviation services provided, within the airports, on an exclusive basis by the operator, and their review throughout the airport concession term (Section II, "Planning Agreement and Tariff Regulation"). The setting and revision of regulatory tariffs is based on application of a RAB-based method, which takes into account, among other things, the amount of capital expenditure carried out and traffic projections.

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

a) to progressive construction of the infrastructure listed therein for the purposes of increasing the capacity of the capital's airport system to cope with the projected volume of traffic through to the end of the remaining concession term (June 2044);
b) to manage the above airport system by providing the airport services for which it is responsible (e.g. the maintenance of runways and aprons), but also through the sub-concession of areas and premises to be used for aviation and other activities, such as, for example, retail businesses.

Information of the investment commitments included in ADR's concession arrangement is provided in the section, "Italian airports", in the Report on Operations accompanying these financial statements.
The commitments are focused within a period of ten years and constitute, under the terms of the concession arrangement, the so-called "Airport Master Plan". In turn, the Master Plan contains details of the investments to be carried out in each five-year period, corresponding to each regulatory "sub-period" for tariff purposes.
The first ten-year period from 2012 to 2021 is currently in progress. The latest Master Plan, approved in December 2016, envisages that, during the second five-year regulatory period (2017-2021), the company will carry out capital expenditure amounting to approximately €1,795 million.
Capital expenditure totalling approximately €172 million was effectively completed in 2018 on the basis of the regulatory accounts, including €5 million relating to the design of new buildings, initially not provided for in the five-year plan approved by the Civil Aviation Authority (ENAC).
In return for the commitments contained in the Single Deed, ADR has the right to receive income from:

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

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

The works carried out by ADR on the grounds of the airport are the property of ADR until expiry of the airport concession term. Paragraph 4 of art. 20-*bis* of the Planning Agreement states that, on natural expiry of the concession, ADR will receive from ENAC an amount equal to the remaining value of the unamortised capital expenditure, as assessed on the basis of the regulatory accounts. At the end of 2018, ADR has not carried out investment in assets that will, at the end of the concession term, have a residual value of more than zero, based on its regulatory accounts.

Overseas airports

Aéroports de la Côte D'Azur ("ACA") holds an exclusive concession for the airports of Nice and Cannes-Mandelieu, under the concession awarded by decree dated 14 June 2008. The concession expires on 31 December 2044. The company also owns and operates Saint Tropez airport.
In accordance with France's Civil Aviation Code (article R. 224-3-1), the fees for airports operated under concession are linked to the following: (i) the cost of providing a public airport service, including infrastructure and services and (ii) certain types of non-aviation revenue, as itemised in a ministerial decree or in multi-year contracts. The regulatory framework requires that airport traffic, cost and aviation and non-aviation revenue projections be taken into account when determining the return on invested capital and, as a result, the level of fees payable during the next year. In 2016, ACA and the French government, represented by France's Civil Aviation Authority (the *Direction Général de l'Aviation Civile* or *DGCA*), agreed on basic principles on which to base the multi-year contract establishing fees for the 2017-2022 period and for subsequent periods. These principles have, among other things, redefined the scope of the regulated services and established the percentage contribution of non-aviation services to the scope of regulated services, to the extent needed in order to provide a fair return. The contract is subject

to prior approval by the Independent Supervisory Authority, as regards the aspects falling within its purview. Following the Independent Supervisory Authority's failure to endorse the contract agreed by ACA and the Grantor for the 2017-2018 tariff period, the previously endorsed tariffs have remained in effect.
On 14 July 2018, a decree was published by the French Minister of Transport who, within the scope of the Minister's powers, has established the criteria for determining the fees payable in return for the airport services provided by Nice-Côte d'Azur and Cannes-Mandelieu airports (ACA). The decree expressly distinguishes between the scope of regulated and non-regulated activities for the purpose of setting the related fees, introducing a price cap system for the duration of the concession.
Information on the revised fees for the 2017-2018 period is provided in note 10.7, "Significant legal and regulatory aspects".

The Abertis group

Abertis group companies' principal concession arrangements regard the maintenance and operation of sections of motorway operated by the group's operators. At the end of the concession terms, the infrastructure must be returned to the Grantor in a good state of repair. Tolls are indexed to inflation according to specific formulas for each concession.

The principal changes in 2018 are described below.

Spain

In January 2018, the Spanish operator, Castellana, was awarded a concession previously held by another Abertis group company, Iberpistas. The new concession will expire in November 2029. In addition, Castellana has signed an agreement with the Grantor, requiring it to widen the related section of motorway to three lanes.

Chile

On 15 December 2018, an addendum (*Convenio ad Referendum n. 5*) was signed by Rutas del Pacìfico and Chile's Ministry of Public Works regarding implementation of a free-flow tolling system. As a result of the new agreement, the concession term will be extended for a further ten months once the contractual threshold for the present value of revenue has been reached.
On 9 March 2018, Autopista del Sol formalised an agreement with Chile's Ministry of Public Works regarding construction of the third lane of the Santiago – Talagante section of motorway, prolonging the concession for a further twenty-two months until March 2021.

Argentina

On 24 July 2018, the operators, GCO and Ausol, and Argentina's National Highways Agency (*Dirección Nacional de Vialidad de Argentina*) formalised and agreement that provides for, among other things, the recognition of compensation for the operators in the event of regulatory imbalances. Further information is provided in note 10.7, "Significant legal and regulatory aspects".

COUNTRY	OPERATOR	KILOMETRES IN SERVICE	EXPIRY DATE
ITALIAN MOTORWAYS			
Italy	Autostrade per l'Italia	2,854.6	31 Dec 2038
	Autostrade Meridionali	51.6	31 Dec 2012 (1)
	Raccordo Autostradale Valle d'Aosta	32.3	31 Dec 2032
	Tangenziale di Napoli	20.2	31 Dec 2037
	Società Autostrada Tirrenica	54.8	31 Dec 1946
	Società Italiana per azioni per il Traforo del Monte Bianco	5.8	31 Dec 2050
OVERSEAS MOTORWAYS			
Brazil	Triangulo do Sol Auto-Estradas	442.2	18 July 2021
	Rodovias das Colinas	307.0	1 July 2028
	Concessionaria da Rodovia MG050	371.6	12 June 2032
Chile	Sociedad Concesionaria de Los Lagos	134.2	20 Sept 2023
	Sociedad Concesionaria Litoral Central	80.6	10 Nov 2031
	Sociedad Concesionaria Vespucio Sur	23.5	5 Dec 2032
	Sociedad Concesionaria Costanera Norte	43.1	30 June 2033
	Sociedad Concesionaria Autopista Nororiente	21.5	7 Jan 2044 (2)
	Sociedad Concesionaria AMB	10.0	2022 (3)
	Sociedad Concesionaria Conexion Vial Ruta 78 - 68	9.0	2049 (5)
	Sociedad Concesionaria Americo Vespucio Oriente II	5.2	2052 (6)
Poland	Stalexport Autostrada Malopolska	61.0	15 Mar 2027
ABERTIS			
Spain	Autopistas Concesionaria Española (Acesa)	478.5	31 Aug 2021
	Infraestructuras Viàries de Catalunya (Invicat)	66.4	31 Aug 2021
	Autopistes de Catalunya (Aucat)	47.3	29 Jan 2039
	Autopistas Aumar S.A. Concesionaria del Estado (Aumar)	467.7	31 Dec 2019
	Iberbistas (Iberpistas-Castellana)	120.4	18 Nov 2029
	Autopistas de León (Aulesa)	37.7	10 Mar 2055
	Autopistas Vasco-Aragonesa (Avasa)	294.4	11 Nov 2026
	Túnels de Barcelona I Cadí concesionaria de la generalitat de Catalunya (Túnels)	46.4	31 Dec 2037
France	Sanef	1,388.3	31 Dec 2031
	Sapn	372.4	31 Aug 2033
Italy	Autostrade BS VR VI PD SpA	235.6	31 Dec 2026
Brazil	Autovias	316.5	30 June 2019
	Centrovias sistemas rodoviários	218.2	19 June 2019
	Concesionaria de Rodovias do Interior Paulista (Intervias)	380.3	1 Apr 2028
	Vianorte	236.6	17 May 2018
	Autopista Fluminense	320.1	17 Feb 2033
	Autopista Fernão Dias	570.4	17 Feb 2033
	Autopista Régis Bittencourt	389.8	17 Feb 2033
	Autoèpista Litoral Sul	405.9	17 Feb 2033
	Autopista Planalto Sul	412.7	17 Feb 2033
Chile	Sociedad Concesionaria Autopista Central	62.3	31 July 2031
	Sociedad Concesionaria Rutas del Pacifico	141.4	10 Mar 2024
	Sociedad Concesionaria del Elqui	228.7	16 Dec 2022
	Sociedad Concesionaria Autopista los Libertadores	115.7	8 Mar 2026
	Sociedad Concesionaria Autopista del Sol	132.6	21 Mar 2021
	Sociedad Concesionaria Autpoista de los Andes	92.3	22 July 2036
Puerto Rico	Autopistas Metropolitanas de Puerto Rico (Metropistas)	87.7	21 Sept 2061
	Autopistas de Puerto Rico y Compania (APR)	2.3	2 Feb 2044
Argentina	Grupo Concesionario del Oeste (Gco)	56.0	31 Dec 2030
	Autopistas del Sol (Ausol)	119.0	31 Dec 2030
India	Jadcherla Espressways Private Limited (Jepl)	58.0	30 Aug 2026
	Trichy Tollway Private Limited (Ttpl)	94.0	25 Dec 2026

COUNTRY	OPERATOR	AIRPORT	EXPIRY DATE
ITALIAN AIRPORTS			
Italy	Aeroporti di Roma	Leonardo da Vinci, Fiumicino "G.B. Pastine",	30 June 2044
OVERSEAS AIRPORTS			
France	Aéroport de la Côte d'Azur	Aéroport Nice Côte d'Azur	31 Dec 2044
		Aéroport Cannes Mandelieu	31 Dec 2044
		Aéroport Golfe Saint-Tropez	n/a

(1) In compliance with the concession arrangement, in December 2012 the Grantor asked Autostrade Meridionali to continue operating the motorway after 1 January 2013, in accordance with the terms and conditions of the Concession Arrangement in force at that time.

(2) Estimated date: the concession will expire when the net present value of the revenues received, discounted to the start date of the concession at the real rate of 9.5%, reaches the agreed threshold and, in any event, no later than 2044.

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

(4) Construction is in progress.

(5) Estimated date: the concession will expire when the net present value of the revenues received, discounted to the start date of the concession at the real rate of 5.0%, reaches the agreed threshold and, in any event, no later than 2063.

(6) Estimated date: the concession will expire when the net present value of the revenues received, discounted to the start date of the concession at the real rate of 5.0%, reaches the agreed threshold and, in any event, no later than 2063.

5. SCOPE OF CONSOLIDATION

In addition to the Parent Company, entities are consolidated when Atlantia directly or indirectly exercises control. Control over an entity is exercised when the Company is exposed to or has the right to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amount of the investor's returns.
Subsidiaries are consolidated using the line-by-line method and are listed in Annex 1. A number of companies listed in Annex 1 have not been consolidated due to their quantitative and qualitative immateriality to a true and fair view of the Atlantia Group's financial position, results of operations and cash flows, as a result of their operational insignificance (dormant companies or companies whose liquidation is nearing completion).

All entities over which control is exercised are consolidated from the date on which the Atlantia Group acquires control, as defined above, whilst they are deconsolidated from the date on which the Atlantia Group ceases to exercise control.

Companies are consolidated on the basis of the specific reporting packages prepared by each consolidated company, as of the end of the reporting period and in compliance with the IFRS adopted by the Atlantia Group. Companies are consolidated according to the following criteria and procedures:

a) use of the line-by-line method, entailing the reporting of non-controlling interests in equity, profit or loss and in comprehensive income, and the recognition of all the assets, liabilities, revenues and costs of subsidiaries, regardless of the Atlantia Group's percentage interest;
b) elimination of intercompany assets, liabilities, revenues and costs, including the reversal of unrealised profits and losses on transactions between consolidated companies and recognition of the consequent deferred taxation;
c) reversal of intercompany dividends and allocation of the related amounts to the relevant opening equity reserves;
d) netting of the carrying amount of investments in consolidated companies against the corresponding amount of equity, with any resultant positive and/or negative differences being debited/credited to the relevant balance sheet accounts (assets, liabilities and equity), as determined on the acquisition date of each investment and adjusted for subsequent variations. Following the acquisition of control, any acquisition of further interests from non-controlling shareholders, or the sale of interests to such shareholders not resulting in the loss of control of the entity, are accounted for as owner transactions and the related changes recognsied directly in equity; any resulting difference between the amount of the change in equity attributable to non-controlling interests and cash and cash equivalents exchanged are recognised directly in equity attributable to owners of the Atlantia Group;
e) translation of the reporting packages of consolidated companies in functional currencies other than the euro applying the method prevsiously described in the policy regarding the "Translation of foreign currency items", included in note 3.

The exchange rates, shown below, used for the translation of reporting packages denominated in functional currencies other than the euro, were obtained from the Bank of Italy:

CURRENCY	2018			2017	
	Spot exchange rate as at 31 December	Average exchange rate	Average exchange rate in last two months	Spot exchange rate as at 31 December	Average exchange rate
Euro/US dollar	1.145	1.181	1.138	1.199	1.130
Euro/Polish zloty	4.301	4.262	n/a	4.177	4.257
Euro/Chilean peso	794.370	756.940	773.950	737.290	732.607
Euro/Brazilian real	4.444	4.309	4.355	3.973	3.605
Euro/Swiss franc	1.127	1.155	n/a	1.170	1.146
Euro/Indian rupee	79.730	80.733	81.123	76.606	73.532
Euro/Argentine peso (*)	45.159	n/a	45.159	n/a	n/a
Euro/Canadian dollar	1.561	n/a	1.513	n/a	n/a
Euro/Colombian peso	3721.810	n/a	3643.170	n/a	n/a
Euro/Hungarian forint	320.980	n/a	322.519	n/a	n/a
Euro/Pound sterling	0.895	n/a	0.889	n/a	n/a
Euro/Croatian kuna	7.413	n/a	7.417	n/a	n/a
Euro/Mexican peso	22.492	n/a	22.952	n/a	n/a

(*) The spot and average exchange rates for the Argentine peso are the same, in accordance with the provisions of IAS 21 and IAS 29 regarding hyperinflationary economies.

The scope of consolidation as at 31 December 2018 differs from the scope used as at 31 December 2017 following the Atlantia Group's acquisition of controlling interests in the following companies:

a) a 100% interest in Aero I Global & International, the Luxembourg-registered investment vehicle that holds a 15.49% interest in Getlink, the company that holds the concession to operate the Channel Tunnel between France and the United Kingdom, as described in note 6.1 below. Consolidation of Aero 1 Global & International from March 2018 has not had a material impact on the consolidated income statement for 2018;

b) 50% plus one share in Abertis HoldCo, a Spanish-registered company established in 2018 with the non-controlling shareholders, Actividades de Construccion y Servicios SA ("ACS") and Hochtief Aktiengesellschaft ("Hochtief"), in implementation of the agreements signed in 2018. Under these agreements, Abertis HoldCo SA in turn established the Spanish-registered wholly owned subsidiary, Abertis Participaciones SA, which at the end of October 2018 acquired, from Hochtief, a 98.7% interest in Abertis Infraestructuras SA ("Abertis") and its subsidiaries, a group that operates motorways under concession in Europe, America and India and was listed on the Barcelona, Madrid, Bilbao and Valencia stock exchanges until 31 July 2018.
The transaction, described in detail in note 6.2 below, enabled the Atlantia Group to acquire control of Abertis and its 99 subsidiaries as defined by IFRS 10. As a result, these companies have been consolidated the Group's accounts from 31 October 2018.

Finally, it should also be noted that:

a) the liquidation of Ecòmouv SA was completed by 31 December 2018, even if the company had not been formally struck off the companies' register in France;

b) Acufon SpA and Italian Golf Development Srl, acquired with the Abertis group, were liquidated and struck off the companies' register on 20 December 2018.

6. ACQUISITIONS AND CORPORATE ACTIONS DURING THE PEIROD

6.1 Acquisition of Aero I Global & International Sàrl

On 2 March 2018, Atlantia acquired a 100% interest in Aero 1 Global & International Sàrl (hereinafter "Aero 1") from a number of funds managed by Goldman Sachs Infrastructure Partners. The acquired company is a Luxembourg-registered investment vehicle that holds 85,170,758 shares in Getlink (formerly Groupe Eurotunnel SE), amounting to a 15.49% interest and representing 26.64% of the company's voting rights (quotas calculated on the basis of the total shares in issue, amounting to 550,000,000, and the total number of voting rights, amounting to 639,363,734 as at 31 December 2018, based on disclosures published by Getlink on 11 January 2019).
Getlink operates the undersea link connecting France with the UK (consisting of three tunnels and two terminals under a concession expiring in 2086), Europorte (a rail business not operated under concession) and the electricity interconnection between France and the UK (ElecLink), which is being built inside the tunnel. Getlink is listed on the Euronext Paris and Euronext London exchanges and had a market capitalisation of approximately €5.7 billion at the acquisition date.
The cost of the acquisition to Atlantia totals €1,056 million. The cost incurred consists of €779 million in loans from Atlantia to Aero 1 (subsequently converted into equity in May 2018) and €277 million represented by the 100% interest in the company's capital.
For the purposes of preparing the consolidated financial statements, the transaction has been accounted for using the acquisition method, as required by IFRS 3. This involved estimating and measuring the fair values of the assets acquired and the liabilities assumed as a result of the acquisition of Aero 1. Specifically, fair value adjustments of €381 million to the value of Aero 1's investment in Getlink were determined, resulting a total value of the investment of €1,056 million, whilst the Group has continued to recognise the carrying amounts of the other assets and liabilities previously recognised in the acquired company's financial statements, as it was deemed that these amounts approximated to fair value. Aero 1's financial liabilities were excluded from the assessment, given that Atlantia has also acquired the matching financial assets transferred by the sellers together with the above shareholding.

As a result of the acquisition of Aero 1, the Atlantia Group thus holds an investment in Getlink that, under IFRS, gives it significant influence over this company. This means that, from the acquisition date, the investment in Getlink is accounted for using the equity method, taking into account the fair value of the assets and liabilities of Getlink and its subsidiaries identified at the acquisition date and including the fair value of the above investment.
Getlink's gains were allocated on an "implicit" basis. Compared with the attributable share of equity at the acquisition date, totalling €319 million, account was taken of fair value adjustments to concession rights totalling €992 million (€588 million after the impact of the related deferred taxation, totalling €404 million), to financial liabilities totalling €156 million (€122 million after the impact on the related deferred tax assets, totalling €34 million) and treasury shares held by the company, amounting to €14 million. This resulted in a remaining difference, with respect to the purchase price, of €257 million, which was recognised separately in goodwill.

6.2 Information on the acquisition of Abertis Infraestructuras SA

On 29 October 2018 the Atlantia Group completed the transaction to obtain control of Abertis Infraestructuras SA ("Abertis"), the parent company of a group engaged in the operation of motorway concessions in Europe, the Americas and India. The transaction started in 2017, with Atlantia's launch of a voluntary public tender offer for cash and/or shares ("Atlantia's public tender offer") for the entire issued capital of Abertis Infraestructuras (regarding which reference is made to note 6.4 in the Atlantia Group's consolidated financial statements as at and for the year ended 31 December 2017), subsequently withdrawn on 12 April 2018, in implementation of the agreements reached with ACS and Hochtief regarding a joint investment in Abertis. As a result of the above agreements, Hochtief acquired a 98.7% interest in Abertis, following this company's public tender offer for all the latter's issued capital and share purchases completed after the conclusion of the acceptance period for the offer (8 May 2018), as permitted by the existing regulations.

Pursuant to these agreements, Atlantia subscribed 50% plus one share of Abertis HoldCo SA, a company established in 2018 under the laws of Spain with the minority shareholders, ACS (which holds a 30% interest) and Hochtief (which holds 20% minus one share). Abertis HoldCo SA in turn established a wholly-owned Spanish subsidiary, Abertis Participaciones SA, that purchased from Hochtief, on 29 October 2018, 98.7% of Abertis's issued capital for €16,520 million.

Below, a description is provided of the main steps involved in the transaction in chronological order:

a) on 15 May 2017, Atlantia announced the decision to launch its public tender offer for all the shares outstanding of Abertis;
b) on 9 October 2017, the *Comisión Nacional del Mercado de Valores* ("CNMV") cleared the public tender offer and 10 October 2017 marked the start of the acceptance period for the tendering of shares. The competing public tender offer for cash and/or shares launched by Hochtief on 18 October 2017 interrupted Atlantia's offer period, which was expected to end on 24 October 2017;
c) on 21 February 2018, Atlantia's Extraordinary General Meeting of Shareholders approved a number of time-related amendments to the terms and conditions of the offer, whose effectiveness was subject to clearance from the CNMV;
d) on 13 March 2018, Atlantia, ACS and Hochtief signed a binding preliminary agreement (the "Term Sheet"), which was eventually finalised on 23 March 2018, for a joint investment in Abertis, subject to the approval of the respective boards of directors and the ability to obtain the funding necessary to carry out the transaction. In addition, the transaction was subject to the necessary amendment to Hochtief's public tender offer and the ensuing clearance by the CNMV;
e) on 12 April 2018, following the CNMV's approval of the amendments to Hochtief's offer, Atlantia withdrew its offer;
f) on 8 May 2018, at the end of the acceptance period for Hochtief's offer, Hochtief had acquired approximately 85.6% of Abertis, net of all the shares held in treasury by Abertis which were subsequently cancelled. Hochtief continued to buy Abertis's shares also after this date, reaching eventually a 97.75% interest in Abertis, enabling it to proceed with the delisting of the company. Further purchases in the market then enabled it to raise its final holding to 98.7% of Abertis;
g) on 6 July 2018, the European Commission authorised the new Abertis acquisition structure, following the agreement signed by Atlantia, ACS and Hochtief;
h) on 25 July 2018, Abertis's Extraordinary General Meeting of shareholders approved the delisting of the company from the stock exchanges of Barcelona, Madrid, Bilbao and Valencia, which was subsequently authorised by the CNMV, effective 6 August 2018. On the same date, Abertis's Extraordinary General Meeting of shareholders approved the cancellation of all of the company's treasury shares;
i) on 29 October 2018, Abertis Participaciones acquired from Hochtief 98.7% of Abertis's issued capital for a total of €16,520 million.

Regarding developments occurred in the course of the transaction, considering the investment agreement with ACS and Hochtief, as well as Atlantia's withdrawal of its public tender offer, on 13 April 2018, Atlantia cancelled the acquisition financing provided by its banks in May 2017, amounting to €14,700 million (previously reduced to €11,648 million in 2017, following both the issue of bonds in July 2017, and the sale of interests in a number of subsidiaries and associates, completed in the second half of 2017). The credit facilities cancelled by Atlantia were replaced by a combination of new facilities between May and July 2018 which, together with the loans obtained directly by Abertis HoldCo, made it possible to put together the funding package to complete the acquisition of Abertis's controlling interest. In particular, the funding package includes: a Term Loan of up to €1,500 million, repayable in tranches maturing between the first quarter of 2022 and the first quarter of 2023; and a second Term Loan of up to €1,750 million, with a bullet repayment in the third quarter of 2023, and a Revolving facility of up to €1,250 million, with a bullet repayment in the third quarter of 2023. The two Term Loans were disbursed in total in September 2018, together with a partial disbursement under the Revolving Line of €675 million. As to the financial structure of the acquisition, to meet the borrowing requirements associated with the refinancing of the acquisition financing, in March 2018 the Group entered into further specific Forward-Starting Interest Rate Swaps with a notional value of €2,000 million to hedge against the risk of movements in interest rates, in addition to those already entered into in 2017 (notional value of €1,000 million).
Moreover, Abertis HoldCo obtained a funding package containing an amortising term loan of €3,000 million (totally disbursed, with maturities ranging from 4 to 5 years), a bridge loan of €4,750 million (bridge-to-bond, maturing in 18.5 months) and a bridge-to-disposal loan of €2,200 million (€2,074 million disbursed, maturing in 18.5 months)). The bridge-to-bond loan was partially repaid early, following the agreement on (on 27 December 2018), and disbursement of (on 3 January 2019), a bank loan for €970 million, maturing in 5 years and ii) partial prefunding, after the signing by Abertis, between December 2018 (for €815 million) and January 2019 (for €250 million), of bilateral bank loan agreements. Lastly, it is noted that, in December 2018, Abertis entered into Forward-Starting Interest Rate Swaps for a notional value of €3,500 million, and expiration dates between 2024 and 2031, to hedge against the risk of movements in interest rates, with respect to the financial liabilities to take on to refinance, among others, the remaining portion of the bridge-to-bond loan.

To prepare these consolidated financial statements, the transaction was accounted for using the acquisition method, in accordance with IFRS 3, by proceeding with a temporary allocation of the relevant amounts, as permitted by IFRS 3. To that end, in light of the significance and breadth of the acquisition, the complex structure of the Abertis Group and pending the definition of a post-acquisition multi-year plan by the Atlantia Group, it has been deemed appropriate to keep the carrying amounts of the assets and liabilities reported in the Abertis Group's IFRS consolidated accounts and recognise the difference between the acquisition cost and the carrying amount of net assets acquired as goodwill.
This accounting approach has been deemed clearer and more meaningful for users of the financial statements, considering the substantive inability to determine on a reasonable and reliable basis the fair value, albeit on a temporary basis, of the assets acquired and liabilities assumed, making it possible to provide a temporary view of the effects of the acquisition. This approach is permitted by IFRS 3 and has been confirmed, for these cases, by the opinion of an independent expert. In accordance with IFRS 3, the goodwill arisen as a result of the application of this accounting approach has been tested for impairment on the date of acquisition on the basis of the method described in IAS 36, as illustrated in note 7.2.
Following the transaction and the acquisition of 23.86% of Hochtief (described in note 6.3), Atlantia holds a 54.06% equity interest in Abertis, through the two vehicles under its control and the shareholding in Hochtief. However, as permitted by IFRS 3, a policy election has been made under IAS 8 which, to consolidate Abertis and to attribute the value of the interests held by Abertis's non-controlling shareholders, takes into account solely the 49.35% equity interest held directly by Atlantia in Abertis through the wholly-owned vehicles consolidated on a line-by-line basis.

The table below shows the carrying amounts of the assets acquired and liabilities assumed and goodwill, provisionally determined as above.

€m	Carrying amount	Fair value adjustments	Fair value
Net assets acquired:			
Property, plant and equipment	394		394
Intangible assets	14,440		14,440
Other non-current assets and liabilities	-126		-126
Non-current financial assets	2,296		2,296
Trading and other current assets	3,264		3,264
Cash and cash equivalents	2,436		2,436
Other current financial assets	332		332
Non-current financial liabilities	-15,746		-15,746
Current financial liabilities	-1,819		-1,819
Deferred tax assets/(liabilities)	-758		-758
Provisions	-1,587		-1,587
Trading and other current liabilities	-1,665		-1,665
Total net assets acquired	**1,461**	-	**1,461**
Equity attributable to non-controlling interests			1,715
Total net assets acquired by the Group			**-254**
Goodwill			16,774
Total consideration			**16,520**
Cash and cash equivalents acquired			-2,476
Net effective cash outflow for the acquisition			**14,044**

As permitted by IFRS 3, the final recognition of the fair value of the assets and liabilities of the acquired companies will be completed within 12 months of the date of acquisition, in connection with the valuation activities under way that will involve the determination of the fair value of the following:

a) intangible assets deriving from concession rights;
b) financial assets and liabilities;
c) non-controlling interests;
d) related deferred taxation effects; and

and, to the remaining extent that the cost of acquisition exceeds net assets, goodwill.

If the acquired companies had been consolidated on a line-by-line basis as of 1 January 2018, the Atlantia Group consolidated revenue and consolidated profit for 2018 would have been €12,240 million (including €903 million in revenue from construction services) and €2,731 million (considering the full temporary allocation to goodwill, as per above), respectively.
The table below summarises the operating effects reported in these consolidated financial statements deriving from the acquisition but does not reflect the contribution to performance deriving from the consolidation of the Abertis Group for the last two months of 2018:

€m

Income statement	Note	2018	2017
Service costs	8.6	-22	-26
Other operating costs	8.8	-4	-6
Financial expenses	8.12	-92	-38
Tax benefits	8.14	35	9

"Service costs" and "Other costs", reflecting consultants' fees and the relevant non-deductible VAT, amount to:

a) €26 million, in 2018, referring to consultants' fees related to Atlantia's public tender offer withdrawn in April 2018 and the new joint investment agreement entered into with ACS and Hochtief in 2018;
b) €32 million, in 2017, referring to the consultants' fees incurred at that time in relation to Atlantia's public tender offer.

"Borrowing costs" essentially refer:

a) in 2018, to:
   1) the net borrowing costs (€13 million) deriving from Atlantia's public tender offer, including:
      - €15 million relating to the release to the income statement of part of the ancillary costs for the credit facilities following the definition of the new structure of the transaction. These ancillary costs had in fact been recognised as "Financial assets", amounting to a total of approximately €23 million at 31 December 2017 (on the assumption that Atlantia's public tender offer would be successful);
      - €7 million relating to the commitment fees accrued on the credit facilities related to Atlantia's public tender offer, until they were cancelled;
      - €9 million relating to financial income linked to the improvement in the fair value losses on the derivatives with a deal contingent hedge provision associated with Atlantia's public tender offer and not recognised as hedges as at 31 December 2017;
   2) the borrowing costs (€37 million) incurred by Atlantia with reference to the new financial structure of the transaction as defined in the joint investment agreement with ACS and Hochtief, particularly:
      - the borrowing costs incurred by Hochtief to carry out its public tender offer and charged in 2018 to Atlantia (€24 million) on the basis of the foregoing agreement;
      - commitment fees recognised upon disbursement of the credit facilities to Atlantia, which took place in September 2018, as well as borrowing costs (essentially interest) accrued between that moment and the end of the year (a total of €13 million);
   3) to the borrowing costs (€39 million) on the above-mentioned Forward-Starting Interest Rate Swaps;
b) in 2017:
   1) €24 million relating to commitment fees payable on the committed credit facilities and the commissions on the guarantees to support the voluntary public tender offer launched by Atlantia, as required by the applicable regulations;
   2) €14 million relating to fair value losses on the Forward-Starting Interest Rate Swap contracts entered into in June 2017, with a deal contingent hedge provision and not recognised as hedge instruments.

6.3 Acquisition of the investment in Hochtief Aktiengesellschaft

On 29 October 2018, in a separate transaction from that described above in note 6.2, Atlantia acquired a 23.86% equity interest in Hochtief Aktiengesellschaft ("Hochtief"), following a new share issue by this company that was taken up entirely by its parent, ACS (at €143.04 per share). Subsequently, as agreed, ACS sold Hochtief's shares to Atlantia for a total of €2,411 million, that is at the same price as that paid for the newly-issued shares.
Hochtief is a company organised under the laws of Germany that controls a large construction group and is listed on the Frankfurt Stock Exchange.
Based on the assessments made, Atlantia is not deemed to exercise a significant influence over Hochtief. This is because, despite the existence of an equity interest greater than the presumably material 20% threshold indicated by IAS 28, there is no effective circumstance suggesting significant influence either at the time of the acquisition or subsequently, also considering the lack of:

a) a member of the board of directors of Hochtief designated by Atlantia;
b) Atlantia's participation in Hochtief's decision-making processes;
c) transactions between the Atlantia Group and the Hochtief group;
d) mutual secondment of staff and exchange of technical information between the two companies;
e) governance rules requiring a quorum on significant matters in which Atlantia's equity interest might suggest participation in the decision-making process.

Based on the above, and considering that the equity interest purchased by Atlantia is not held for trading, such equity interest has been irrevocably designated, pursuant to IFRS 9, as a financial instrument to be recognised at fair value through other comprehensive income.
Therefore, IFRS 3 was not applied to this equity interest and no estimation of the fair value of the assets and liabilities of the Hochtief Group was performed.

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 2018. Comparative amounts as at 31 December 2017. The statements of changes in assets and liabilities show the impact on consolidated amounts of the changes in the scope of consolidation resulting from the acquisition of the Abertis group, as described in note 6.2. Movements in the various items during the year include the contribution from the Abertis group for the last two months of 2018. Details of items in the consolidated statement of financial position deriving from related party transactions are provided in note 10.5.

7.1 Property, plant and equipment €695,769 thousand (€302,799 thousand)

As at 31 December 2018 property, plant and equipment amounts to €695,769 thousand, compared with a carrying amount of €302,799 thousand as at 31 December 2017. The following table provides details of property, plant and equipment at the beginning and end of the period, showing the original cost and accumulated depreciation at the end of the period.

€000	31 December 2018			31 December 2017		
	COST	ACCUMULATED DEPRECIATION	CARRYING AMOUNT	COST	ACCUMULATED DEPRECIATION	CARRYING AMOUNT
Property, plant and equipment	2,646,760	-1,954,286	692,474	903,862	-604,360	299,502
Property, plant and equipment held under finance leases	3,149	-698	2,451	3,392	-603	2,789
Investment property	7,356	-6,512	844	7,650	-7,142	508
Total property, plant and equipment	**2,657,265**	**-1,961,496**	**695,769**	**914,904**	**-612,105**	**302,799**

The increase in the carrying amount with respect to 31 December 2017, amounting to €392,970 thousand, primarily reflects recognition of the Abertis group's property, plant and equipment, as shown in the following table.

€000	CARRYING AMOUNT AS AT 31 DECEMBER 2017	CHANGES DURING THE YEAR						CARRYING AMOUNT AS AT 31 DECEMBER 2018
		ADDITIONS	DEPRECIATION	DISPOSALS	NET CURRENCY TRANSLATION DIFFERENCES	RECLASSIFICATIONS AND OTHER ADJUSTMENTS	CHANGE IN SCOPE OF CONSOLIDATION	
Property, plant and equipment								
Land	8,388	649	-	-	282	31	14,454	23,804
Buildings	40,529	883	-3,421	-264	166	-1,179	35,595	72,309
Property, plant and equipment	115,721	9,227	-30,874	-246	334	3,839	34,388	132,389
Industrial and business equipment	53,206	13,754	-22,867	-452	-507	-600	79,193	121,727
Other assets	65,190	49,784	-36,937	-2,756	10,145	5,494	216,375	307,295
Property, plant and equipment under construction and advance p	16,468	19,057	-	-	-3,703	-10,884	14,012	34,950
Total	**299,502**	**93,354**	**-94,099**	**-3,718**	**6,717**	**-3,299**	**394,017**	**692,474**
Property, plant and equipment held under finance leases								
Equipment and other assets held under finance leases	2,789	-	-146	-	-192	-	-	2,451
Total	**2,789**	**-**	**-146**	**-**	**-192**	**-**	**-**	**2,451**
Investment property								
Land	32	-	-	-	-	-28	-	4
Buildings	476	-	-530	-	-27	921	-	840
Total	**508**	**-**	**-530**	**-**	**-27**	**893**	**-**	**844**
Total property, plant and equipment	**302,799**	**93,354**	**-94,775**	**-3,718**	**6,498**	**-2,406**	**394,017**	**695,769**

"Investment property" of €844 thousand as at 31 December 2018, refers to land and buildings not used in operations and is stated at cost. The total fair value of these assets is estimated to be €2 million, based on independent appraisals and information on property markets relevant to these types of investment property.
There were no significant changes in the expected useful lives of these assets during 2018.
As at 31 December 2018, property, plant and equipment is subject to encumbrances in the form of mortgages, liens and other collateral guarantees, amounting to €47 million and entirely attributable to the Abertis group.

7.2 Intangible assets
€57,626,877 thousand (€27,424,561 thousand)

The item consists of:
a) intangible assets deriving from concession rights, totalling €35,839,767 thousand (€22,465,021 23,245,446 thousand as at 31 December 2017), and regarding the following categories:
This item consists of:
1) rights acquired from third parties (€21,318,000 thousand), essentially reflecting the fair value of the concession rights resulting from the acquisitions completed by the Atlantia Group over time;
2) rights recognised as a result of the commitment to perform construction services for which no additional economic benefits are received (€7,860,434 thousand);
3) rights deriving from construction services for which additional economic benefits are received (€6,552,230 thousand);
4) rights deriving from construction services carried out by service area operators, represented by assets that were handed over free of charge to the Group's operators on expiry of the related sub-concessions (€109,103 thousand);

b) goodwill and other intangible assets with indefinite lives, totalling €21,322,522 thousand, which includes goodwill resulting from the provisional allocation of the difference between the purchase price and the carrying amount of the net assets acquired following the acquisition of the Abertis group, amounting to €16,773,658 thousand;
c) other intangible assets of €464,588 thousand, essentially consisting of contractual rights attributable to Aeroporti di Roma, recognised at the time of acquiring control.

€000	31 December 2018				31 December 2017			
	COST	ACCUMULATED AMORTISATION	ACCUMULATED IMPAIRMENTS	CARRYING AMOUNT	COST	ACCUMULATED AMORTISATION	ACCUMULATED IMPAIRMENTS	CARRYING AMOUNT
Intangible assets deriving from concession rights	63,727,598	-27,708,781	-179,050	35,839,767	31,414,114	-8,832,299	-116,794	22,465,021
Goodwill and other intangible assets with indefinite lives	21,341,761	-	-19,239	21,322,522	4,567,754	-	-18,998	4,548,756
Other intangible assets	1,284,148	-815,367	-4,193	464,588	961,549	-547,277	-3,488	410,784
Intangible assets	**86,353,507**	**-28,524,148**	**-202,482**	**57,626,877**	**36,943,417**	**-9,379,576**	**-139,280**	**27,424,561**

Intangible assets recorded a net increase of €30,202,316 thousand in 2018, primarily due to the above first-time consolidation of the Abertis group, totalling €31,213,266 thousand. After stripping out this contribution, the item is down €1,010,950 thousand, primarily due to a combination of the following:
a) amortisation for the year of €1,270,231 thousand;
b) the negative impact of currency translation differences, amounting to €443,131 thousand, primarily due to a significant decline in the value of the Brazilian real and Chilean peso against the euro;
c) investment in construction services for which additional economic benefits are received, totalling €485,945 thousand;
d) an increase of €138,720 thousand in intangible assets deriving from concession rights due to an updated estimate of the present value on completion of investment in construction services for which no additional benefits are received;

e) investment in other intangible assets, totalling €69,517 thousand.

The following table shows intangible assets at the beginning and end of the period and changes during 2018 in the different categories of intangible asset.

€000	CARRYING AMOUNT AS AT 31 DECEMBER 2017	CHANGES DURING THE YEAR: ADDITIONS DUE TO COMPLETION OF CONSTRUCTION SERVICES, ACQUISITIONS AND CAPITALISATIONS AND HANDOVER FREE OF CHARGE	ADDITIONS FREE OF CHARGE	AMORTISATION	CHANGES DUE TO REVISED PRESENT VALUE OF CONTRACTUAL OBLIGATIONS	NET CURRENCY TRANSLATION DIFFERENCES	RECLASSIFICATIONS AND OTHER ADJUSTMENTS	CHANGE IN SCOPE OF CONSOLIDATION	CARRYING AMOUNT AS AT 31 DECEMBER 2018
Intangible assets deriving from concession rights									
Acquired concession rights	7,820,195	-	-	-504,397	-	-355,745	-	14,357,947	21,318,000
Concession rights accruing from construction services for which no additional economic benefits are received	8,108,698	-	-	-388,510	138,720	-3,204	-521	5,251	7,860,434
Concession rights accruing from construction services for which additional economic benefits are received	6,428,226	485,945	-	-284,121	-	-80,154	1,187	1,147	6,552,230
Concession rights accruing from construction services provided by sub-operators	107,902	-	6,653	-5,452	-	-	-	-	109,103
Total	**22,465,021**	**485,945**	**6,653**	**-1,182,480**	**138,720**	**-439,103**	**666**	**14,364,345**	**35,839,767**
Goodwill and other intangible assets with indefinite lives									
Goodwill and other intangible assets with indefinite lives	4,548,753	-	-	-	-	-	-	16,773,658	21,322,411
Trademarks	3	51	-	-	-	-	57	-	111
Total	**4,548,756**	**51**	**-**	**-**	**-**	**-**	**57**	**16,773,658**	**21,322,522**
Other intangible assets									
Commercial contractual relations	262,361	-	-	-31,881	-	-	-	-	230,480
Development costs	15,618	28,322	-	-24,942	-	11	13,066	1	32,076
Industrial patents and	13,663	15,149	-	-13,071	-	-48	2,624	-	18,317
Concessions and licenses	15,399	11,627	-	-8,319	-	-1,501	2,162	37,814	57,182
Other	45,203	4,740	-	-9,538	-	-4,398	690	37,448	74,145
Intangible assets under development and advance	58,540	9,679	-	-	-	1,908	-17,739	-	52,388
Total	**410,784**	**69,517**	**-**	**-87,751**	**-**	**-4,028**	**803**	**75,263**	**464,588**
Intangible assets	**27,424,561**	**555,513**	**6,653**	**-1,270,231**	**138,720**	**-443,131**	**1,526**	**31,213,266**	**57,626,877**

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

Research and development expenditure of approximately €1 million has been recognised in the consolidated income statement for 2018. These activities are carried out in order to improve infrastructure, the services offered, safety levels and environmental protection and in relation to the internal development of software and IT systems.

"Goodwill and other intangible assets with indefinite lives", totalling €21,322,522 thousand, essentially consist of:

a) €16,773,658 thousand in goodwill provisionally recognised following the acquisition of control of the Abertis group, representing the difference between the purchase cost and the carrying amount of the net assets acquired, as described in note 6.2. This goodwill is attributable to the Abertis group CGU;
b) the goodwill allocated to the CGU represented by Autostrade per l'Italia, amounting to €4,382,757 thousand, following the acquisition of a majority interest in the former Autostrade – Concessioni e Costruzioni Autostrade SpA in 2003. This goodwill coincides with the carrying amount as at 1 January 2004 (the IFRS transition date) and was determined in accordance with prior accounting standards under the exemption permitted by IFRS 1;
c) €151,990 thousand in goodwill recognised following the acquisition of control of ACA and its subsidiaries in 2016.

With reference to the recoverability of the carrying amounts of the above intangible assets, as required by IAS 36, the carrying amounts in the net invested capital of the following CGUs as at 31 December 2018 have been tested for impairment:

a) CGUs to which goodwill (as indicated above) has been allocated or that include other intangible assets with indefinite lives (such as the Aéroport Golfe de Saint-Tropez CGU), and
b) CGUs where there is evidence of a potential impairment.

There was no evidence of potential reversals of impairment losses on CGU recognised in previous years.

In terms of the methodology used in impairment testing, it should be noted that, as explained in note 3, in line with the approach adopted in previous years, each operator is a separate CGU since the cash flows generated by the sections of motorways or the airports operated under specific concession arrangements are not closely linked. Subsidiaries that do not hold concessions are also treated as a separate CGU.
With regard to the individual CGUs:

a) in the case of the operators Autostrade per l'Italia and Aéroports de la Côte d'Azur ("ACA"), value in use was estimated on the basis of the long-term plans drawn up by the respective companies, containing traffic, investment, revenue and cost projections for the full term of the related concessions. The use of long-term plans covering the entirety of the respective concession terms is deemed more appropriate than the approach provisionally suggested by IAS 36 (namely, a limited explicit projection period and the estimated terminal value), given the intrinsic nature of the motorway concession arrangements, above all with regard to the regulations governing the sector and the predetermined duration of the arrangements;
b) in the case of Aéroport Golfe de Saint-Tropez, value in use was estimated on the basis of the long-term plan prepared by the company and covering an explicit projection period of five years (incorporating traffic, investment, revenue and cost projections for the five-year period), and by estimating the terminal value.

In the case of Autostrade per l'Italia, the following key assumptions forming the basis of the company's long-term business plan were used in order to conduct the impairment test and estimate value in use, also bearing in mind the regulatory framework for the related concession:

a) an annual average rate of traffic growth (CAGR) of 1.19%;
b) an average annual toll increase of 2.75%, including an average annual toll increase of 1.44% to take account of the significant volume of capital expenditure to be carried out over the life of the long-term plan, in addition to the average annual toll increase linked to inflation, amounting to 1.31%;
c) a discount rate of 6.06% (determined on the basis of the requirements of IAS 36).

In terms of Aéroports de la Côte d'Azur, a discount rate of 4.57% was used to discount the operating cash flows indicated in the long-term plan, prepared on the basis of the regulatory framework for the related concession and based on expectations of moderate revenue growth.

In the case of Aéroport Golfe de Saint-Tropez, to which a discount rate of 5.72% was applied, the terminal value was estimated on the basis of normalised operating cash flow for the last year of the five-year explicit projection period, applying a prudential long-term growth rate (the so-called "g rate") of -1%, in view of the limited size of the airport operated.
Quantification of the above assumptions was primarily based on publicly available information from external sources, integrated, where appropriate, by estimates based also on historical data.

The impairment tests confirmed that the net assets accounted for in the financial statements and allocated to the above CGUs are fully recoverable.

In addition to the above impairment tests, sensitivity analyses were conducted on the recoverable values, increasing the indicated discount rates by 1%, and reducing the average annual rate of traffic growth by 1%.
The results of these analyses have not, in any event, resulted in any material differences with respect to the outcomes of the above tests, with the exception of the Aéroports de la Côte d'Azur group, for which the analysis indicated:

a) potential impairment losses of €152 million on goodwill and of €50 million on intangible assets deriving from concession rights in the event of a 1% increase in the discount rate;
b) a potential impairment loss of €152 million on goodwill and of €64 million on intangible assets deriving from concession rights in the event of a 1% reduction in the average annual rate of air traffic growth.

Determination of the recoverable value of the net invested capital of the Abertis group (including the goodwill provisionally allocated, as explained in note 6.2) was based on an estimate of fair value using observable market inputs, as determined by a leading financial institution commissioned by Atlantia, involving the computation of market multiples for comparable companies and comparable transactions. The Group's chosen form of impairment test, based on fair value measurement of all the net assets acquired, compared with the overall value of the Abertis group's net invested capital (including the related goodwill), is in line with the decision, albeit provisional, to account for the acquisition as a single entity. This approach is permitted by IAS 36 and has been confirmed, for this type of transaction, by a specific independent expert opinion.
The computation of market multiples for comparable companies and comparable transactions was carried out on the basis of the ratio of Enterprise Value to EBITDA. Specifically:

a) for the market multiples, reference was made to the EBITDA for 2018 and the Enterprise Value (as at 31 October 2018 and the average for the 6 months preceding 31 October 2018) of a peer group of companies engaged in the construction and/or operation of infrastructure under concession;
b) for the recent transaction multiples, reference was made to the ratio observed in transactions during the period 2008-2019, with targets engaged in the management of motorway concessions and in countries in which the Abertis group is present.

The resulting fair value is higher than the Abertis group's net invested capital, including the goodwill provisionally recognised on acquisition.
The identified fair values qualify for level 2 of the fair value hierarchy established by IFRS 13.

Further confirmation of the result of the above tests is provided by the observance of fair values in level 1 during 2018, in line with the price of €18.36 per share paid by Abertis Participaciones on 29 October 2018 in order to acquire 98.7% of Abertis's shares:

a) at the time of the launch of Hochtief's public tender offer for Abertis (originally launched independently by Hochtief in 2017) concluded on 14 May 2018 (with the acquisition of 85.6% the issued capital at a price of €18.36 per share);
b) in subsequent purchases in the market between 15 May 2018 and 20 June 2018 by Hochtief at prices within a range of €18.285 and €18.36 per share (acquiring a further 8.63% of the issued capital);
c) in the subsequent delisting of Abertis at a price of €18.36 per share between 21 June 2018 and 27 July 2018 (acquiring a further 3.06% in the market); and, finally
d) in later purchases by Hochtief before 29 October 2018, making up the remaining 0.95% interest at a price of €18.36 per share.

With regard to CGUs where there is evidence of potential impairment losses, the recoverable value of the carrying amount of net invested capital of Pavimental and Autostrade Meridionali has been tested.

In carrying out the impairment test for Pavimental, which essentially provides support services to the Atlantia Group's operators (in connection with their investment and maintenance activities), it was deemed appropriate to estimate value in use on the basis of the same time-frame used in the long-term plans of the companies to which it provides its services, being 2044, without estimating terminal value. The estimated cash flows in the subsidiary's long-term plan, after taxation, were discounted at a rate of 6.73%, determined on the basis of the requirements of IAS 36. The results of the test confirmed the recoverability of the CGU's net assets.
In addition to the above impairment tests, a sensitivity analysis was conducted on the recoverable values, increasing the indicated discount rates by 1%. The results of this analysis did not result in any material differences with respect to the outcome of the above test.

In the case of Autostrade Meridionali, the operator's motorway concession expired on 31 December 2012. The operator is continuing to operate the relevant motorway whilst awaiting the selection of a new operator, which will be required (i) to pay the company a takeover right (as indicated in note 7.4) equal to the unamortised carrying amount of the capital expenditure carried out in the final years of the concession arrangement, and (ii) to assume the obligations relating to sale and purchase agreements entered into by Autostrade Meridionali, excluding those of a financial nature, and to outstanding legal actions and disputes. In this regard, the value of this CGU's net assets is recoverable due to the above obligations to be honoured by the incoming operator.

7.3 Investments
€3,597,313 thousand (€266,974 thousand)

As at 31 December 2018, this item is up €3,330,339 thousand, primarily due to a combination of the following:

a) the acquisition of investments accounted for at fair value, totalling €2,438,366 thousand and primarily relating to the 23.86% interest in Hochtief (€2,410,652 thousand), as described in note 6.3;
b) the acquisition of investments accounted for using the equity method, totalling €1,056,127 thousand, linked essentially to the acquisition of a 15.49% interest in Getlink, held by the Atlantia Group following the acquisition of a 100% interest in the investment vehicle, Aero 1 Global & International Sàrl (described in note 6.1);
c) the change in scope of consolidation resulting from the investments contributed by the Abertis group, amounting to €300,248 thousand;
d) the negative impact of fair value measurement of the investment in Hochtief, recognised in comprehensive income, totalling €427,055 thousand;
e) the reduction in the carrying amount of investments held as a result of dividends collected during 2018, totalling €33,291 thousand, primarily attributable to Getlink (€25,551 thousand) and Aeroporto di Bologna (€4,161 thousand).

The following table shows the carrying amounts of the Group's investments at the beginning and end of the year, classified by category, and any changes during 2018.

€000	31 December 2017	CHANGES DURING THE YEAR								31 December 2018
						MEASURMENT USING EQUITY METHOD				
	OPENING BALANCE	ACQUISITIONS AND CAPITAL INJECTIONS	REVERSALS OF IMPAIRMENTS (IMPAIRMENTS)	DIVIDENDS	SALES AND RETURNS OF CAPITAL	PROFIT OR LOSS	OTHER COMPREHENSIVE INCOME	OTHER MINOR CHANGES	CHANGE IN SCOPE OF CONSOLIDATION	CLOSING BALANCE
Investments accounted for using the equity method in:										
- associates and unconsolidated subsidiaries	170,077	1,056,127	-21	-29,753	-3,082	12,801	-	-2,046	148,564	1,352,667
- joint ventures	14,614	-	-	-3,538	-	-8,795	-919	-2	72,697	74,057
Investments accounted for at fair value	82,283	2,438,366	-33	-	-2,122	-	-427,055	163	78,987	2,170,589
Investments	**266,974**	**3,494,493**	**-54**	**-33,291**	**-5,204**	**4,006**	**-427,974**	**-1,885**	**300,248**	**3,597,313**

The equity method was used to measure interests in associates and joint ventures, based on the most recent approved financial statements made available by the companies. In the event that the companies' financial statements as at 31 December 2018 are not available, the above data was supplemented by specific estimates based on the latest available information and adjusted, where necessary, to bring them into line with the Atlantia Group's accounting policies. The process of accounting for acquired investments using the equity method also takes into account the gains allocated in application of IFRS 3.

The fair value measurement of the investment in Hochtief was based on the price (€117.7) of the shares on the Frankfurt Stock Exchange on 28 December 2018.

The following table shows an analysis of the Group's principal investments as at 31 December 2018, including the Group's percentage interest and the relevant carrying amount, showing the original cost and any accumulated revaluations and impairments at the end of the year.

€000	31 DECEMBER 2018		31 DECEMBER 2017	
	% INTEREST	CLOSING BALANCE	% INTEREST	CLOSING BALANCE
Investments accounted for using the equity method in:				
- associates and unconsolidated subsidiaries				
Getlink	15.49%	1,040,553	-	-
Aeroporto Guglielmo Marconi di Bologna	29.38%	163,092	29.38%	164,948
A'lienor	35.00%	58,110	-	-
Autopista Terrassa- Manresa concessionària de la generalitat de catalunya (AUTEMA)	23.72%	54,672	-	-
Road Management Group (RMG)	33.30%	16,961	-	-
Constructora de infraestructura vial	40.00%	5,846	-	-
Concesionaria vial de los andes (COVIANDES)	40.00%	3,720	-	-
Pedemontana Veneta (in liquidazione)	61.70%	3,363	29.77%	1,675
Bip & Drive	35.00%	2,860	-	-
Autoroutes de liason reine-sarthe (ALIS)	19.67%	1,950	-	-
Other smaller investments		1,540		3,454
Total		**1,352,667**		**170,077**
- joint ventures				
Autopista Trados-45	50.00%	64,774	-	-
Areamed 2000	50.00%	5,123	-	-
Pune Solapur Expressways Private Limited	50.00%	3,070	50.00%	3,822
Geie del Traforo del Monte Bianco	50.00%	1,000	50.00%	1,000
Rodovias do Tieté	50.00%	-	50.00%	9,792
Other smaller investments		90		-
Total		**74,057**		**14,614**
Investments accounted for at fair value				
Hochtief Aktiengesellshaft	23.86%	1,983,597	-	-
Tangenziali Esterne di Milano	26.25%	59,736	13.67%	32,022
Autostrada del Brennero	4.23%	50,001	-	-
Lusoponte	17.21%	39,853	17.21%	39,852
Autostrade Lombarde	4.90%	23,074	-	-
Tangenziale Esterna	1.25%	5,811	1.25%	5,811
Società di Progetto Brebemi SpA	0.60%	1,862	-	-
Autovie Venete	0.42%	1,779	-	-
Interporto di Padova	3.27%	1,417	-	-
Other smaller investments		3,459		4,598
Total		**2,170,589**		**82,283**
Investments		**3,597,313**		**266,974**

With regard to the investment in Compagnia Aerea Italiana, the full value of the investment was written off in the consolidated financial statements as at and for the year ended 31 December 2017, in view of the entry into extraordinary administration, from 2 May 2017, of its subsidiary, Alitalia-Società Aerea Italiana SpA. This was due to the operating and financial difficulties faced by the company, the withdrawal of financial support by its shareholders and the impossibility of rapidly finding alternative solutions. In this case too, Atlantia does not have a legal or constructive obligation to the investee.

With regard to the additional disclosures required by IFRS 12 in the event of individually material investments, the following table shows key financial indicators taken from the latest available accounts of Getlink and Aeroporto Guglielmo Marconi as at the date of these consolidated financial statements, as published on the companies' websites. The indicators are shown below:

a) Getlink SE, based on the information in the consolidated interim report for the six months ended 30 June 2018, as published on the company's website at https://www.getlinkgroup.com:

€000	1 January 2018-30 June 2018
Revenue	510,373
Profit/(Loss) from continuing operations	39,199
Profit/(Loss) from discontinued operations	4
Total other comprehensive income for the period, after tax	16,256
Comprehensive income for the period ended 30 June 2018	**55,459**
of which:	
- attributable to the investee's controlling shareholders	55,459
- attributable to non-controlling shareholders	-
€000	**30 June 2018**
Fixed capital	6,697,342
Net working capital	-112,611
Net debt	4,671,162
Equity	1,913,569
of which:	
- attributable to the investee's controlling shareholders	1,913,569
- attributable to non-controlling shareholders	-
Group interest in the carrying amount of the investee's net assets as at 30 June 2018	**296,412**

b) Aeroporto Guglielmo Marconi SpA, based on the interim report for the nine months ended 30 September 2018, as published on the company's website at www.bologna-airport.it:

€000	1 January 2018- 30 September 2018
Revenue	83,183
Profit/(Loss) from continuing operations	14,610
Total other comprehensive income for the period, after tax	37
Comprehensive income for the period ended 30 September 2018	**14,647**
of which:	
- attributable to the investee's controlling shareholders	14,492
- attributable to non-controlling shareholders	155
€000	**30 September 2018**
Fixed capital	171,791
Net working capital	-26,011
Net debt	-27,015
Equity	172,795
of which:	
- attributable to the investee's controlling shareholders	171,818
- attributable to non-controlling shareholders	977
Group interest in the carrying amount of the investee's net assets as at 30 September 2018	**50,480**

The carrying amounts of the investments in Aeroporto Guglielmo Marconi and Getlink for which, as at 31 December 2018, there was evidence of a potential impairment were tested for impairment.
There was no evidence of potential reversals of impairment losses on investments recognised in previous years.

The impairment tests were conducted using the Dividend Discount Model, based on the related long-term plans and applying discount rates of 6.23% and 7.50%, respectively.
The impairment tests confirmed that the carrying amounts of the investments in the above companies are fully recoverable.

In addition to the above impairment tests, sensitivity analyses were conducted on the recoverable values, increasing the indicated discount rates by 1%.
The results of the analysis showed:
a) a potential impairment loss on the investment in Aeroporto Guglielmo Marconi of €23 million;
b) a potential impairment loss on the investment in Getlink of €77 million.

The investment in Rodovias do Tieté was not tested for impairment, despite the presence of evidence, as:
a) the carrying amount as at 31 December 2018, calculated using the equity method, had been written off;
b) shareholders do not have legal or constructive obligations to cover the company's losses.

Annex 1 provides a list of the Group's investments as at 31 December 2018, as required by CONSOB Ruling DEM/6064293 of 28 July 2006.

7.4 Financial assets
(non-current) / €4,537,472 thousand (€2,316,125 thousand)
(current) / €996,090 thousand (€780,207 thousand)

The following analysis shows the composition of financial assets at the beginning and end of the period, together with the current and non-current portions.

€000	31 December 2018			31 December 2017		
	CARRYING AMOUNT	CURRENT PORTION	NON-CURRENT PORTION	CARRYING AMOUNT	CURRENT PORTION	NON-CURRENT PORTION
Takeover rights	408,313	408,313	-	399,863	399,863	-
Guaranteed minimum tolls	642037	71920	570117	602088	47226	554862
Other concession rights	2,309,720	56,233	2,253,487	408,740	-	408,740
Financial assets deriving from concession rights (1)	**3,360,070**	**536,466**	**2,823,604**	**1,410,691**	**447,089**	**963,602**
Financial assets deriving from government grants related to construction services (1)	**357,560**	**74,085**	**283,475**	**320,046**	**70,110**	**249,936**
Term deposits (2)	**594,819**	**245,271**	**349,548**	**494,696**	**179,222**	**315,474**
Derivative assets (3)	247,026	103,139	143,887	173,403	66,135	107,268
Other medium/long-term financial assets (1)	942,312	5,354	936,958	684,430	4,585	679,845
Other medium/long-term financial assets	**1,189,338**	**108,493**	**1,080,845**	**857,833**	**70,720**	**787,113**
Current derivative assets (3)	**1,525**	**1,525**	-	**528**	**528**	-
Other current financial assets (1)	**30,368**	**30,368**	-	**12,538**	**12,538**	-
	5,533,680	**996,208**	**4,537,472**	**3,096,332**	**780,207**	**2,316,125**

(1) These assets include financial instruments primarily classified as "loans and receivables" under IAS 39. The carrying amount is equal to fair value.

(2) These assets have been classified as "available-for-sale" financial instruments and in level 2 of the fair value hierarchy. The carrying amount is equal to fair value.

(3) These assets primarily include derivative financial instruments classified as hedges under level 2 of the fair value hierarchy.

The following table shows changes during 2018 in financial assets deriving from concession rights:

€000	31 December 2017							31 December 2018
	CARRYING AMOUNT	CHANGE IN SCOPE OF CONSOLIDATION	ADDITIONS DUE TO REVISED PRESENT VALUE	ADDITIONS DUE TO COMPLETION OF CONSTRUCTION SERVICES	REDUCTIONS DUE TO AMOUNTS COLLECTED	CURRENCY TRANSLATION DIFFERENCES	RECLASSIFICATIONS AND OTHER CHANGES	CARRYING AMOUNT
Takeover rights	399,863	-	-	7,000	-	-	1,450	408,313
Guaranteed minimum tolls	602,088	102,262	44,346	-	-96,791	-27,117	17,249	642,037
Other concession rights	408,740	1,845,273	57,883	25,421	-	-22,733	-4,864	2,309,720
Financial assets deriving from concession rights	**1,410,691**	**1,947,535**	**102,229**	**32,421**	**-96,791**	**-49,850**	**13,835**	**3,360,070**

Financial assets deriving from concession rights include:

a) accrued receivables due to the Abertis group from the various grantors as a return on capital expenditure (€1,968,259 thousand);

b) other financial assets deriving from concession rights (€440,269 thousand), attributable to the Chilean operator, Costanera Norte. In particular, this item regards the financial assets due to this company as a result of carrying out the motorway investment programme named *Santiago Centro Oriente* ("CC7");

c) the present value of the financial asset deriving from concession rights represented by the minimum tolls guaranteed by the Grantor of the concessions held by certain of the Atlantia Group's Chilean operators (€542,959 thousand);
d) the takeover right attributable to Autostrade Meridionali (€408,313 thousand), being the amount payable by a replacement operator on termination of the concession for the company's unamortised capital expenditure during the final years of the outgoing operator's concession.

Financial assets deriving from concession rights are up €1,949,379 thousand compared with 2017, primarily due to the first-time consolidation of Abertis group companies. These primarily include:
a) financial assets attributable to the Spanish operator, Acesa, as a result of the agreement entered into with the Spanish government and ratified by Royal Decree 457/2006, sanctioning payment of a consideration for construction services performed (€890,357 thousand). This amount does not include amounts receivable in the form of disputed consideration due to Acesa (further details are provided in the section, "Significant legal and regulatory aspects");
b) the present value of financial assets deriving from concession rights guaranteed by the Grantor, as provided for in the concession arrangements signed by the Argentine operators in July 2018 (€394,499 thousand);
c) financial assets attributable to the Spanish operator, Invicat, in the form of consideration for the construction services performed under the agreements signed on 29 January 2010 with the Generalitat de Catalunya, regarding the extension of the C-32 motorway (€202,039 thousand) and on 23 December 2013, approving amendments to the concession arrangement for the Montgat Palafolls motorway through to GI-600 (C-31 / C32) and the Barcellona - Montmeló motorway (C-33) (€61,341 thousand);
d) financial assets attributable to the Spanish operator, Castellana (amounting to €176,270 thousand) as consideration for the construction services provided for in Royal Decree 971/2011;
e) the present value of financial assets deriving from the minimum level of tolls guaranteed by the Grantor, as provided for in the concession arrangements signed by a number of Chilean operators (€99,077 thousand);
f) financial assets attributable to the Spanish operator, Aucat (amounting to €88,712 thousand) as consideration for the construction services provided for in government agreement GOV 186/2013, signed on 23 December 2013, which approved the amendment to the concession arrangement for the Castelldefels - Sitges - El Vendrell motorway (C-32);
g) financial assets attributable to the Spanish operator, Iberpistas (whose concession expired on 29 January 2018) as consideration for the construction services provided for in Royal Decree 1467/2008 (€56,233 thousand).

Financial assets deriving from government grants to finance infrastructure works, including amounts receivable from grantors or other public entities as grants accruing as a result of construction and maintenance of assets held under concession, are up €37,514 thousand compared with 31 December 2017. This primarily reflects the first-time consolidation of Abertis group companies.

Other medium/long-term financial assets are up €331,505 thousand compared with 31 December 2017, essentially due to the contribution from the Abertis group. This regards the receivables due to the Spanish operator, Acesa, from the Spanish government, loans provided to non-controlling shareholders and guarantee deposits. Other medium/long-term financial assets also include the amount due to AB Concessoes from Infra Bertin Empreendimentos, which controls SPMAR, totalling €534,867 thousand, in addition to a number of seizures of amounts deposited in the bank accounts of certain of the Group's Brazilian companies under injunctions ordered by Brazilian courts in relation to labour disputes, in which the companies are not involved and which are attributable to the Heber group.
No evidence of impairment was found in 2018 for any of the financial assets reported in the financial statements.

7.5 Deferred tax assets and liabilities
Deferred tax assets €1,607,126 thousand (€1,258,163 thousand)
Deferred tax liabilities €3,237,897 thousand (€2,253,718 thousand)

The amount of deferred tax assets and liabilities both eligible and ineligible for offset is shown below, with respect to temporary timing differences between consolidated carrying amounts and the corresponding tax bases at the end of the period.

€000	31 December 2018	31 December 2017
Deferred tax assets	2,566,687	1,763,202
Deferred tax liabilities eligible for offset	-959,561	-505,039
Deferred tax assets less deferred tax liabilities eligible for offset	**1,607,126**	**1,258,163**
Deferred tax liabilities	**-3,237,897**	**-2,253,718**
Difference between deferred tax assets and liabilities (eligible and ineligible for offset)	**-1,630,771**	**-995,555**

Changes in the Group's deferred tax assets and liabilities during the period, based on the nature of the temporary differences giving rise to them, are summarised in the following table.

€000	31 December 2017	CHANGES DURING THE YEAR						31 December 2018
		PROVISIONS	RELEASES	PROVISIONS (RELEASES) FOR ITEMS IN OTHER COMPREHENSIVE INCOME	CURRENCY TRANSLATION DIFFERENCES AND OTHER CHANGES	IMPACT OF FIRST-TIME ADOPTION OF IFRS 9 ON EQUITY	CHANGE IN SCOPE OF CONSOLIDATION	
Deferred tax assets on:								
Deductible intercompany goodwill	300,149	-	-98,637	-	-	-	-	201,512
Provisions	525,548	226,834	-138,202	-	-5,879	-	338,762	947,063
Restatement of global balance on application of IFRIC 12 by Autostrade per l'Italia	401,926	567	-20,326	-	-	-	-	382,167
Derivative liabilities	93,997	-	-892	24,968	-950	-	37,830	154,953
Tax loss carryforwards	58,335	10,193	6,853	-	-8,915	-	313,849	380,315
Impairments and depreciation of non-current assets	97,541	5,792	-4,207	-	-17,235	-	45,350	127,241
Impairment of receivables and inventories	60,962	25,666	-1,641	-	-5,917	-	367	79,437
Other temporary differences	224,744	41,799	-81,062	2,492	8	-	106,018	293,999
Total	**1,763,202**	**310,851**	**-338,114**	**27,460**	**-38,888**	**-**	**842,176**	**2,566,687**
Deferred tax liabilities on:								
Differences between carrying amounts and fair values of assets and liabilities acquired through business combinations	-2,117,273	-285	105,683	-	52,660	-	-977,514	-2,936,729
Financial assets deriving from concession rights and government grants	-176,675	-2,844	33,141	-	-29,228	-	-212,697	-388,303
Derivative assets	-25,751	-	-63	3,310	-1	-	-21,734	-44,239
Other temporary differences	-439,058	-75,910	45,181	1,927	37,780	-10,101	-388,006	-828,187
Total	**-2,758,757**	**-79,039**	**183,942**	**5,237**	**61,211**	**-10,101**	**-1,599,951**	**-4,197,458**
Difference between deferred tax assets and liabilities (eligible and ineligible for offset)	**-995,555**	**231,812**	**-154,172**	**32,697**	**22,323**	**-10,101**	**-757,775**	**-1,630,771**

As shown in the table, the balance of deferred tax assets as at 31 December 2018 primarily includes:

a) deferred tax assets on the portion of provisions, primarily for the repair and replacement of motorway infrastructure, deductible in future years, totalling €947,083 thousand;
b) deferred tax assets recognised as a result of the impact on taxation of adoption of IFRIC 12 by Autostrade per l'Italia (€382,167 thousand);
c) deferred tax assets recognised in connection with the reversal of intercompany gains arising in 2003 on the contribution of motorway assets to Autostrade per l'Italia (€201,512 thousand);

d) deferred tax assets recognised on tax losses eligible to be carried forward to future years, amounting to €380,315 thousand.

Deferred tax liabilities, totalling €4,197,458 thousand, essentially regard:
a) fair value gains recognised on assets acquired as a result of past business combinations carried out by the Atlantia Group (€2,936,729 thousand);
b) the amounts accounted for following the Atlantia Group's recognition of financial assets deriving from concession rights and from government grants (€388,303 thousand).

The change in the scope of deferred tax assets, totalling €842,176 thousand, and relating to the contribution from the Abertis group, broadly refers to the share of provisions for risks and charges that will be deductible in future years (€338,762 thousand) and to tax losses eligible to be carried forward to future years (€313,849 thousand). These were generated by the impairment of the receivable due to Acesa from the Grantor, following the dispute described in note 10.7. In terms of deferred tax liabilities, the change in scope resulting from the Abertis group's contribution broadly refers to deferred tax liabilities on the gains recognised on the fair value measurement of assets acquired with business combinations (€977,514 thousand) and those connected with the recognition of financial assets deriving from concession rights and government grants (€212,697 thousand).

7.6 Other non-current assets
€128,481 thousand (€8,005 thousand)

The increase of €120,476 thousand compared with 2017 is primarily linked to the recognition of non-current assets linked to the concession arrangements entered into by the Chilean operators, Ruta 78-68 and Avo II.

7.7 Trading assets
€2,386,690 thousand (€1,798,108 thousand)

As at 31 December 2018, trading assets consist of:
a) inventories of €98,428 thousand (€76,299 thousand as at 31 December 2017), consisting of stocks and spare parts used in the maintenance or assembly of plant;
b) trade receivables of €2,268,220 thousand (€1,703,106 thousand as at 31 December 2017), the detailed composition of which is shown in the following table.

€000	31 December 2018	31 December 2017
Trade receivables due from:		
Motorway users	1,718,463	1,224,217
Airport users	374,553	374,612
Sub-operators at motorway service areas	88,755	84,983
Sundry customers	421,486	275,239
Gross trade receivables	**2,603,257**	**1,959,051**
Allowance for bad debts	**(458,921)**	**(296,362)**
Other trading assets	**123,884**	**40,417**
Net trade receivables	**2,268,220**	**1,703,106**

Trade receivables, after the allowance for bad debts, amount to €2,603,257 thousand, an increase of €644,206 thousand compared with 31 December 2017 (€1,959,051 thousand). This primarily reflects the contribution of the Abertis group (€582,636 thousand). After stripping out this factor, the increase of €61,570 thousand is essentially due to an increase in trade receivables at the Chilean operators (including overdue interest on past due receivables). Other trading assets of €123,884 thousand are up €83,467 thousand on 31 December 2017 (€40,417 thousand), reflecting the liabilities relating to expropriations carried out by the Chilean operators, Ruta 78-68 and Avo II, in relation to construction projects, in compliance with the concession arrangement entered into in 2018.

The following table shows an ageing schedule for trade receivables.

€000	TOTAL RECEIVABLES AS AT 31 DECEMBER 2018	TOTAL NOT YET DUE	LESS THAN 90 DAYS OVERDUE	BETWEEN 90 AND 365 DAYS OVERDUE	MORE THAN ONE YEAR OVERDUE
Trade receivables	2,603,257	1,579,452	191,986	170,022	661,798

Overdue receivables regard unpaid motorway tolls and uncollected payments for airport services, royalties due from service area operators and sales of other goods and services.

The following table shows movements in the allowance for bad debts for trade receivables in 2018. The allowance has been determined with reference to past experience and historical data regarding losses on receivables, also taking into account guarantee deposits and other collateral given by customers.

€000	31 December 2017	ADDITIONS	USES	RECLASSIFICATIONS AND OTHER CHANGES	CHANGE IN SCOPE OF CONSOLIDATION	31 December 2018
Allowance for bad debts	296,362	110,222	-7,877	-24,900	85,114	458,921

The carrying amount of trade receivables approximates to fair value.

7.8 Cash and cash equivalents
€5,031,817 thousand (€5,624,716 thousand)

Cash and cash equivalents consists of cash on hand and short-term investments and is down €592,899 thousand compared with 31 December 2017. Detailed explanations of the cash flows resulting in the reduction in net cash are contained in note 9.1.

7.9 Current tax assets and liabilities
Current tax assets €899,898 thousand (€79,482 thousand)
Current tax liabilities €233,024 thousand (€151,500 thousand)

Current tax assets and liabilities at the beginning and end of the period are detailed below.

€000	CURRENT TAX ASSETS		CURRENT TAX LIABILITIES	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
IRES	82,676	42,439	614	100,516
IRAP	3,556	2,778	8,190	2,326
Taxes attributable to foreign operations	813,666	34,265	224,220	48,658
Total	**899,898**	**79,482**	**233,024**	**151,500**

As at 31 December 2018, the Group reports net current tax assets of €666,874 thousand, a change of €738,892 thousand compared with net current tax liabilities of €72,018 thousand as at 31 December 2017. After stripping out the impact of first-time consolidation of the Abertis group, which has contributed current tax assets, net of current tax liabilities, of €573,741 thousand, the increase of €165,151 thousand broadly reflects the fact that payments on account made exceed estimated tax expense for 2018. The assets contributed by the Abertis group essentially regard payments on account, in relation to both dividends received and to the gain resulting from the sale of the investment in Cellnex. Under Spanish tax law, these amounts, whilst exempt from taxation, should be included in the computation of payments on account for the year and will be offset in full at the time of payment of the balance of income tax for the year, with any remaining overpayment recovered in the form of a refund.

7.10 Other current assets €602,580 thousand (€187,059 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 December 2018	31 December 2017	INCREASE/ (DECREASE)
Receivable from public entities	197,307	51,483	145,824
Tax credits other than for income tax	151,393	52,285	99,108
Receivables due from end users and insurance companies for damages	19,044	19,192	-148
Accrued income of a non-trading nature	5,584	4,063	1,521
Amounts due from staff	3,089	2,988	101
Receivable from social security institutions	3,662	1,755	1,907
Payments on account to suppliers and other current assets	255,299	84,369	170,930
Gross other current assets	**635,378**	**216,135**	**419,243**
Allowance for bad debts	-32,798	-29,076	-3,722
Other current assets	**602,580**	**187,059**	**415,521**

The increase of €415,521 thousand is broadly attributable to the contribution from the Abertis group. This mainly relates to amounts receivable by operators from the related grantors in return for construction services performed, falling outside the scope of IFRIC 12, and sundry tax assets.

7.11 Non-current assets held for sale or related discontinued operations €1,563,468 thousand (€11,061 thousand) Liabilities related to discontinued operations €538,540 thousand (€6,266 thousand)

Net assets held for sale or related to discontinued operations, totalling €1,024,928 thousand as at 31 December 2018, primarily include the net assets of the Hispasat group, totalling €1,020,679 thousand. Abertis agreed to sell Hispasat on 12 February 2019, as described in note 10.8.

The following table shows the composition of these assets and liabilities according to their nature (trading, financial or other).

€000	31 December 2018	31 December 2017	INCREASE/ (DECREASE)
Property, plant, equipment and intangible assets	1,364,084	-	1,364,084
Investments	67,491	4,271	63,220
Financial assets	41,225	6,531	34,694
- Cash and cash equivalents	41,107	6,522	34,585
- Other current financial assets	118	9	109
Trading and other assets	90,668	259	90,409
Assets held for sale or related to discontinued operations	**1,563,468**	**11,061**	**1,552,407**
Financial liabilities	315,494	308	315,186
Current provisions	9,283	2,860	6,423
Trading and other liabilities	213,763	3,098	210,665
Liabilities related to discontinued operations	**538,540**	**6,266**	**532,274**

7.12 Equity €16,331,747 thousand (€11,762,978 thousand)

Atlantia SpA's issued capital as at 31 December 2018 is fully subscribed and paid-in and consists of 825,783,990 ordinary shares with a par value of €1 each, amounting to €825,784 thousand. The issued capital did not undergo any changes in 2018.
Equity attributable to owners of the parent, totalling €8,441,946 thousand, is down €330,431 thousand compared with 31 December 2017. The most important changes during the period are shown in detail in the statement of changes in consolidated equity. These regard:

a) the other comprehensive loss for the year, totalling €640,926 thousand, reflecting losses on the fair value measurement of the investment in Hochtief, amounting to €421,930 thousand (after the related taxation), and losses on the translation of the assets and liabilities of consolidated companies denominated in functional currencies other than the euro, essentially reflecting reductions in the value of the Brazilian real and Chilean peso against the euro during the period;
b) payment of the final dividend for 2017 amounting to €531,607 thousand (€0.65 per share);
c) profit for the year attributable to owners of the parent, totalling €818,041 thousand;
d) recognition of the impact of first-time adoption of the new accounting standard, IFRS 9 (€28,570 thousand), after the related taxation.

Equity attributable to non-controlling interests of €7,889,801 thousand is up €4,899,200 thousand compared with 31 December 2017 (€2,990,601 thousand), essentially reflecting a combination of the following main changes:

a) an increase of €3,379,398 thousand, reflecting the net contribution of non-controlling shareholders in Abertis HoldCo;
b) the change amounting to €1,714,501 thousand, due to equity attributable to the Abertis group's non-controlling shareholders at the acquisition date;
c) profit for the year attributable to non-controlling interests, totalling €264,829 thousand;
d) dividends declared, totalling €235,126 thousand;
e) the other comprehensive loss for the year, totalling €225,489 thousand, primarily due to losses on the translation of the assets and liabilities of consolidated companies denominated in functional currencies other than the euro, reflecting the above reductions in the value of the Brazilian real and Chilean peso against the euro.

Atlantia manages its capital with a view to creating value for shareholders, ensuring the Group can function as a going concern, safeguarding the interests of stakeholders, and providing efficient access to external sources of financing to adequately support the growth of the Group's businesses and fulfil the commitments given in concession arrangements.

7.13 Provisions for construction services required by contract (non-current) €2,786,839 thousand (€2,960,647 thousand) (current) €428,493 thousand (€426,846 thousand)

Provisions for construction services required by contract represent the residual present value of motorway infrastructure construction and/or upgrade services that certain of the Group's operators, particularly Autostrade per l'Italia, are required to provide and for which no additional economic benefits are received in terms of specific toll increases and/or significant increases in traffic.
The following table shows provisions for construction services required by contract at the beginning and end of the year and changes during 2018, showing the non-current and current portions.

€000	31 December 2017			CHANGES IN THE YEAR					31 December 2018		
	CARRYING AMOUNT	NON-CURRENT PORTION	CURRENT PORTION	CHANGES DUE TO REVISED PRESENT VALUE OF OBLIGATIONS	FINANCE-RELATED PROVISIONS	USES TO FINANCE WORKS	CURRENCY TRANSLATION DIFFERENCES AND OTHER RECLASSIFICATIO	CHANGE IN SCOPE OF CONSOLIDATION	CARRYING AMOUNT	NON-CURRENT PORTION	CURRENT PORTION
Provisions for construction services required by contract	3,387,493	2,960,647	426,846	138,720	18,023	-367,884	-5,998	44,978	3,215,332	2,786,839	428,493

7.14 Provisions (non-current) €2,657,576 thousand (€1,566,541 thousand) (current) €1,324,197 thousand (€379,823 thousand)

As at 31 December 2018, provisions amount to €3,981,773 thousand (provisions amount to €1,946,364 thousand as at 31 December 2017). The following table shows details of provisions by type, showing the non-current and current portions.

€000	31 December 2018			31 December 2017		
	CARRYING AMOUNT	NON-CURRENT PORTION	CURRENT PORTION	CARRYING AMOUNT	NON-CURRENT PORTION	CURRENT PORTION
Provisions for employee benefits	356,968	291,261	65,707	167,954	142,296	25,658
Provisions for repair and replacement of motorway infrastructure	2,442,859	1,492,347	950,512	1,399,039	1,183,716	215,323
Provisions for renewal of assets held under concession	357,062	271,299	85,763	267,529	192,467	75,062
Other provisions	824,884	602,669	222,215	111,842	48,062	63,780
Total provisions	**3,981,773**	**2,657,576**	**1,324,197**	**1,946,364**	**1,566,541**	**379,823**

The following table shows provisions at the beginning and end of the period and changes in 2018.

	31 December 2017	CHANGES DURING THE YEAR						31 December 2018
€000	CARRYING AMOUNT	OPERATING PROVISIONS	FINANCE-RELATED PROVISIONS	REDUCTIONS DUE TO USES AND RELEASE OF EXCESS PROVISIONS	ACTUARIAL GAINS/(LOSSES) RECOGNISED IN OTHER COMPREHENSIVE	CURRENCY TRANSLATION DIFFERENCES, RECLASSIFICATIONS AND OTHER CHANGES	CHANGE IN SCOPE OF CONSOLIDATION	CARRYING AMOUNT
Provisions for employee benefits								
Post-employment benefits	158,639	2,378	1,403	-12,556	-215	-1,263	19,749	168,135
Other employee benefits	9,315	10,764	169	-9,008	-539	464	177,668	188,833
Total	**167,954**	**13,142**	**1,572**	**-21,564**	**-754**	**-799**	**197,417**	**356,968**
Provisions for repair and replacement of motorway infrastructure	**1,399,039**	**809,981**	**28,273**	**-463,222**	**-**	**-23,055**	**691,843**	**2,442,859**
Provisions for renewal of assets held under concession	**267,529**	**161,806**	**2,098**	**-75,635**	**-**	**1,264**	**-**	**357,062**
Other provisions								
Provisions for impairments exceeding carrying amounts of investments	3,624	-	-	-	-	-	-	3,624
Provisions for disputes, liabilities and sundry charges	108,218	114,737	3,069	-34,755	-	-23,019	653,010	821,260
Total	**111,842**	**114,737**	**3,069**	**-34,755**	**-**	**-23,019**	**653,010**	**824,884**
Provisions	**1,946,364**	**1,099,666**	**35,012**	**-595,176**	**-754**	**-45,609**	**1,542,270**	**3,981,773**

PROVISIONS FOR EMPLOYEE BENEFITS
(non-current) €291,261 thousand (€142,296 thousand)
(current) €65,707 thousand (€25,658 thousand)

As at 31 December 2018, this item consists of provisions for post-employment benefits to be paid to staff employed under Italian law, amounting to €168,135 thousand, and provisions for other termination benefits of €188,833 thousand. The increase of €189,014 thousand essentially reflects first-time consolidation of the Abertis group, above all with regard to provisions for other employee benefits.
The most important actuarial assumptions used to measure the provision for post-employment benefits at 31 December 2018 are summarised below.

FINANCIAL ASSUMPTIONS (*)	
Annual discount rate *	1.13%
Annual inflation rate	1.50%
Annual rate of increase in post-employment benefits	2.63%
Annual rate of increase in real salaries	from 0.65% to 2.92%
Annual turnover rate	from 0.50% to 7%
Duration (years)	from 6.0 to 26.5

(*) The annual discount rate used to determine the present value of the obligation was determined with reference to the average yield curve taken from the Iboxx Corporate AA index on the valuation date for durations of 7-10 years, reflecting the overall duration of the relevant provisions. In the case of the A4 Holding group (included in the scope of consolidation following the acquisition of Abertis), the annual discount rate is 1.50% and the annual inflation rate is 2.00%.

DEMOGRAPHIC ASSUMPTIONS	
Mortality	RG48 mortality tables published by the General Accounting Office in Italy
Disability	INPS tables by age and sex
Retirement age	Mandatory state pension retirement age

The following table shows a sensitivity analysis of provisions for post-employment benefits at the end of the year, based on assumed changes in the individual rates used in the actuarial assumptions.

Company	CHANGE IN ASSUMPTION					
	TURNOVER RATE		INFLATION RATE		DISCOUNT RATE	
	+ 1 %	- 1 %	+0.25%	- 0.25 %	+ 0.25 %	0.25 %
ATLANTIA GROUP'S POST-EMPLOYMENT BENEFITS	167,519	168,674	169,810	166,398	165,376	170,886

PROVISION FOR REPAIR AND REPLACEMENT OF MOTORWAY INFRASTRUCTURE
(non-current) €1,492,347 thousand (€1,183,716 thousand)
(current) €950,512 thousand (€215,323 thousand)

This item regards the present value of provisions for the repair and replacement of motorway infrastructure, in accordance with the contractual commitments of the Group's motorway and airport operators.
The balance of these provisions is up €1,043,820 thousand, essentially due to the contribution of the Abertis group, totalling €691,843 thousand. After stripping out this factor, the increase of €351,977 thousand compared with 31 December 2017 primarily regards provisions (€397,399 thousand) made for demolition and reconstruction of the Polcevera road bridge. Further details on the costs incurred as a result of the collapse of a section of the Polcevera road bridge are provided in note 8.17.

PROVISIONS FOR THE RENEWAL OF ASSETS HELD UNDER CONCESSION
(non-current) €271,299 thousand (€192,467 thousand)
(current) €85,763 thousand (€75,062 thousand)

The provisions for the renewal of assets held under concession, including the current and non-current portions, amount to €357,062 thousand (€267,529 thousand as at 31 December 2017). They represent the present value of the estimated costs to be incurred for extraordinary maintenance, repairs and replacements under the contractual obligations provided for in the Atlantia Group's motorway and airport concession arrangements, with the objective of ensuring that the infrastructure is fit for purpose and safe. Compared with 31 December 2017, the provisions are up €89,533 thousand, essentially primarily due to provisions made during the year by ACA following an updated estimate of the present value of airport renewal work to be carried out in the future.

OTHER PROVISIONS FOR RISKS AND CHARGES
(non-current) €602,669 thousand (€48,062 thousand)
(current) €222,215 thousand (€63,780 thousand)

These provisions essentially regard estimates of liabilities, at the end of the period, expected to be incurred in connection with pending litigation and disputes, including the estimated expenses provisioned for contract reserves relating to contractors who carry out work other than new constructions.
The overall balance is up €713,042 thousand, essentially due to first-time consolidation of the Abertis group, amounting to €653,010 thousand. This amount includes provisions relating to the investment in Alazor Inversiones SA, amounting to €228,258 thousand, and relating to financial guarantees provided by Iberbistas and Acesa to banks.

After stripping out this factor, the net increase of €60,032 thousand essentially reflects operating provisions for the year, following the collapse of a section of the Polcevera road bridge on 14 August 2018, as described in note 8.17.

7.15 Financial liabilities
(non-current) €44,151,388 thousand (€15,969,835 thousand)
(current) €4,070,988 thousand (€2,253,836 thousand)

MEDIUM/LONG-TERM BORROWINGS
(non-current) €44,151,388 thousand (€15,969,835 thousand)
(current) €3,270,753 thousand (€1,717,935 thousand)

The following tables provide an analysis of medium/long-term financial liabilities, showing:

a) an analysis of the balance by face value and maturity (current and non-current portions);

€000	31 December 2018						31 December 2017			
					TERM					
	FACE VALUE	CARRYING AMOUNT	CURRENT PORTION	NON-CURRENT PORTION	BETWEEN 13 AND 60	AFTER 60 MONTHS	FACE VALUE	CARRYING AMOUNT	CURRENT PORTION	NON-CURRENT PORTION
Bond issues (1) (2) (3)	22,795,708	22,487,089	1,615,204	20,871,885	7,931,009	12,940,876	12,534,212	12,480,591	1,118,502	11,362,089
- listed fixed rate		20,908,301	1,360,288	19,548,013	6,947,335	12,600,678		11,917,799	1,032,721	10,885,078
- listed floating rate		1,520,946	254,917	1,266,029	925,831	340,198		498,348	85,782	412,566
- unlisted floating rate		57,842	-1	57,843	57,843	-		64,445	-1	64,445
Bank borrowings	8,068,265	7,921,678	900,117	7,021,561	5,085,779	1,935,782	4,032,622	4,021,277	226,132	3,795,145
- fixed rate		1,945,130	121,392	1,823,739	640,559	1,183,179		2,036,241	116,471	1,919,770
- floating rate		5,976,548	778,725	5,197,822	4,445,220	752,603		1,973,698	109,661	1,875,375
Other borrowings	15,099,604	14,978,391	268,482	14,709,909	12,046,330	2,663,579	323,526	309,148	92,789	216,359
- fixed rate		3,005,650	116,438	2,889,211	344,082	2,545,130		-	-	-
- floating rate		11,721,610	127,078	11,594,532	11,494,588	99,943		6,024	1,136	4,882
- non-interest bearing		251,131	24,966	226,166	207,660	18,506		303,124	91,653	211,477
Medium/long-term borrowings (2) (3)	23,167,869	22,900,069	1,168,599	21,731,470	17,132,109	4,599,361	4,356,148	4,330,425	318,921	4,011,504
Derivative liabilities (4)		921,144	-	921,144	-	-		565,575	-	565,575
Accrued expenses on medium/long-term financial liabilities (2)		483,562	483,562	-	-	-		276,722	276,722	-
Other financial liabilities		630,277	3,388	626,889	-	-		34,457	3,790	30,667
Other medium/long-term financial liabilities		1,113,839	486,950	626,889	-	-		311,179	280,512	30,667
Total		47,422,141	3,270,753	44,151,388	25,063,118	17,540,237		17,687,770	1,717,935	15,969,835

(1) The par value of the bond issues hedged by Cross Currency Swaps and IPCA x CDI Swaps is shown at the hedged notional value.
(2) Financial instruments classified as financial liabilities measured at amortised cost in accordance with IFRS 9.
(3) Further details of hedged financial liabilities are provided in note 9.2.
(4) Financial instruments classified as hedging derivatives in accordance with IFRS 9 and in level 2 of the fair value hierarchy.

b) type of interest rate, maturity and fair value at the end of the year;

€000	MATURITY	31 December 2018 CARRYING AMOUNT (1)	31 December 2018 FAIR VALUE (2)	31 December 2017 CARRYING AMOUNT (1)	31 December 2017 FAIR VALUE (2)
Bond issues					
- listed fixed rate	from 2019 to 2039	20,908,301	19,877,449	11,917,798	13,092,648
- listed floating rate	from 2019 to 2026	1,520,946	1,903,476	498,348	538,957
- unlisted floating rate	2022	57,842	63,849	64,445	73,611
Total bond issues (a)		**22,487,089**	**21,844,774**	**12,480,591**	**13,705,216**
Bank borrowings					
- fixed rate	from 2019 to 2036	1,945,130	1,963,852	1,694,412	1,947,528
- floating rate	from 2019 to 2031	5,976,548	5,933,690	2,326,865	2,358,420
Total bank borrowings (b)		**7,921,678**	**7,897,542**	**4,021,277**	**4,305,948**
Other borrowings					
- fixed rate	from 2019 to 2026	3,005,650	3,142,077	-	-
- floating rate	from 2019 to 2034	11,721,610	11,908,863	6,024	6,024
- non-interest bearing	from 2019 to 2020	251,131	251,132	303,124	303,124
Total other borrowings (c)		**14,978,391**	**15,302,072**	**309,148**	**309,148**
Medium/long-term borrowings (d)=(b+c)		**22,900,069**	**23,199,614**	**4,330,425**	**4,615,096**
Derivative liabilities (e)		**921,144**	**921,144**	**565,575**	**565,575**
Accrued expenses on medium/long-term financial liabilities		483,562	483,562	276,722	276,722
Other financial liabilities		630,277	630,277	34,457	34,457
Other medium/long-term financial liabilities (f)		**1,113,839**	**1,113,839**	**311,179**	**311,179**
Total (a+d+e+f)		**47,422,141**	**47,079,371**	**17,687,770**	**19,197,067**

(1) The amounts shown in the table for medium/long-term financial liabilities include both the non-current and current portions.
(2) The fair value shown is classified in level 2 of the fair value hierarchy.

c) a comparison of the face value of each liability (bond issues and medium/long-term borrowings) and the related carrying amount, by issue currency, and the corresponding average and effective interest rates;

€000	31 December 2018 FACE VALUE	31 December 2018 CARRYING AMOUNT	31 December 2018 AVERAGE INTEREST RATE APPLIED TO 31 DECEMBER 2018 (1)	31 December 2018 EFFECTIVE INTEREST RATE AS AT 31 DECEMBER 2018	31 December 2017 FACE VALUE	31 December 2017 CARRYING AMOUNT
Euro (EUR)	40,284,254	39,767,911	2.62%	2.93%	14,578,793	14,554,210
Chilean peso (CLP) / Unidad de fomento (UF)	1,675,945	1,649,530	5.06%	5.80%	882,457	906,870
Sterling (GBP)	558,955	516,732	5.99%	2.20%	750,000	503,537
Brazilian real (BRL)	2,101,105	2,089,288	9.00%	9.18%	451,520	574,130
Yen (JPY)	317,838	318,212	5.91%	4.97%	149,176	195,537
Polish zloty (PLN)	18,232	10,161	6.72%	8.17%	67,503	65,821
Indian Rupee (INR)	72,526	72,134	9.44%	9.44%	-	-
US dollar (USD)	934,722	963,190	6.19%	7.03%	10,911	10,911
Total	**45,963,577**	**45,387,158**	**3.28%**	**3.53%**	**16,890,360**	**16,811,016**

d) movements during the year in the carrying amounts of outstanding bond issues and medium/long-term borrowings.

€000	CARRYING AMOUNT AS AT 31 DECEMBER 2017	CHANGE IN SCOPE OF CONSOLIDATION	NEW BORROWINGS	REPAYMENTS	CURRENCY TRANSLATION DIFFERENCES AND OTHER CHANGES	CARRYING AMOUNT AS AT 31 DECEMBER 2018
Bond issues	12,480,591	10,960,499	314,593	-1,223,389	-45,205	22,487,089
Bank borrowings	4,021,277	44,130	4,136,194	-220,676	-59,247	7,921,678
Other borrowings	309,148	5,059,843	9,793,257	-128,207	-55,650	14,978,391
Total	**16,811,016**	**16,064,472**	**14,244,044**	**-1,572,272**	**-160,102**	**45,387,158**

The Group uses derivative financial instruments to hedge certain current and highly likely future financial liabilities, consisting of interest rate swaps (IRSs) classified as cash flow hedges pursuant to IFRS 9. The fair value of the hedging instruments as at 31 December 2018 is recognised in "Derivative liabilities". More detailed information on financial risks and the manner in which they are managed, in addition to details of outstanding financial instruments held by the Group, is contained in note 9.2.

Bond issues
(non-current) €20,871,885 thousand (€11,362,089 thousand)
(current) €1,615,204 thousand (€1,118,502 thousand)

The item principally refers to: i) €11,029,430 thousand in bonds issued by Abertis group companies; ii) €7,964,113 thousand in bonds issued by Autostrade per l'Italia; iii) €1,733,843 in bonds issued by Atlantia; and €865,052 thousand in bonds issued by Aeroporti di Roma.
The overall increase of €10,006,498 thousand essentially reflects the change in the scope of consolidation following the first-time consolidation of the Abertis group (€10,960,499 thousand), partially offset by Atlantia's redemption of retail bonds, totalling €1,000,000 thousand.

Medium/long-term borrowings
(non-current) €21,731,470 thousand (€4,011,504 thousand)
(current) €1,168,599 thousand (€318,921 thousand)

The balance of this item, amounting to €22,900,069 thousand, including the current and non-current portions, is up €18,569,644 thousand compared with 31 December 2017 (€4,330,425 thousand). This essentially reflects the following:

a) the change in the scope of consolidation following the first-time consolidation of the Abertis group, amounting to €5,103,973 thousand;
b) Abertis HoldCo's medium/long-term borrowings of €9,782,105 thousand), financing the acquisition of control of the Abertis group and consisting of an amortising term loan with a face value of €3,000 million (disbursed in full and maturing in between 4 and 5 years), a bridge loan with a face value of €4,750 million (a bridge-to-bond facility maturing after 18.5 months) and a bridge-to-disposal facility with a face value of €2,200 million (with €2,074 million drawn down) and maturing after 18.5 months;
c) Atlantia's new borrowings, amounting to €3,905,194 thousand.

A number of the Group's long-term borrowings include negative pledge provisions, in line with international practice. Under these provisions, it is not possible to create or maintain (unless required to do so by law) collateral guarantees on all or a part of any proprietary assets, with the exception of project debt. The above agreements also require compliance with certain financial covenants.
The method of selecting the variables to compute the ratios is specified in detail in the relevant loan agreements. Breach of these covenants, at the relevant measurement dates, could constitute a default event and result in the lenders calling in the loans, requiring the early repayment of principal, interest and of further sums provided for in the agreements.
The most important covenants are described below:

a) in Atlantia's case, the loan agreements entered into during the year, to finance the investment in Abertis (term loans entered into in May and July 2018, totalling €3,250,000 thousand and disbursed in full), together with revolving facilities (agreed in July and October 2018 and totalling €3,250,000 thousand, with €675,000 thousand used) for general corporate purposes, require compliance with a minimum threshold for the Interest Coverage Ratio, FFO/Total Net Debt and Consolidated Net Worth;
b) in Autostrade per l'Italia's case, the loan agreements with Cassa Depositi e Prestiti (totalling €747,157 thousand as at 31 December 2018) require compliance with a minimum threshold for "Operating Cash Flow available for Debt Service/Debt Service" (DSCR);
c) in Aeroporti di Roma's case, the company's revolving line of credit requires compliance with a maximum leverage ratio (based on the long-term rating assigned to Aeroporti di Roma by the relevant rating agencies) and a minimum Debt Service Coverage Ratio (DSCR). The medium/long-term loan agreements financing the company's investment programme, entered into with the European Investment Bank and Cassa Depositi e Prestiti in December, also require the company to ensure that its interest coverage ratio remains within certain limits linked to the company's rating.

In December 2018, Autostrade per l'Italia entered into an agreement with the EIB that provides for the suspension, until March 2020, of the application of certain provisions allowing the bank to withdraw from the loan agreement and request early repayment. This follows the reduction in the Company's ratings to below BBB and/or the Grantor's launch of formal proceedings that may result in early termination of the Single Concession Arrangement.
With regard to the financial commitments of the foreign project companies, the related debt does not envisage recourse to direct or indirect parents and is subject to covenants typical of international practice. The main commitments provide for a pledge on all the project companies' assets and receivables in favour of their creditors.

Non-current derivative liabilities
(non-current) €921,144 thousand (€565,575 thousand)
(current) - (-)

This item represents fair value losses on outstanding derivatives as at 31 December 2018 and primarily includes:

a) fair value losses (€483,207 thousand) on Interest Rate Swap (IRSs), classified as cash flow hedges in accordance with IFRS 9, entered into by a number of Atlantia Group companies to hedge interest rate risk on their existing non-current financial liabilities and those that are highly likely to be assumed in the future;
b) fair value losses (€258,532 thousand) on Cross Currency Swaps (CCSs) and Interest Rate Swaps (IRSs) attributable to the Abertis group, consolidated for the first time in 2018;
c) fair value losses (€130,311) on Aeroporti di Roma's Cross Currency Swaps hedging bond issues denominated in pounds sterling;
d) fair value losses (€9,276 thousand) on IPCA vs CDI Swap offsets entered into by the Brazilian companies, Triangulo do Sol and Rodovia das Colinas, to crystallise the mark-to-market value of IPCA vs CDI Swaps at the date of agreeing the Offset.

Further details of derivative financial instruments entered into by the Group companies for hedging purposes are contained in note 9.2.

Other medium/long-term financial liabilities
(non-current) €626,889 thousand (€30,667 thousand)
(current) €486,950 thousand (€280,512 thousand)

The balance of this item, including the current and non-current portions, is up €802,660 thousand, essentially due to the first-time consolidation of Abertis group companies.

SHORT-TERM FINANCIAL LIABILITIES
€800,235 thousand (€535,901 thousand)

The composition of short-term financial liabilities is shown below.

€000	31 December 2018	31 December 2017
Bank overdrafts repayable on demand	217	17,813
Short-term borrowings	293,520	430,086
Derivative liabilities (1)	11,369	14,372
Other current financial liabilitiesi	495,129	73,630
Short-term financial liabilities	**800,235**	**535,901**

(1) These liabilities primarily include derivative instruments that classify as non-hedge accounting and in level 2 of the fair value hierarchy.

The balance is up €264,334 thousand compared with 31 December 2017, due primarily to first-time consolidation of the Abertis group (€439,827 thousand), partially offset by the repayment of short-term borrowings by Atlantia and Autostrade per l'Italia in 2018.

NET DEBT IN COMPLIANCE WITH ESMA RECOMMENDATION OF MARCH 2013

An analysis of the various components of consolidated net debt is shown below with amounts payable to and receivable from related parties, as required by CONSOB Ruling DEM/6064293 of 28 July 2006, in accordance with European Securities and Markets Authority ("ESMA") Recommendation of 20 March 2013 (which does not entail the deduction of non-current financial assets from debt).

€M	Note	31 December 2018	*OF WHICH RELATED PARTY TRANSACTIONS*	31 December 2017	*OF WHICH RELATED PARTY TRANSACTIONS*
Cash		-3,884		-4,840	
Cash equivalents		-1,148		-784	
Cash and cash equivalents related to discontinued operations		-41		-7	
Cash and cash equivalents (A)		**-5,073**		**-5,631**	
Current financial assets [1] (B)	**7.4**	**-996**		**-781**	
Bank overdrafts repayable on demand		-		18	
Current portion of medium/long-term financial liabilities		3,271		1,718	
Other financial liabilities		800		518	
Financial liabilities related to discontinued operations		315		-	
Current financial liabilities (C)	**7.15**	**4,386**		**2,254**	
Current net debt (D=A+B+C)		**-1,683**		**-4,158**	
Bond issues		20,872		11,362	
Medium/long-term borrowings		21,731	8	4,012	-
Other non-current financial liabilities		1,548		596	
Non-current financial liabilities (E)	**7.15**	**44,151**		**15,970**	
(Net funds) / Net debt as defined by ESMA recommendation (F=D+E)		**42,468**		**11,812**	
Non-current financial assets (G)	**7.4**	**-4,537**	**-49**	**-2,316**	**-24**
Net debt (H=F+G)		**37,931**		**9,496**	

(1) Includes financial assets held for sale or related to discontinued operations.

7.16 Other non-current liabilities €534,328 thousand (€108,052 thousand)

The following table shows a breakdown of this item.

€000	31 December 2018	31 December 2017
Amounts payable to grantors	162,696	3,840
Accrued expenses of a non-trading nature	67,296	37,078
Liabilities deriving from contractual obligations	45,073	40,759
Payable to staff	10,178	17,822
Other payables	249,085	8,553
Other non-current liabilities	**534,328**	**108,052**

The balance of this item is up €426,276 thousand compared with the figure for 2017, broadly due to the contribution from the Abertis group, amounting to €429,599 thousand. This primarily regards:

a) the amount payable by the French motorway operators, Sanef and Sapn, to the French government under agreements entered into in connection with the "*Plan Relance*", amounting to €111,855 thousand;
b) amounts due to non-controlling shareholders from Invin, totalling €188,253 thousand, included in other payables;
c) the amount payable by the Spanish motorway operator, Aulesa, to the Spanish government, amounting to €43,718 thousand.

7.17 Trading liabilities
€2,139,300 thousand (€1,583,415 thousand)

An analysis of trading liabilities is shown below.

€000	31 December 2018	31 December 2017
Contract liabilities	**579**	**1,642**
Amounts payable to suppliers	1,297,208	819,533
Payable to operators of interconnecting motorways	623,781	664,960
Tolls in the process of settlement	85,588	77,032
Accrued expenses, deferred income and other trading liabilities	132,144	20,248
Trade payables	**2,138,721**	**1,581,773**
Trading liabilities	**2,139,300**	**1,583,415**

This item is up €555,885 thousand, with €319,233 thousand of the increase attributable to the first-time consolidation of Abertis. After stripping out this factor, the increase of €236,652 thousand essentially reflects the recognition of trading liabilities (€166,218 thousand) by the Chilean motorway operators, Ruta 78-68 and AVO II, in relation to the start-up of the activities provided for in their respective concession arrangements, entered into in 2018.

7.18 Other current liabilities
€1,239,264 thousand (€633,803 thousand)

The following table shows a breakdown of this item.

€000	31 December 2018	31 December 2017
Taxation other than income taxes	308,092	164,503
Concession fees payable	104,211	112,825
Payable to staff	189,871	91,935
Social security contributions payable	63,031	55,908
Guarantee deposits from users who pay by direct debit	45,863	46,412
Amounts payable to public entities	33,520	5,924
Amounts payable for expropriations	7,113	9,587
Othe payables	487,563	146,709
Other current liabilities	**1,239,264**	**633,803**

The overall increase of €605,461 thousand primarily reflects the Abertis group's contribution, totalling €575,207 thousand, and primarily due to sundry taxes other than current income tax, amounting to €157,863 thousand, and other payables attributable to the operators, Autopista del Sol, Ausol and GCO, totalling €261,693 thousand.

8. NOTES TO THE CONSOLIDATION INCOME STATEMENT

This section contains analyses of the most important consolidated income statement items. Negative components of the income statement are indicated with a minus sign in the headings and tables in the notes, whilst amounts for 2017 are shown in brackets. The results of operations and cash flow for 2018 include the contribution of the Abertis group, consolidated for the last two months of 2018, as described in note 6.2.
Details of amounts in the consolidated income statement deriving from related party transactions are provided in note 10.5.

8.1 Toll revenue
€4,992,213 thousand (€4,195,258 thousand)

"Toll revenue" of €4,992,213 thousand is up €796,955 thousand on 2017 (€4,195,258 thousand). After stripping out the impact of exchange rate movements, which in 2018 had a negative impact of €56,862 thousand, and the Abertis group's contribution, consolidated for the last two months of 2018, amounting to €754,327 thousand, toll revenue is up €99,490 thousand, primarily reflecting a combination of the following:

a) traffic growth on the Italian network (up 0.2%), boosting revenue by an estimated €15 million after taking into account the positive impact of the different traffic mix, and the application of annual toll increases for 2018 on the Italian network (up €51 million, primarily reflecting a 1.08% increase applied by Autostrade per l'Italia from 1 January 2018);
b) an improved contribution from overseas operators (up €32 million), linked to the application of toll increases on the overseas network and traffic growth registered by the operators in Chile (up 4.6%), Brazil (up 0.7 %) and Poland (up 5.2%).

8.2 Aviation revenue
€834,036 thousand (€792,577 thousand)

Aviation revenue of €834,036 thousand is up €41,459 thousand (5%) compared with 2017 (€792,577 thousand), primarily reflecting due to traffic growth at Aeroporti di Roma (passenger traffic up 4.2%) and at the Aéroports de la Côte d'Azur group (passenger traffic up 4.1%).

€000	2018	2017	INCREASE/ (DECREASE)
Airport fees	598,089	576,310	21,779
Centralised infrastructure	24,123	24,436	-313
Security services	160,159	151,347	8,812
Other	51,665	40,484	11,181
Aviation revenue	**834,036**	**792,577**	**41,459**

8.3 Revenue from construction services €518,019 thousand (€417,551 thousand)

An analysis of revenue from construction services is shown below.

€000	2018	2017	INCREASE/ (DECREASE)
Revenue from construction services for which additional economic benefits are received	485,945	336,881	149,064
Revenue from investments in financial concession rights	25,421	73,376	-47,955
Revenue from construction services provided by sub-operators	6,653	7,294	-641
Revenue from construction services	**518,019**	**417,551**	**100,468**

Revenue from construction services essentially consists of construction services for which additional benefits are received and financial assets deriving from concession rights, represented by the fair value of the consideration due in return for the construction and upgrade services rendered in relation to assets held under concession during the year, determined on the basis of the operating costs and financial expenses incurred (the latter solely in relation to intangible assets deriving from concession rights) and the eventual margin on services provided by entities within the Atlantia Group.
Revenue from construction services is up €100,468 thousand compared with 2017. After stripping out the contribution from the Abertis group, totalling €138,838 thousand, the item is down by €38,370 thousand. This mainly relates to a reduction in construction services performed by the Chilean motorway operators, partially offset by increased investment in construction services by the Italian motorway operators.
In 2018, the Atlantia Group carried out additional construction services for which no additional benefits are received, amounting to €367,884 thousand, net of related government grants, for which the Group made use of a portion of the specifically allocated "Provisions for construction services required by contract". Uses of these provisions are classified as a reduction in operating costs for the period, as explained in note 8.10.

8.4 Other operating income €1,082,847 thousand (€971,058 thousand)

An analysis of other operating income is provided below.

€000	2018	2017	INCREASE/ (DECREASE)
Revenue from sub-concessions	488,051	453,780	34,271
Revenue from Telepass and Viacard fees	166,295	152,802	13,493
Maintenance revenue	41,874	39,633	2,241
Other revenue from motorway operation	38,738	40,137	-1,399
Damages and compensation	37,148	34,889	2,259
Revenue from products related to the airport business	57,965	54,461	3,504
Refunds	34,206	32,974	1,232
Revenue from the sale of technology devices and services	38,455	18,304	20,151
Advertising revenue	4,241	4,233	8
Other income	175,874	139,845	36,029
Other operating income	**1,082,847**	**971,058**	**111,789**

Other operating income of €1,082,847 thousand is up €111,789 thousand compared with 2017 (€971,058 thousand). After stripping out the Abertis group's contribution, amounting to €72,939 thousand, the increase is €38,850 thousand, essentially due to:

a) an increase in revenue from the sub-concession of space, primarily at the Aéroports de la Côte d'Azur group and Aeroporti di Roma, totalling €24,117 thousand;
b) an increase in fee income at Telepass, amounting to €13,493 thousand.

The Abertis group's contribution relates primarily to revenue from tolling products sold by Emovis and the sub-concession of space at service areas on the motorways operated by the French and Italian motorway operators.

8.5 Raw and consumable materials -€382,976 thousand (-€325,964 thousand)

Details of the cost of raw and consumable materials are shown in the following table:

€000	2018	2017	INCREASE/ (DECREASE)
Construction materials	-152,560	-179,326	26,766
Electrical and electronic materials	-44,565	-21,121	-23,444
Lubricants and fuel	-41,372	-37,045	-4,327
Other raw and consumable materials	-153,871	-100,238	-53,633
Cost of materials	**-392,368**	**-337,730**	**-54,638**
Change in inventories of raw, ancillary and consumable materials and goods for resale	**8,113**	**8,359**	**-246**
Capitalised cost of raw materials	**1,279**	**3,407**	**-2,128**
Raw and consumable materials	**-382,976**	**-325,964**	**-57,012**

This item, which consists of purchases of materials and the change in inventories of raw and consumable materials, is up €57,012 thousand on 2017, mainly due to an increase in costs incurred by Autostrade per l'Italia as a result of the start-up of work on the *Gronda di Genova* (the Genoa Bypass).

8.6 Service costs -€1,466,814 thousand (-€1,263,014 thousand)

An analysis of service costs is provided below.

€000	2018	2017	INCREASE/ (DECREASE)
Construction and similar	-629,964	-667,269	37,305
Professional services	-220,894	-192,980	-27,914
Transport and similar	-58,299	-59,936	1,637
Utilities	-58,842	-52,265	-6,577
Insurance	-43,194	-35,424	-7,770
Statutory Auditors' fees	-1,723	-1,613	-110
Other services	-454,540	-258,079	-196,461
Gross service costs	**-1,467,456**	**-1,267,566**	**-199,890**
Capitalised service costs for assets other than concession assets	642	4,552	-3,910
Service costs	**-1,466,814**	**-1,263,014**	**-203,800**

Service costs are up €203,800 thousand in 2018, compared with 2017. The change essentially reflects the contribution of the Abertis group, totalling €196,461 thousand, broadly in relation to investment during the last two months of 2018 by the Brazilian and French operators.

8.7 Staff costs
-€1,086,021 thousand (-€989,266 thousand)

An analysis of staff costs is shown below.

€000	2018	2017	INCREASE/ (DECREASE)
Wages and salaries	-745,199	-682,477	-62,722
Social security contributions	-222,834	-197,553	-25,281
Payments to supplementary pension funds, INPS and post-employment benefits	-37,278	-37,527	249
Directors' remuneration	-7,251	-5,717	-1,534
Other staff costs	-76,629	-74,520	-2,109
Gross staff costs	**-1,089,191**	**-997,794**	**-91,397**
Capitalised staff costs for assets other than concession assets	3,170	8,528	-5,358
Staff costs	**-1,086,021**	**-989,266**	**-96,755**

Staff costs of €1,086,021 thousand are up €96,755 thousand (€989,266 thousand in 2017). After stripping out the impact of the Abertis group's contribution (€109,631 thousand), the figure is down €12,876 thousand. This reflects a reduction in the fair value of management incentive plans and a reduction in the average workforce, partially offset by an increase in the average unit cost due to contract renewals.

The following table shows the average number of employees (by category and including agency staff), as commented on in the section on the "Workforce" in the report on operations:

AVERAGE WORKFORCE	2018	2017	INCREASE/ (DECREASE)
Senior managers	293	291	2
Middle managers	1,076	1,090	(14)
Administrative staff	7,086	7,092	(6)
Toll collectors	4,318	4,386	(68)
Manual workers	3,033	3,120	(87)
Total	**15,806**	**15,979**	**(173)**
Abertis group(*)	13,880		
Total	**29,686**		

(*) Figures for information purposes with reference to full year 2018. Includes average of 190 attributable to non current assets held for sale (the Hispasat group).

8.8 Other operating costs -€720,857 thousand (-€622,092 thousand)

An analysis of other operating costs is shown below.

€000	2018	2017	INCREASE/ (DECREASE)
Concession fees	-532,048	-513,205	-18,843
Lease expense	-29,464	-23,818	-5,646
Grants and donations	-46,161	-33,602	-12,559
Direct and indirect taxes	-73,994	-40,360	-33,634
Other	-39,909	-11,107	-28,802
Other operating costs	-160,064	-85,069	-74,995
Other capitalised costs	719	-	719
Other costs	-720,857	-622,092	-98,765

Other operating costs, totalling €720,857 thousand, are up €98,765 thousand compared with the comparative period, primarily due to the contribution from the Abertis group, totalling €56,823 thousand. This essentially relates to indirect and direct taxation of €32,770 thousand recognised by the French motorway operators.
After stripping out this contribution, the increase of €41,942 thousand reflects:
a) the increase in other costs due to the compensation paid to victims' families and firms and businesses directly affected by the collapse of a section of the Polcevera road bridge, as described in note 8.17;
b) an increase in grants and donations, primarily linked to the disbursements made to people, firms and businesses indirectly affected by the collapse of a section of the Polcevera road bridge, as described in note 8.17.

8.9 Operating change in provisions -€522,838 thousand (€3,715 thousand)

This item consists of operating changes in provisions, excluding those for employee benefits (classified in staff costs), made during the period in order to meet legal and contractual obligations requiring the use of financial resources in future years.
The negative balance of €522,838 thousand reflects a combination of the following:
a) the negative change in provisions for the repair and replacement of motorway infrastructure, amounting to €346,759 thousand. After stripping out the provisions (€397,399 thousand) made to cover the cost of demolition and reconstruction of the Polcevera road bridge and the Abertis group's contribution (€24,888 thousand), the change is a positive €25,752 thousand, essentially reflecting increased usage resulting from work carried out during the year by the Brazilian operators;
b) the negative net change in provisions for the renewal of assets held under concession, totalling €86,171 thousand, reflecting an increase in provisions during year, primarily following an updated estimate of the present value of airport renewal work to be carried out by ACA in the future;
c) the negative net change in provisions for risks and charges, totalling €89,908 thousand, essentially due to provisions made in relation to the collapse of a section of the Polcevera road bridge, as described in note 8.17.

8.10 Use of provisions for construction services required by contract €367,884 thousand (€419,191 thousand)

This item regards the use of provisions for construction services required by contract, relating to services for which no additional economic benefits are received rendered during the year, less accrued government grants (recognised in revenue from construction services, as explained in note 8.3). The item represents the indirect adjustment to construction costs classified by nature and incurred by the motorway operators, above all Autostrade per l'Italia, whose concesssion arrangements provide for such obligations. The reduction of €51,307 thousand, is broadly linked to reduced investment in the upgrade of the A1 Milan-Naples between Bologna and Florence. Further information on construction services and capital expenditure during the period is provided in notes 7.2 and 8.3.

8.11 (Impairment losses) and reversals of impairment losses €2,182 thousand (€69,294 thousand)

The positive balance for 2018, totalling €69,294 thousand, essentially reflects the reversal of impairment losses on intangible assets deriving from concession rights previously recognised by Raccordo Autostradale Valle d'Aosta, totalling €78,700 thousand.

8.12 Financial income/(expenses) -€737,170 thousand (-€514,757 thousand)

Financial income €398,272 thousand (€397,948 thousand)
Financial expenses -€1,139.389 thousand (–€921,363 thousand)
Foreign exchange gains/(losses) €3,947 thousand (€8,658 thousand)

An analysis of financial income and expenses is shown below.

€000	2018	2017	INCREASE/ (DECREASE)
Financial income accounted for as an increase in financial assets deriving from concession rights and government grants	**108,796**	**73,506**	**35,290**
Dividends received from investees accounted for at fair value	**4,232**	**9,889**	**-5,657**
Income from derivative financial instruments	116,032	89,607	26,425
Financial income accounted for as an increase in financial assets	57,710	73,096	-15,386
Interest and fees receivable on bank and post office deposits	24,154	21,876	2,278
Gain on sale of investment	-	44,896	-44,896
Other	87,348	85,078	2,270
Other financial income	**285,244**	**314,553**	**-29,309**
Total financial income (a)	**398,272**	**397,948**	**324**
Financial expenses from discounting of provisions for construction services required by contract and other provisions	**-53,035**	**-42,234**	**-10,801**
Interest on bonds	-537,107	-472,921	-64,186
Losses on derivative financial instruments	-209,663	-161,561	-48,102
Interest on medium/long-term borrowings	-154,126	-112,823	-41,303
Interest expense accounted for as an increase in financial liabilities	-17,481	-12,389	-5,092
Impairment losses on investments carried at cost or fair value and non-current financial assets	-54	-4,019	3,965
Interest and fees payable on bank and post office deposits	-1,650	-2,392	742
Other financial expenses	-166,273	-113,024	-53,249
Other financial expenses	**-1,086,354**	**-879,129**	**-207,225**
Total financial expenses (b)	**-1,139,389**	**-921,363**	**-218,026**
Foreign exchange gains/(losses) (c)	**3,947**	**8,658**	**-4,711**
Financial income/(expenses) (a+b+c)	**-737,170**	**-514,757**	**-222,413**

Net other financial expenses, totalling €801,110 thousand, are up €236,534 thousand compared with 2017 (€564,576 thousand), primarily reflecting a combination of the following:

a) the contribution to net financial expenses linked to the acquisition and consolidation of the Abertis group, resulting from:
   1) the contribution of the Abertis group's financial expenses (€100,165 thousand), in addition to interest expense and the accrued share of ancillary costs for the period of consolidation recognised by Abertis HoldCo in relation to the financing obtained to finance the acquisition of control of Abertis (€16,336 thousand);
   2) the recharging to Atlantia of a portion of the financial expenses incurred by Hochtief in order to complete the acquisition (€23,755 thousand), in accordance with the partnership agreements entered into with ACS and Hochtief;
   3) the financial expenses incurred by Atlantia, totalling €14,224 thousand, essentially due to interest expense on lines of credit and fees, mainly commitment fees, incurred following the cancellation of certain lines of credit financing the acquisition;

b) recognition, in 2017, of gains totalling €44,896 thousand on the sale of the interest in SAVE;

c) a reduction in interest income accounted for as an increase in the amount receivable from Infra Bertin, following a reduction in the interest rate used to calculate the interest (€22,898 thousand);

d) a reduction in financial expenses (totalling €38,565 thousand) broadly due to:
   1) partial repayment of loans by the Chilean companies, Costanera, Costanera Norte and Nueva Vespucio SUR, and by the Brazilian company, Triangulo do Sol, in addition to a reduction in the

average cost of debt, primarily due to a decline in the CDI rate, recorded by Rodovias das Colinas (€23,937 thousand);
2) a reduction in interest expense linked to the bonds redeemed on 19 September 2017 and the restructuring of loans from Cassa Depositi e Prestiti and the European Investment Bank to Autostrade per l'Italia (€23,026 thousand);
3) an increase in interest expense at Atlantia (€8,398 thousand), due to recognition of accrued interest for the full year, in 2018, on bonds issued in 2017 (€11,534 thousand), partially offset by a reduced interest on the retail bonds redeemed in November 2018 (€3,137 thousand).

8.13 Share of profit/(loss) of investees accounted for using the equity method €4,006 thousand (-€1,661 thousand)

The "Share of (profit)/loss of investees accounted for using the equity method" for 2018 amounts to a profit of €4,006 thousand, reflecting the Group's share of the profit or loss of its associates and joint ventures.

8.14 Income tax expense -€439,989 thousand (-€632,194 thousand)

A comparison of the tax charges for the two comparative periods is shown below.

€000	2018	2017	INCREASE/ (DECREASE)
IRES	-326,687	-371,775	45,088
IRAP	-93,418	-88,868	-4,550
Income taxes attributable to foreign operations	-128,039	-112,234	-15,805
Current tax benefit of tax loss carry-forwards	10,328	12,384	-2,056
Current tax expense	**-537,816**	**-560,493**	**22,677**
Recovery of previous years' income taxes	19,339	11,504	7,835
Previous years' income taxes	335	-3,828	4,163
Differences on current tax expense for previous years	**19,674**	**7,676**	**11,998**
Provisions	310,851	175,757	135,094
Releases	-338,114	-348,285	10,171
Changes in prior year estimates	-1,807	-2,064	257
Deferred tax income	**-29,070**	**-174,592**	**145,522**
Provisions	-79,039	-70,239	-8,800
Releases	186,266	120,546	65,720
Changes in prior year estimates	-4	44,908	-44,912
Deferred tax expense	**107,223**	**95,215**	**12,008**
Deferred tax income/(expense)	**78,153**	**-79,377**	**157,530**
Income tax (expense)/benefit	**-439,989**	**-632,194**	**192,205**

Income tax expense amounts to €439,989 thousand, down €192,205 thousand compared with 2017 (€632,194 thousand). This relates to the reduction in pre-tax profit for 2018, and the fact that tax expense for 2017 included €45,361 thousand payable after Autostrade per l'Italia's distribution of a special dividend in kind and of available equity reserves to Atlantia, as part of the Atlantia Group's restructuring completed in that year.

The following table shows the reconciliation of the IRES charge calculated at the statutory tax rate and the effective charge in the comparative periods.

€000	2018			2017		
	TAXABLE INCOME	TAX	TAX RATE	TAXABLE INCOME	TAX	TAX RATE
Pre-tax profit/(loss) from continuing operations	**1,519,263**			**2,065,432**		
Tax expense computed using statutory rate applied by Parent Company		340,252	24.0%		507,961	24.0%
Temporary differences deductible in future years	1,053,775	266,850	17.6%	582,447	156,924	7.6%
Temporary differences taxable in future years	-611,753	-73,155	-4.8%	-632,914	-69,217	-3.4%
Reversal of prior year temporary differences	-394,203	-144,764	-9.5%	-578,834	-196,574	-9.5%
Permanent differences	86,348	25,007	1.6%	57,005	41,859	2.0%
Impact on tax expense of income and expense recognised directly in equity	-	-	-	-	44,394	2.1%
Current tax benefit from tax losses	-	-10,328	-0.7%	-	-12,384	-0.6%
Change in prior year estimates and other changes	-	-1,382	-0.1%	-	-1,338	-0.1%
IRAP		**93,146**	**6.1%**		**88,868**	**4.3%**
Tax expense for the year relating to the Abertis group		**42,190**	**2.8%**		**-**	**-**
TOTAL(*)		**537,816**	**35.4%**		**560,493**	**27.1%**

(*) In order to best present the impact of consolidation of the Abertis group's results for the last two months of 2018, the group's contribution to computation of the Atlantia Group's current tax expense has been shown separately.

8.15 Profit/(Loss) from discontinued operations €3,596 thousand (-€1,245 thousand)

An analysis of the net profit/(loss) from discontinued operations for the two comparative periods is shown below.

€000	2018	2017	Increase/ (Decrease)
Operating income	26,968	-	26,968
Operating costs	-4,412	-107	-4,305
Financial income	29,756	-	29,756
Financial expenses	-32,023	-308	-31,715
Tax benefit/(expense)	-16,693	-830	-15,863
Profit/(Loss) from discontinued operations	**3,596**	**-1,245**	**4,841**

The profit in 2018 primarily regards the contribution of the Abertis group's discontinued operations for the last two months of 2018, relating to the Hispasat group, whose sale was agreed on 12 February 2019, as described in note 10.8.

8.16 Earning per share

The following table shows the calculation of basic and diluted earnings per share for the two comparative periods.

	2018	2017
Weighted average number of shares outstanding	825,783,990	825,783,990
Weighted average number of treasury shares in portfolio	-7,914,925	-8,265,778
Weighted average of shares outstanding for calculation of basic earnings per share	**817,869,065**	**817,518,212**
Weighted average number of diluted shares held held under share-based incentive plans	105,409	549,692
Weighted average of all shares outstanding for calculation of diluted earnings per share	**817,974,474**	**818,067,904**
Profit for the year attributable to owners of the parent (€000)	818,041	1,171,783
Basic earnings per share (€)	**1.00**	**1.43**
Diluted earnings per share (€)	**1.00**	**1.43**
Profit from continuing operations attributable to owners of the parent (€000)	816,410	1,172,770
Basic earnings per share from continuing operations (€)	**1.00**	**1.43**
Diluted earnings per share from continuing operations (€)	**1.00**	**1.43**
Profit from discontinued operations attributable to owners of the parent (€000)	1,631	-987
Basic earnings/(losses) per share from discontinued operations (€)	-	-
Diluted earnings/(losses) per share from discontinued operations (€)	-	-

8.17 Events of 14 August 2018 relating to the collapse of a section of the Polcevera road bridge in Genoa

Information on the legal and concession-related aspects of the collapse of a section of the Polcevera road bridge (the "road bridge") on the A10 Genoa-Ventimiglia motorway, operated by Autostrade per l'Italia (the "operator"), on 14 August 2018 is provided in note 10.7.

Convinced that it has complied with its concession obligations and whilst awaiting the outcome of the ongoing investigation into the causes of the collapse, the operator has, in any event, an obligation to reconstruct the Polcevera road bridge under the terms of the existing Single Concession Arrangement. This obligation falls within the scope of provisions to be made to the "Provisions for the repair and replacement of motorway infrastructure", in application of the accounting standards and policies applied and described in note 3.
In particular, the provision made meets the requirements of IAS 37 in relation to provisions, being that:
a) there is a present obligation as a result of a past event;
b) it is probable that an outflow of resources will be required to settle the obligation; and
c) the related amount can be reliably estimated.

Moreover, fulfilment of the obligation will not qualify for recognition of an intangible asset, either as a right deriving from construction services for which no additional economic benefits are received or as a right deriving from construction services for which additional benefits are received.
Autostrade per l'Italia has an obligation to reconstruct the infrastructure previously operated under concession and this reconstruction of the road bridge:
a) does not form part of specific obligations to perform certain construction services (services that do not give rise to any form of toll increase or other benefit) assumed at the time of signing the Concession Arrangement;
b) does not generate any additional economic benefit, in that it relates to the mere reconstruction /replacement of pre-existing infrastructure. Any indirect benefits, such as, for example, the fact that the new road bridge will result in lower maintenance costs in future years cannot result in recognition of an intangible asset, as this would not meet the requirements of IAS 38.

With regard to determining the obligation to repair the infrastructure, Law Decree 109 was issued on 28 September 2018, converted with amendments into Law 130 of 16 November 2018. Among other provisions, this contains urgent measures relating to the demolition and reconstruction of the road bridge and measures designed to support the local population and businesses affected by the collapse. The above legislation has also assigned sole authority for implementation of the measures to the Special Commissioner (the "Commissioner") and requires Autostrade per l'Italia to provide the Commissioner with the funds necessary in order to proceed with:
a) the demolition, removal and dismantling of the road bridge, the design and reconstruction of the infrastructure and the return of the road system to normal (art. 1, paragraphs 5 and 6);
b) the purchase or expropriation, by the Commissioner, of civil buildings in the affected areas (art. 1-*bis*);
c) the purchase or expropriation, by the Commissioner, of buildings in the affected areas from which businesses operated, and the payment of compensation to the firms involved to cover the cost of any equipment, machinery and materials lost or the transfer of their businesses to another location (art. 4-*bis*).

In a letter dated 21 December 2018, the Commissioner, making reference to the above decree and in execution thereof, informed Autostrade per l'Italia that:
a) he had executed notarial deeds for the purchase of civil and commercial buildings, and requesting payment of the provisional sum of €115 million;

b) he had estimated the sum necessary to compensate firms for any equipment, machinery and materials lost or the transfer of their businesses to another location at €44 million, and requesting payment of the above sum;
c) he had issued decrees awarding contracts for the demolition, design and reconstruction of the bridge, and requesting Autostrade per l'Italia to pay the provisional sum of €291 million (€238 million net of VAT).

With regard to the above, in accordance with the accounting treatment applicable had Autostrade per l'Italia proceeded directly to carry out the above activities based on the terms of the Single Concession Arrangement, the following principal effects of the events in question have been recognised in the consolidated income statement for 2018, including the costs incurred directly by Autostrade per l'Italia:
a) the estimated cost of rebuilding the road bridge, as communicated by the Commissioner in relation to the chosen plan for demolition and reconstruction, without prejudicing any determination of liability (€397,399 thousand, in accordance with the provisions of art. 1, paragraphs 5 and 6, art. 1-*bis*, art. 4-*bis* of Law Decree 109, converted with amendments into Law 130 of 16 November 2018, recognised as provisions for the repair and replacement of motorway infrastructure);
b) the costs directly incurred in order to purchase the areas to which access is required in order to demolish and reconstruct the road bridge (€8,807 thousand, recognised in other operating costs);
c) the costs linked to the disbursements made in order enable families forced to leave their homes to purchase basic necessities (€2,577 thousand, recognised in other operating costs);
d) the compensation agreed with the families of certain victims and small businesses and traders directly affected by the collapse (€14,822 thousand, recognised in other operating costs);
e) the costs linked to disbursements made to small businesses and traders directly affected by the collapse (€6,793 thousand, recognised in other operating costs);
f) the estimated costs linked to further compensation paid to victims' families, aid for small businesses and traders affected by the collapse and legal expenses (€57,218 thousand, recognised in provisions for risks and charges);
g) the costs incurred for its own demolition and reconstruction plan submitted to the Special Commissioner on 15 October 2018 in accordance with the provisions of the Concession Arrangement (€3,071 thousand, recognised in service costs);
h) the costs incurred in order to make the road bridge safe following the collapse (€3,933 thousand, recognised in service costs);
i) the consultants' fees and legal expenses resulting from the legal actions brought in order to protect the Company's rights, and defend the employees who are under criminal investigation as part of a criminal action brought before the Court of Genoa by the Public Prosecutors' Office in Genoa (€3,349 thousand, primarily recognised in service costs).

In addition to the above impact on Autostrade per l'Italia, other Atlantia Group companies have also incurred expenses directly relating to the events of 14 August 2018, as follows:
a) Atlantia, in relation to fees paid to legal, financial and communications consultants, amounting to €3,204 thousand (including non-deductible VAT);
b) Spea Engineering, in connection with Autostrade per l'Italia's decision to commission preparation of a design for demolition and reconstruction of the road bridge, and consisting of fees paid to technical experts and provisions for risks and charges, totalling €3,259 thousand;
c) Pavimental, with regard to the activities commissioned by Autostrade per l'Italia in order to restore the road network in the city of Genoa to normal by building via del Papa and via 30 giugno 1960, totalling €3,273 thousand.

Finally, Autostrade per l'Italia's decision to exempt road users in the Genoa area from the payment of tolls also resulted in an estimated reduction in toll revenue of approximately €7 million.

With regard to the method of accounting for risks and charges connected with "direct" and "indirect" damages for which Autostrade per l'Italia may be liable, the following should be noted:

a) so-called "direct damages", meaning damages directly linked to the events as a direct and immediate consequence of the collapse of the road bridge and regardless of any theoretical hypothesis on the cause of the collapse, may be divided into two types: i) the costs connected with demolition and reconstruction, including the payment of compensation to the businesses located beneath the road bridge, for which the operator has made provision in the "Provisions for the repair and replacement of motorway infrastructure"; and ii) the charges related to the compensation paid to the victims' families and to the injured, which have been accounted for in "Other provisions for risks and charges";
b) with regard to so-called "indirect damages" hypothetically identified in relation to the collapse, it should be noted that, as regards determination of the probability of an adverse outcome and, as a result, identification of the accounting category provided for in IAS 37 (provisions or a contingent liability) with which it is reasonable to associate the legal risks in question, the operator's considerations are based on, and are in consistent with, a series of technical and legal opinions from professionals specialising in the related areas, updated to the date of preparation of these consolidated financial statements for the year ended 31 December 2018, in which the circumstances surrounding the collapse of the road bridge and the related disputes have been analysed in detail in order to estimate the probability of an adverse outcome for Autostrade per l'Italia and the expected value of any liabilities in the event of such an outcome.

With regard to the "indirect damages", the opinions received provide useful, if not decisive, elements on which Autostrade per l'Italia has based its judgement as to how to account for the charges, as either provisions or a contingent liability. This means assessing the degree to which it is likely that an adverse outcome will occur as a result of the disputes and the possibility of arriving with reasonable certainty at an estimate of the size of the loss connected with the occurrence of this event.

The above technical and legal opinions have demonstrated that it is currently impossible to construct an ex ante hypothesis, and that it will be necessary to assess the concrete evidence that may emerge from time to time, and that, as to any identification of the entity responsible for the event, Autostrade per l'Italia has not been identified as being responsible for the occurrence of the event in any final court or out-of-court ruling.

Thus, based on the fact that:

a) it is not possible to construct an ex ante hypothesis regarding Autostrade per l'Italia's responsibility for the occurrence of the event, nor, as a result, regarding whether or not any damages are due or the size of any damages;
b) at the present time, there are further causes of uncertainty regarding whether or not any damages are due, or the size of any damages payable by Autostrade per l'Italia, in view of the disputes arising as a result of the assessments currently being conducted by the operator's insurance providers in relation to the collapse of the road bridge;

and that, from an accounting point of view, the conditions set out in paragraph 14 of IAS 37 have not been met, it is not possible to recognise provisions in "Other provisions for risks and charges".

Finally, the above charges have been calculated excluding any insurance proceeds that may be received by Autostrade per l'Italia in the future in relation to the collapse, under the insurance cover obtained with regard to the collapsed road bridge.

The compensation payable is subject to uncertainty regarding both whether or not any damages are due and the size of any damages. As a result, it does not appear possible to estimate the related amounts, or the date on which any proceeds might be received, with the reasonable certainty necessary for recognition in these consolidated financial statements for the year ended 31 December 2018.

It has thus been decided to prudently recognise provisions without deducting any potential insurance proceeds which, if and when they are effectively paid to Autostrade per l'Italia, can be recognised in revenue for the corresponding reporting period.

This accounting treatment is also backed by the authoritative opinion of an external expert.

On 23 January 2019, at the request of the Special Commissioner and without prejudice to the reservations expressed in correspondence with the Commissioner and in the legal challenges brought, Autostrade per l'Italia paid the sums requested to finance the expropriations necessary for demolition and reconstruction of the Polcevera road bridge (€114,913 thousand).

Finally, on 18 February 2019, at the request of the Special Commissioner, Autostrade per l'Italia paid the sums requested to finance the start of demolition and reconstruction of the Polcevera road bridge (€46,076 thousand net of VAT).

The following table shows the consolidated income statement for 2018, showing the non-recurring impact on each line item, as required by CONSOB resolution 15519 of 27 July 2006, resulting from the events of 14 August 2018. These non-recurring impacts include items recognised by Autostrade per l'Italia, Atlantia, Pavimental and Spea Engineering directly in relation to the above events, as described in detail above.

€0000	2018	OF WHICH IMPACT OF NON-RECURRING ITEMS
REVENUE		
Toll revenue	4,992,213	-
Aviaton revenue	834,036	-
Revenue from construction services	518,019	-
Other operating income	1,082,847	-
TOTAL REVENUE	**7,427,115**	-
COSTS		
Raw and consumable materials	**-382,976**	***-13***
Service costs	**-1,466,814**	***-16,988***
Gains/(Losses) on sales of components of fixed assets	**-242**	-
Staff costs	**-1,086,021**	***-1,257***
Other operating costs	**-720,857**	***-32,109***
Concession fees	-532,048	-
Lease expense	-29,464	-6
Other	-160,064	*-32,103*
Other capitalised costs	719	-
Operating change in provisions	**-522,838**	***-455,423***
(Provisions)/ Uses of provisions for repair and replacement of motorway infrastructure	-346,759	*-397,399*
(Provisions)/ Uses of provisions for renewal of assets held under concession	-86,171	-
Provisions for risks and charges	-89,908	*-58,024*
Use of provisions for construction services required by contract	**367,884**	-
Amortisation and depreciation	**-1,365,006**	-
Depreciation of property, plant and equipment	-94,775	-
Amortisation of intangible assets deriving from concession rights	-1,182,480	-
Amortisation of other intangible assets	-87,751	-
(Impairment losses)/Reversals of impairment losses	**2,182**	-
TOTAL COSTS	**-5,174,688**	***-505,790***
OPERATING PROFIT/(LOSS)	**2,252,427**	***-505,790***
Financial income	**398,272**	-
Financial income accounted for as an increase in financial assets deriving from concession rights and government grants	108,796	-
Dividends received from investees accounted for at fair value	4,232	-
Other financial income	285,244	-
Financial expenses	**-1,139,389**	-
Financial expenses from discounting of provisions for construction services required by contract and other provisions	-53,035	-
Other financial expenses	-1,086,354	-
Foreign exchange gains/(losses)	**3,947**	-
FINANCIAL INCOME/(EXPENSES)	**-737,170**	-
Share of (profit)/loss of investees accounted for using the equity method	**4,006**	-
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**1,519,263**	***-505,790***
Income tax (expense)/benefit	**-439,989**	***139,563***
Current tax expense	-537,816	*10,455*
Differences on tax expense for previous years	19,674	-
Deferred tax income and expense	78,153	*129,108*
PROFIT/(LOSS) FROM CONTINUING OPERATIONS	**1,079,274**	***-366,227***
Profit/(Loss) from discontinued operations	**3,596**	-
PROFIT FOR THE YEAR	**1,082,870**	***-366,227***
of which:		
Profit attributable to owners of the parent	**818,041**	***-323,226***
Profit attributable to non-controlling interests	**264,829**	***-43,001***

9. OTHER FINANCIAL INFORMATION

9.1 Notes to the consolidated statement of cash flows

Consolidated cash flow in 2018, compared with 2017, is analysed below. The consolidated statement of cash flows is included in the "Consolidated financial statements".
Cash flows during 2018 resulted in a decrease of €540,718 thousand in cash and cash equivalents, (an increase of €2,227,167 thousand in 2017).

Operating activities generated cash flows of €2,944,405 thousand in 2018, up €528,321 thousand on the figure for 2017 (€2,416,084 thousand). The increase is primarily attributable to a combination of the following:

a) the increase of €418,444 thousand in operating cash flow compared with 2017, essentially due to the Abertis group's contribution of €380,953 thousand;
b) a €40,337 thousand reduction in the cash outflow due to changes in operating capital and other changes in 2018, compared with an outflow of €150,214 thousand in 2017, reflecting increased use of provisions.

Cash used for investing activities, totalling €18,673,441 thousand, is linked to a combination of the following:

a) the acquisition of control of the Abertis group for a net amount of €14,043,482 thousand, resulting in an outflow of €16,519,601 thousand, after cash and cash equivalents transferred, totalling €2,476,119 thousand;
b) the purchase of a 23.86% interest in Hochtief for €2,410,653 thousand;
c) capital expenditure for the year of €1,124,286 thousand;
d) the purchase of a 100% interest in Aero 1 for €1,056,124 thousand, after grants.

Cash from investing activities in the comparative period, amounting to €693,895 thousand, primarily including the proceeds from the sales of an 11.94% stake in Autostrade per l'Italia and of a 12.50% interest in Azzurra Aeroporti, amounting to €1,870,007 thousand, and from the sale of the investment in SAVE, totalling €220,646 thousand, partially offset by capital expenditure of €1,076,537 thousand.

The inflow from financing activities in 2018 amounts to €15,222,541 thousand, reflecting a combination of the following:

a) new bank borrowings obtained during the year by Abertis HoldCo to finance the acquisition of Abertis, amounting to €9,774,982 thousand;
b) the new borrowings obtained by Atlantia, totalling €3,322,541 thousand, in relation to completion of the acquisition of control of Abertis;
c) the contribution of the non-controlling shareholders of Abertis HoldCo, totalling €3,454,662 thousand;
d) Atlantia's redemption of retail bonds, totalling €1,000,000 thousand;
e) dividends paid to the Atlantia Group's shareholders and to non-controlling shareholders, totalling €780,973 thousand.

Details of movements in financial liabilities are provided in note 7.15.

The following table shows net cash flows generated from discontinued operations, including the contributions of Hispasat (for the last two months of 2018), Ecomouv and Tech Solutions Integrators in the two comparative periods. These cash flows are included in the consolidated statement of cash flows under operating, investing and financing activities.

€M	2018	2017
Net cash generated from/(used in) operating activities	26	-2
Net cash generated from/(used in) investing activities	-4	-
Net cash generated from/(used in) financing activities	-28	-

9.2 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 movements in interest and foreign exchange rates on financial assets acquired and financial liabilities assumed;
b) liquidity risk, with regard to ensuring the availability of sufficient financial resources to fund the Group's operating activities and repayment of the liabilities assumed;
c) credit risk, linked to both ordinary trading relations and the likelihood of defaults by financial counterparties.

The Atlantia Group's financial risk management strategy is derived from and consistent with the business goals set by the Atlantia Board of Directors, as contained in the various long-term plans prepared each year.

Market Risk

The adopted strategy for each type of risk aims, wherever possible, to eliminate interest rate and currency risks and minimise borrowing costs, whilst taking account of stakeholders' interests, as defined in the Financial Policy approved by Atlantia's Board of Directors.
Management of these risks is based on prudence and best market practice.
The main objectives set out in this policy are as follows:

a) to protect the scenario forming the basis of the long-term business plan from the effect of exposure to currency and interest rate risks, identifying the best combination of fixed and floating rates;
b) to pursue a potential reduction of the Atlantia 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 Atlantia Group's hedges are classified, in accordance with IFRS 9, as cash flow hedges, fair value hedges or hedges of a net investment in foreign operations, depending on the type of risk hedged and in accordance with the standard.
As at 31 December 2018, the notional amount of the Company's derivatives portfolio has increased by €7,079,703 thousand (a total of €17,304,309 thousand), with fair value losses of €749,123 thousand compared with €472,151 thousand in 2017. The increase primarily reflects first-time consolidation of the Abertis group, which holds derivatives with a notional value of €6,197,429 thousand.
the Group's portfolio also includes non-hedge accounting transactions, including the derivatives embedded in certain short-term borrowings obtained by Autostrade Meridionali and Pavimental, with a notional value of €278,532 thousand and fair value losses of €783 thousand.
Further details are provided in note 7.15.
Information on the fair value measurement of derivative financial instruments is provided in note 3.
Foreign currency amounts are converted into euros using the closing exchange rates published by the Bank of Italy.

The residual average term to maturity of the Group's debt as at 31 December 2018 is approximately 5 years and 11 months. The average cost of the Atlantia Group's medium/long-term debt for 2018 was 3.3% (reflecting a combination of 2.6% for the companies operating in the euro area, 5.1% for the Chilean companies and 9.0% for the Brazilian companies). Specific monitoring procedures have been implemented in order to assess, on a continuing basis, counterparty creditworthiness and the degree of risk concentration.

Interest rate risk

This risk is linked to uncertainty regarding the performance of interest rates, and takes two forms:

a) cash flow risk: linked to financial assets and liabilities, with cash flows indexed to a market interest rate. In order to reduce the amount of floating rate debt, the Group has entered into interest rate swaps (IRSs), classified as cash flow hedges. The hedging instruments and the underlying financial liabilities have matching terms to maturity and notional amounts. Following tests of effectiveness, changes in fair value are essentially recognised in other comprehensive income.
In 2018, the Atlantia Group entered into new Forward-Starting IRSs with a total notional value of €5,500,000 thousand and fair value losses of €78,606 thousand as at 31 December 2018.They have a duration of 12 years, are subject to a weighted average fixed rate of approximately 0.664%, linked to the Group's highly likely future financial liabilities to be entered into through to 2020.

b) fair value risk: the risk of losses deriving from an unexpected change in the value fixed rate financial assets and liabilities following an unfavourable shift in the market yield curve. As at 31 December 2018, the Group reports transactions classifiable as fair value hedges in accordance with IFRS 9, regarding IPCA x CDI Swaps entered into by the Brazilian companies, Triangulo do Sol and Rodovia das Colinas, with the aim of converting the real IPCA rate bonds issued in 2013 to a floating CDI rate. In addition, offset swaps have been entered into to crystallise the positive mark-to-market value of IPCA x CDI derivatives at the date of execution of the Offset. The present value of the cash flows from the IPCA x CDI derivatives as at 31 December 2018, after deducting the present value of the Offsets is a positive €4,038 thousand. To fully comprehend the value of the instrument, it is necessary to take into account the accruals amounting to approximately €36,336 thousand, which when added to the fair value component, results in a positive value of the instrument of approximately €40,374 thousand.

As a result of cash flow hedges, 67% of interest bearing debt is fixed rate.

Currency risk

Currency risk can result in the following types of exposure:

a) economic exposure incurred through purchases and sales denominated in currencies other than the company's functional currency;

b) translation exposure through equity investments in subsidiaries and associates whose financial statements are denominated in a currency other than the Group's functional currency;

a) transaction exposure incurred by making deposits or obtaining loans in currencies other than the individual companies' functional currency.

The Group's prime objective of currency risk is to minimise transaction exposure through the assumption of liabilities in currencies other than the functional currency. With the aim of eliminating the currency risk associated with the sterling and yen denominated bonds transferred to Autostrade per l'Italia as a result of the issuer substitution, the Group has entered into Cross Currency Swaps (CCIRS) with notional values and maturities equal to those of the underlying financial liabilities. These swaps also qualify as cash flow hedges and tests have not identified any ineffective hedges.

Following Atlantia's buyback of 99.87% of the sterling-denominated notes, amounting to £215 million, originally issued by Romulus Finance (a vehicle company controlled by Aeroporti di Roma and wound up in 2017 with the transfer of the liabilities assumed to the parent), the Cross Currency Swaps entered into by Atlantia and Aeroporti di Roma to hedge interest and currency risk associated with the underlying in foreign currency, no longer qualify for hedge accounting in the consolidated financial statements.
12.3% of the Group's debt is denominated in currencies other than the euro.
The following table summarises outstanding derivative financial instruments as at 31 December 2018 (compared with 31 December 2017) and shows the corresponding market and notional values of the hedged financial asset or liability.

€000 TYPE	PURPOSE OF HEDGE	31 December 2018 FAIR VALUE ASSET/(LIABILITY)	NOTIONAL AMOUNT	31 December 2017 FAIR VALUE ASSET/(LIABILITY)	NOTIONAL AMOUNT
Cash flow hedges (1)					
Cross Currency Swap	Currency and interest rate risk	-379,664	5,611,807	-260,459	750,000
Interest Rate Swap	Interest rate risk	-313,884	9,394,181	-78,519	5,768,623
	Total cash flow hedges	**-693,548**	**15,005,988**	**-338,978**	**6,518,623**
Fair value hedges (1)					
IPCA x CDI Swap	Interest rate risk	4,038	162,627	5,042	129,347
	Total fair value hedges	**4,038**	**162,627**	**5,042**	**129,347**
Net investment in a foreign operation (1)					
Cross Currency Swap	Interest rate risk	50,656	821,812	-	-
	Total net investment in a foreign operation hdges	**50,656**	**821,812**	**-**	**-**
Non-hedge accounting derivatives (1)					
Cross Currency Swap	Currency and interest rate risk	-101,577	760,877	-124,372	760,877
Interest Rate Swap	Interest rate risk			-13,511 (2)	2,500,000
Derivatives embedded in loans	Interest rate risk	-783	272,615	-860	278,532
FX Forward	Currency risk	1,367 (3)	169,952	528 (3)	37,308
IPCA x CDI Swap	Interest rate risk	-9,276	110,429	-	-
	Total non-hedge accounting derivatives	**-110,269**	**1,313,873**	**-138,215**	**3,576,717**
TOTAL		**-749,123**	**17,304,390**	**-472,151**	**10,224,687**
	fair value (asset)	**183,390**		**107,796**	
	fair value (liability)	**-932,513**		**-579,947**	

(1) The fair value of cash flow hedges excludes accruals at the measurement date.
(2) Fair value losses include non-hedge accounting derivatives linked to Deal Contingent Hedges, with a total notional amount of €2,500,000 thousand, hedging the acquisition financing obtained in relation to the public tender offer for Abertis.
(3) The fair value of these derivatives is classified in short-term assets and liabilities.

Sensitivity analysis

Sensitivity analysis describes the impact that the interest rate and foreign exchange movements to which the Atlantia Group is exposed would have had on the consolidated income statement for 2018 and on equity as at 31 December 2018.
The interest rate sensitivity analysis is based on the exposure of derivative and non-derivative financial instruments at the end of the year, assuming, in terms of the impact on the income statement, a 0.10% (10 bps) shift in the market yield curve at the beginning of the year, whilst, with regard to the impact of changes in fair value on other comprehensive income, the 10 bps shift in the curve was assumed to have occurred at the measurement date. The results of the analyses were:

a) in terms of interest rate risk, an unexpected and unfavourable 0.10% shift in market interest rates would have resulted in a negative impact on the consolidated income statement, totalling €10,574 thousand, and on other comprehensive income, totalling €75,340 thousand, before the related taxation;
b) in terms of currency risk, an unexpected and unfavourable 10% shift in the exchange rate would have resulted in a negative impact on the consolidated income statement, totalling €49,475 thousand, and on other comprehensive income, totalling €127,636 thousand, linked respectively to the change in the net result reported by the Atlantia Group's overseas subsidiaries and changes in the foreign currency translation reserves.

Liquidity risk

Liquidity risk relates to the risk that cash resources may be insufficient to fund the payment of liabilities as they fall due. The Group believes that its ability to generate cash, the ample diversification of its sources of funding and the availability of committed and uncommitted lines of credit provides access to sufficient sources of finance to meet its projected financial needs.

As at 31 December 2018, project debt allocated to specific overseas companies amounts to €6,293 million. At the same date the Group has estimated cash reserves of €15,414 million, consisting of:

a) €5,073 million in cash and cash equivalents;
b) €595 million in term deposits allocated primarily to part finance the execution of specific construction services and to service the debt of certain Chilean companies;
c) €9,748 million in undrawn committed lines of credit, which as at 31 December 2018 have an average residual term of approximately 3 years and 11 months and a weighted average residual drawdown period of approximately 2 years and 4 months.

Details of drawn and undrawn committed lines of credit are shown below.

€M				31 DECEMBER 2018		
BORROWER	LINE OF CREDIT	DRAWDOWN PERIOD EXPIRES	FINAL MATURITY	AVAILABLE	DRAWN	UNDRAWN
Atlantia	Revolving facility €1,250m of 4 July 2018	4 June 2023	4 July 2023	1,250	675	575
Atlantia	Revolving facility €2,000m of 12 October 2018	12 Sept 2021	12 Oct 2021	2,000	-	2,000
Abertis Holdco, SA	Bridge to Disposal	31 Jan 2019	07 May 2020	2,200	2,074	126
Abertis Holdco, SA	Syndicated Loan	27 Jan 2019	27 Dec 2023	970	-	970
Abertis Infraestructuras	Credit Lines	1 Mar 2020	1 Mar 2020	100	-	100
Abertis Infraestructuras	Credit Lines	7 Apr 2020	7 Apr 2020	150	-	150
Abertis Infraestructuras	Credit Lines	20 Apr 2020	20 Apr 2020	350	-	350
Abertis Infraestructuras	Credit Lines	16 June 2020	16 June 2020	150	-	150
Abertis Infraestructuras	Credit Lines	22 July 2020	22 July 2020	100	-	100
Abertis Infraestructuras	Credit Lines	31 Aug 2020	31 Aug 2020	350	-	350
Abertis Infraestructuras	Credit Lines	14 Oct 2020	14 Oct 2020	150	-	150
Abertis Infraestructuras	Credit Lines	09 Dec 2020	09 Dec 2020	200	-	200
Abertis Infraestructuras	Credit Lines	31 Dec 2020	31 Dec 2020	100	-	100
Abertis Infraestructuras	Credit Lines	1 Feb 2021	1 Feb 2021	150	-	150
Abertis Infraestructuras	Credit Lines	7 Mar 2021	7 Mar 2021	100	-	100
Abertis Infraestructuras	Credit Lines	11 Mar 2021	11 Mar 2021	100	-	100
Abertis Infraestructuras	Credit Lines	29 Apr 2021	29 Apr 2021	100	-	100
Abertis Infraestructuras	Credit Lines	18 May 2021	18 May 2021	150	-	150
Abertis Infraestructuras	Credit Lines	28 June 2021	28 June 2021	50	-	50
Abertis Infraestructuras	Credit Lines	15 July 2021	15 July 2021	100	-	100
Abertis Infraestructuras	Credit Lines	21 Sept 2021	21 Sept 2021	100	-	100
Abertis Infraestructuras	Credit Lines	30 Sept 2021	30 Sept 2021	100	-	100
Abertis Infraestructuras	Loans	20 June 2019	20 Mar 2024	200	-	200
Abertis Infraestructuras	Loans	28 May 2019	28 Mar 2024	165	-	165
Abertis Infraestructuras	Loans	21 June 2019	21 June 2024	250	-	250
Abertis Infraestructuras	Loans	16 May 2019	15 Nov 2024	50	-	50
Abertis Infraestructuras	Loans	28 June 2019	28 June 2025	150	-	150
Fernão Dias	BNDES	15 Dec 2029	15 Dec 2029	46	29	17
Litoral Sul	BNDES	15 June 2026	15 June 2026	126	102	24
Planalto Sul	BNDES	15 Mar 2027	15 Mar 2027	10	9	1
Régis Bittencourt	BNDES	15 Dec 2029	15 Dec 2029	174	78	96
Autopista Los Andes	Loans	15 June 2034	15 June 2034	150	150	-
HIT	Syndicated Loan	18 Dec 2022	18 Dec 2022	200	-	200
Sanef	Syndicated Loan	09 Oct 2022	09 Oct 2022	300	-	300
Sanef	Credit Lines	19 Nov 2020	19 Nov 2020	50	-	50
Autostrade per l'Italia	Committed medium/long-term facility from CDP (Term Loan 2017)	31 Dec 2021	13 Dec 2027	1,100	400	700
Autostrade per l'Italia	Revolving line of credit from CDP 2017	02 Oct 2022	31 Dec 2022	600	-	600
Autostrade Meridionali	Short-term loan from Banco di Napoli (1)	30 June 2019	31 Dec 2019	300	245	55
Aeroporti di Roma	EIB Loan 2018	23 Mar 2021	23 Mar 2021	200	-	200
Aeroporti di Roma	EIB "Aeroporti di Roma – Fiumicino South"	13 Dec 2019	20 Sept 2031	150	110	40
Aeroporti di Roma	CDP "Aeroporti di Roma – Fiumicino South"	13 Dec 2019	20 Sept 2031	150	40	110
Aeroporti di Roma	Committed Revolving Facility	11 Apr 2023	11 July 2023	250	-	250
Aéroports de la Côte d'Azur	Medium/long-term committed EIB line 2014 "Airport Upg	30 Mar 2019	13 June 2036	100	82	18
			Lines of credit	**13,740**	**3,993**	**9,748**

The following schedules show the distribution of loan maturities outstanding as at 31 December 2018 and 31 December 2017. The amounts in the above tables include interest payments and exclude the impact of any offset agreements. The time distribution of terms to maturity is based on the residual contract term or on the earliest date on which repayment of the liability may be required, unless a better estimate is available. The distribution for transactions with amortisation schedules is based on the date on which each instalment falls due.

€000	31 December 2018					
	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 (A)	**22,487,089**	**-24,643,820**	**-3,131,454**	**-2,135,365**	**-5,270,274**	**-14,106,727**
Total bank borrowings	7,921,678	-8,602,287	-1,051,958	-634,884	-4,694,965	-2,220,480
Total other borrowings	14,978,391	-14,999,876	-784,249	-7,245,538	-5,676,422	-1,293,667
Total medium/long-term borrowings (B)	**22,900,069**	**-23,602,162**	**-1,836,207**	**-7,880,422**	**-10,371,387**	**-3,514,146**
Total non-derivative financial liabilities (C)= (A)+(B)	**45,387,158**	**-48,245,982**	**-4,967,661**	**-10,015,787**	**-15,641,661**	**-17,620,873**
Derivatives (2) (3)						
Interest rate swaps (4)	-340,681	-485,173	-76,981	-110,453	-156,547	-141,192
IPCA x CDI Swaps	-9,276	-7,725	0	6,639	-2,498	-11,866
Cross currency swaps	-581,614	-588,040	-15,723	-19,670	-391,352	-161,295
Embedded Floors	-783	-787	-646	-76	-59	-6
Fx Forwards	-158	-158	-158	-	-	-
Total derivatives	**-932,512**	**-1,081,883**	**-93,508**	**-123,560**	**-550,456**	**-314,359**

(1) Future cash flows relating to interest on bond issues and floating rate loans have been projected on the basis of the latest established rate and applied and held constant to final maturity.
(2) As at 31 December 2018, expected contractual flows are linked to the hedging of outstanding and highly likely future financial liabilities to meet funding requirements through to 2020.
(3) Expected future cash flows from differentials on derivatives have been projected on the basis of the exchange rate fixed at the measurement date.

€000	31 December 2017					
	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 (A)	**12,480,591**	**-13,500,784**	**-1,490,118**	**-1,134,695**	**-2,765,808**	**-8,110,163**
Total bank borrowings	4,021,277	-3,826,913	-302,078	-301,905	-890,890	-2,332,040
Total other borrowings	309,148	-39,102	-39,037	-65	-	-
Total medium/long-term borrowings (B)	**4,330,425**	**-3,866,015**	**-341,115**	**-301,970**	**-890,890**	**-2,332,040**
Total non-derivative financial liabilities (C)= (A)+(B)	**16,811,016**	**-17,366,799**	**-1,831,233**	**-1,436,665**	**-3,656,698**	**-10,442,203**
Derivatives (2) (3)						
Interest rate swaps	195,116	-366,544	-35,910	-36,778	-121,354	-172,502
IPCA x CDI Swaps	-	-	-	-	-	-
Cross currency swaps	384,831	-446,465	-22,453	-22,099	-253,245	-148,668
Total derivatives	**579,947**	**-813,009**	**-58,363**	**-58,877**	**-374,599**	**-321,170**

(1) Future cash flows relating to interest on bond issues and floating rate loans have been projected on the basis of the latest established rate and applied and held constant to final maturity.
(2) As at 31 December 2017, expected contractual flows are linked to the hedging of outstanding and highly likely future financial liabilities to meet funding requirements through to 2019.
(3) Expected future cash flows from differentials on derivatives have been projected on the basis of the exchange rate fixed at the measurement date.

€000	31 December 2016					
	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 (A)	**10,959,638**	**-12,163,657**	**-1,216,271**	**-1,478,736**	**-4,469,100**	**-4,999,460**
Medium/long-term borrowings (2)						
Total bank borrowings	4,033,931	-3,879,301	-256,873	-292,774	-1,082,472	-2,247,181
Total other borrowings	271,891	50,545	-	50,545	-	-
Total medium/long-term borrowings (B)	**4,305,822**	**-3,828,756**	**-256,873**	**-242,229**	**-1,082,472**	**-2,247,181**
Total non-derivative financial liabilities (C)= (A)+(B)	**15,265,460**	**-15,992,413**	**-1,473,144**	**-1,720,965**	**-5,551,572**	**-7,246,641**
Derivatives (2) (3)						
Interest rate swaps (4)	223,303	-417,764	-38,407	-51,476	-133,015	-194,866
IPCA x CDI Swaps (4)	6,012	70,079	-4,076	2,086	30,592	41,477
Cross currency swaps	420,423	-406,521	-20,067	-20,317	-60,221	-305,916
Total derivatives	**649,738**	**-754,206**	**-62,550**	**-69,707**	**-162,644**	**-459,305**

(1) Future cash flows relating to interest on bond issues and floating rate loans have been projected on the basis of the latest established rate and applied and held constant to final maturity.
(2) As at 31 December 2016, expected contractual flows are linked to the hedging of outstanding and highly likely future financial liabilities to meet funding requirements through to 2019.
(3) Expected future cash flows from differentials on derivatives have been projected on the basis of the exchange rate fixed at the measurement date.
(4) Future cash flows relating to interest on swaps (IRS), IPCA x CDI Swaps and Cross Currency Swaps (CCS) have been calculated based on the market curves at year end.

The distribution for transactions with amortisation schedules is based on the date on which each instalment falls due.
The following table shows the time distribution of expected cash flows from cash flow hedges, and the financial years in which they will be recognised in profit or loss.

€000	31 December 2018						31 December 2017					
	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												
Derivative assets	26,797	26,741	73	-227	-9,841	36,736	55,470	55,329	-3,021	-10,816	-5,400	74,566
Derivative liabilities	-340,681	-372,521	-66,423	-108,631	-132,260	-65,207	-133,989	-144,073	-32,360	-30,188	-61,783	-19,742
Cross currency swaps												
Assets	2,042	2,614	573	-	204	1,837	-	-	-	-	-	-
Liabilities	-381,706	-388,088	-7,990	-11,430	-246,513	-122,155	-260,459	-266,270	-10,540	-10,850	-244,880	-
Total cash flow hedges	**-693,548**	**-731,254**	**-73,767**	**-120,288**	**-388,410**	**-148,789**	**-338,978**	**-355,014**	**-45,921**	**-51,854**	**-312,063**	**54,824**
Accrued expenses on cash flow hedges	-58,587						-36,416					
Accrued income on cash flow hedges	20,881						20,380					
Total cash flow hedge derivative assets/liabilities	**-731,254**	**-731,254**	**-73,767**	**-120,288**	**-388,410**	**-148,789**	**-355,014**	**-355,014**	**-45,921**	**-51,854**	**-312,063**	**54,824**

€000	31 December 2018					31 December 2017				
	EXPECTED CASH FLOWS (1)	WITHIN 12 MONTHS	BETWEEN 1 AND 2 YEARS	BETWEEN 3 AND 5 YEARS	AFTER 5 YEARS	EXPECTED CASH FLOWS (1)	ENTRO L'ESERCIZIO	DA 1 ANNO A 2 ANNI	DA 3 ANNI A 5 ANNI	PIU' DI 5 ANNI
Interest rate swaps										
Income from cash flow hedges	792,065	-12,797	-28,487	19,490	813,858	98,332	-	355	5,956	92,021
Losses on cash flow hedges	-1,105,948	-67,410	-87,678	-152,480	-798,380	-176,852	-31,388	-51,920	-65,002	-28,542
Cross currency swaps										
Income from cash flow hedges	2,042	79	140	240	1,583	686,338	34,622	34,498	617,218	-
Losses on cash flow hedges	-381,706	-18,885	-26,786	-245,269	-90,766	-946,796	-45,884	-45,592	-855,320	-
Total income (losses) from cash flow hedges	**-693,548**	**-99,013**	**-142,811**	**-378,019**	**-73,705**	**-338,978**	**-42,650**	**-62,659**	**-297,148**	**63,479**

(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, with no significant credit risk concentrations as required by Financial Policy.
Credit risk deriving from outstanding derivative financial instruments can also be considered marginal in that the counterparties involved are major financial institutions. There are no margin agreements providing for the exchange of cash collateral if a certain fair value threshold is exceeded.
Provisions for impairment losses on individually material items, on the other hand, are established when there is objective evidence that the Group will not be able to collect all or any of the amount due. The amount of the provisions takes account of estimated future cash flows and the date of collection, any future recovery costs and expenses, and the value of any security and guarantee deposits received from customers. General provisions, based on the available historical and statistical data, are established for items for which specific provisions have not been made. Details of the allowance for bad debts for trade receivables are provided in note 7.7.

9.3 Law 124 of 4 August 2017 – Annual markets and competition law

Article 1, paragraphs 125 to 129, of Law 124 of 4 August 2017 has introduced a number of measures designed to ensure the transparency of the government grants system.
In the Atlantia Group's case, the legislation translates into the obligation to disclose in the notes to its financial statements (paragraph 126) the grants received from:

a) the government bodies and entities referred to in article 2-*bis* of Legislative Decree 33 of 14 March 2013;
b) companies directly or indirectly controlled, in law or in fact, by government bodies, including companies listed on regulated markets and their investees;
c) publicly owned companies, including those that issue listed shares and other entities.

The legislation provides for significant penalties for failure to comply with the disclosure requirement, involving repayment of the grants received (paragraph 125).

The following table summarises the grants collected/released in relation to "Financial assets deriving from government grants".

€000 Grantor	Grant collected	Description
Anas SpA (Ministry of the Economy and Finance)	20,634	Collection of term deposits following disbursement of grants by banks in relation to loans entered into in order to activate the grants provided by laws 345/1997 and 135/1997 - IFRIC 12 construction services for which no additional benefits are received
Rete Ferroviaria Italiana SpA	1,209	Grant to fund installation of noise barriers - IFRIC 12 construction services for which no additional benefits are received
Ferrovie Nord Milano SpA	102	Fourth free-flow lane Fiorenza-S.S. Giovanni L1 - IFRIC 12 construction services for which no additional benefits are received
Cesena City Council	396	Grant to fund installation of noise barriers - IFRIC 12 construction services for which no additional benefits are received
Vittorio Veneto City Council	31	Grant to fund installation of noise barriers - IFRIC 12 construction services for which no additional benefits are received
Forlì City Council	60	Grant to fund installation of noise barriers - IFRIC 12 construction services for which no additional benefits are received
Sestri Levante City Council	65	Grant to fund installation of noise barriers - IFRIC 12 construction services for which no additional benefits are received
Total	**22,497**	

10. OTHER INFORMATION

10.1 Operating and geographical segments

Operating segments

The Atlantia Group's operating segments are identified based on the information provided to and analysed by Atlantia's Board of Directors, which represents the Group's chief operating decision maker, taking decisions regarding the allocation of resources and assessing performance. In particular, the Board of Directors assesses the performance of the business in terms of geographical area and business segment. Following the consolidation of the Abertis group from the end of October 2018, and bearing in mind the acquired company's partial contribution for 2018, it was decided to present the above group as a single operating segment. In addition to the companies controlled by Abertis Infraestructuras (the company that directly or indirectly owns Spanish, French, Chilean, Brazilian, Argentine, Puerto Rican and Indian motorway operators, and the remaining companies that produce and operate tolling systems), this segment also includes the investment vehicles used in the acquisition (Abertis Participaciones and Abertis HoldCo). As a result, the Atlantia Group's new structure presents information for six main operating segments (Italian motorways, overseas motorways, Italian airports, overseas airports, the Abertis group and a specific operating segment that brings together the Parent Company, Atlantia, and the other remaining activities).
As at 31 December 2018 the composition of the Atlantia Group's operating segments is as follows:

a) Italian motorways: this includes the Italian motorway operators (Autostrade per l'Italia, Autostrade Meridionali, Tangenziale di Napoli, Società italiana per azioni per il Traforo del Monte Bianco and Raccordo Autostradale Valle d'Aosta and Autostrada Tirrenica), whose core business consists of the management, maintenance, construction and widening of the related motorways operated under concession. This operating segment also includes companies (AD Moving, Giove Clear, Essediesse and Autostrade Tech) that provide support for the Italian motorway operators and that are subsidiaries of Autostrade per l'Italia;
b) Overseas motorways: this includes the activities of the holders of motorway concessions in Brazil, Chile and Poland, and the companies that provide operational support for these operators and the related foreign-registered holding companies. In addition, this segment includes the Italian holding company, Autostrade dell'Atlantico, which holds investments in South America;
c) Italian airports: this includes the airports business of Aeroporti di Roma, which holds the concession to operate and expand the airports of Rome Fiumicino and Rome Ciampino, and its subsidiaries;
d) Overseas airports: this includes the airport operations of the companies controlled by Aéroports de la Côte d'Azur (ACA), the company that (directly or through its subsidiaries) operates the airports of Nice, Cannes-Mandelieu and Saint-Tropez and the international network of ground handlers, Sky Valet, in addition to Azzurra Aeroporti (the parent of ACA);
e) Abertis group: this includes the Spanish, French, Chilean, Brazilian, Argentine, Puerto Rican and Indian motorway operators and the companies that produce and operate tolling systems controlled by Abertis Infraestructuras, and the investment vehicles used in its acquisition: Abertis Participaciones and Abertis HoldCo;
f) Atlantia and other activities: this segment includes:
    1) the Parent Company, Atlantia, which operates as a holding company for its subsidiaries and associates whose business is the construction and operation of motorways, airports and transport infrastructure, parking areas and intermodal systems, or who engage in activities related to the management of motorway or airport traffic;
    2) the companies that produce and operate free-flow tolling systems, traffic and transport management systems and electronic payment systems. The key companies in this segment are Telepass and Electronic Transaction Consultants;
    3) infrastructure design, construction and maintenance, essentially carried out by Spea Engineering and Pavimental;

4) Aereo I Global & International Sarl, the Luxembourg-registered investment vehicle that holds a 15.49% interest in Getlink.

A summary of the key performance indicators for each segment, identified in accordance with the requirements of IFRS 8, is shown below.

2018

€M	ITALIAN MOTORWAYS	OVERSEAS MOTORWAYS	ITALIAN AIRPORTS	OVERSEAS AIRPORTS	ATLANTIA AND OTHER ACTIVITIES	ABERTIS GROUP	CONSOLIDATION ADJUSTMENTS	UNALLOCATED ITEMS	TOTAL CONSOLIDATED AMOUNTS
External revenue	3,954	625	934	305	271	827	-	-	6,916
Intersegment revenue (a)	50	1	1	-	401	-	-453	-	-
Total operating revenue (b)	**4,004**	**626**	**935**	**305**	**672**	**827**	**-453**	-	**6,916**
EBITDA (c)	**1,991**	**457**	**580**	**139**	**51**	**550**	-	-	**3,768**
Amortisation, depreciation, impairment losses and reversals of impairment losses								-1,357	-1,357
Provisions and other adjustments								-168	-168
EBIT (d)									**2,243**
Financial income/(expenses)								-724	-724
Profit/(Loss) before tax from continuing operations									**1,519**
Income tax (expense)/benefit								-440	-440
Profit/(Loss) from continuing operations									**1,079**
Profit/(Loss) from discontinued operations								4	4
Profit for the period									**1,083**
Operating cash flow (e)	**1,708**	**388**	**437**	**98**	**-1**	**354**	-	-	**2,984**
Capital expenditure (f)	**592**	**64**	**183**	**67**	**55**	**175**	**-11**	-	**1,125**

2017

€M	ITALIAN MOTORWAYS(1)	OVERSEAS MOTORWAYS	ITALIAN AIRPORTS(2)	OVERSEAS AIRPORTS(3)	ATLANTIA AND OTHER ACTIVITIES(1)	ABERTIS GROUP	CONSOLIDATION ADJUSTMENTS	UNALLOCATED ITEMS	TOTAL CONSOLIDATED AMOUNTS
External revenue	3,898	648	893	281	246	-	-	-	5,966
Intersegment revenue (a)	43	-	1	-	506	-	-550	-	-
Total operating revenue (b)	**3,941**	**648**	**894**	**281**	**752**	-	**-550**	-	**5,966**
EBITDA (c)	**2,450**	**480**	**548**	**121**	**80**	-	-	-	**3,679**
Amortisation, depreciation, impairment losses and reversals of impairment losses								-1,012	-1,012
Provisions and other adjustments								-89	-89
EBIT (d)									**2,578**
Financial income/(expenses)								-513	-513
Profit/(Loss) before tax from continuing operations									**2,065**
Income tax (expense)/benefit								-632	-632
Profit/(Loss) from continuing operations									**1,433**
Profit/(Loss) from discontinued operations								-1	-1
Profit for the period									**1,432**
Operating cash flow (e)	**1,637**	**391**	**429**	**88**	**21**	-	-	-	**2,566**
Capital expenditure (f)	**555**	**183**	**207**	**53**	**76**	-	**2**	-	**1,076**

(1) The figures for the "Atlantia and other activities" segment in 2017 include amounts attributable to Infoblu, classified under "Italian motorways" in the consolidated financial statements as at and for the year ended 31 December 2017.
(2) Application of the new accounting standard, IFRS 15 - Revenue from Contracts with Customers, from 1 January 2018, has resulted in the different classification of certain types of contract in operating revenue and costs. In particular, operating revenue and costs attributable to the "Italian airports" segment have been reduced by €7 million, with EBITDA remaining unchanged.
(3) The ACA group's figures for 2017 have been restated with respect to the published amounts, as described in greater detail in the introduction to the section, "Group financial review".

The following should be noted with regard to the operating segment information presented in the above tables:

a) intersegment revenue regards intragroup transactions between companies in different operating segments. It relates primarily to the design and construction of infrastructure carried out by Pavimental and Spea Engineering for the Group's Italian operators;
b) total operating revenue does not include the balance of revenue from construction services, totalling €518 million in 2018 and €418 million in 2017;
c) EBITDA is calculated by deducting all operating costs, with the exception of amortisation, depreciation, impairment losses on assets and reversals of impairment losses, provisions for renewal work and other adjustments, from operating revenue;

d) EBIT is calculated by deducting amortisation, depreciation, impairment losses on assets and reversals of impairment losses, provisions for renewal work and other adjustments from EBITDA. EBIT differs from the item "Operating profit" in the consolidated income statement due to the fact that the capitalised component of financial expenses relating to construction services is not shown in this table, as indicated in note b) above. The relevant amounts total €9 million in 2018 and €4 million in 2017;

e) operating cash flow is calculated as profit for the period + amortisation/depreciation +/- impairments/reversals of impairments of assets +/- provisions/releases of provisions in excess of requirements and uses of provisions + other adjustments + financial expenses from discounting of provisions + dividends received from investees accounted for using equity method +/- the share of profit/(loss) of investees accounted for using equity method in profit or loss +/- (losses)/gains on sale of assets +/- other non-cash items +/- deferred tax assets/liabilities recognised in profit or loss;

f) the figure for capital expenditure includes investment in assets held under concession, in property, plant and equipment and in other intangible assets, as shown in the consolidated statement of cash flows.

Finally, operating revenue, EBITDA, EBIT, operating cash flow and capital expenditure are not measures of performance defined by IFRS and have not, therefore, been audited.
Finally, it should be noted that, in 2018, the Group did not earn revenue from any specific customer in excess of 10% of the Group's total revenue for the year.

The following table shows a breakdown of revenue depending on whether or not they are recognised at a point in time or over time, as required by IFRS 15.

2018

€M	ITALIAN MOTORWAYS				OVERSEAS MOTORWAYS				ITALIAN AIRPORTS				OVERSEAS AIRPORTS				ATLANTIA AND OTHER ACTIVITIES				ABERTIS GROUP				TOTAL CONSOLIDATED AMOUNTS
	IFRS 15		Outside scope of IFRS 15	Total	IFRS 15		Outside scope of IFRS 15	Total	IFRS 15		Outside scope of IFRS 15	Total	IFRS 15		Outside scope of IFRS 15	Total	IFRS 15		Outside scope of IFRS 15	Total	IFRS 15		Outside scope of IFRS 15	Total	
	At a point in time	Over time			At a point in time	Over time			At a point in time	Over time			At a point in time	Over time			At a point in time	Over time			At a point in time	Over time			
Net toll revenue	3,658	-	-	3,658	580	-	-	580	-	-	-	-	-	-	-	-	-	-	-	-	754	-	-	754	
Aviation revenue	-	-	-	-	-	-	-	-	658	9	-	667	167	-	-	167	-	-	-	-	-	-	-	-	
Other revenue	58	8	230	296	24	1	20	45	5	61	201	267	41	-	97	138	2	84	185	271	41	22	10	73	
Total external revenue	3,716	8	230	3,954	604	1	20	625	663	70	201	934	208	-	97	305	2	84	185	271	795	22	10	827	6,916

2017

€M	ITALIAN MOTORWAYS				OVERSEAS MOTORWAYS				ITALIAN AIRPORTS				OVERSEAS AIRPORTS				ATLANTIA AND OTHER ACTIVITIES				ABERTIS GROUP				TOTAL CONSOLIDATED AMOUNTS
	IFRS 15		Outside scope of IFRS 15	Total	IFRS 15		Outside scope of IFRS 15	Total	IFRS 15		Outside scope of IFRS 15	Total	IFRS 15		Outside scope of IFRS 15	Total	IFRS 15		Outside scope of IFRS 15	Total	IFRS 15		Outside scope of IFRS 15	Total	
	At a point in time	Over time			At a point in time	Over time			At a point in time	Over time			At a point in time	Over time			At a point in time	Over time			At a point in time	Over time			
Net toll revenue	3,590	-	-	3,590	605			605	-			-	-			-	-	-	-	-	-	-	-	-	
Aviation revenue	-	-	-	-	-			-	624	9	-	633	159	-	-	159	-	-	-	-	-	-	-	-	
Other revenue	55	8	245	308	25	1	17	43	6	61	193	260	36	-	86	122	3	75	168	246	-	-	-	-	
Total external revenue	3,645	8	245	3,898	630	1	17	648	630	70	193	893	195	-	86	281	3	75	168	246	-	-	-	-	5,966

Analysis by geographical segment

The following table shows the contribution of each geographical segment to the Atlantia Group's revenue and non-current assets.

€M	REVENUE		NON-CURRENT ASSETS [1]	
	2018 [2]	2017	31 December 2018	31 December 2017
Italy [3]	5,429	5,196	24,907	22,126
France	674	294	8,710	2,770
Brazil	436	349	4,016	1,002
Chile	423	381	4,046	1,828
Spain	230	7	18,886	-
Poland	84	76	168	184
USA	65	60	47	45
Argentina	28	-	6	-
Puerto Rico	24	-	1,050	-
UK	7	-	18	-
India	5	-	149	4
Portugal	3	2	40	40
Other countries	20	11	6	4
Total	**7,427**	**6,376**	**62,049**	**28,002**

[1] In accordance with IFRS 8, non-current assets do not include non-current financial assets or deferred tax assets.

[2] The figures include the contribution of Abertis group companies for the last two months of 2018.

[3] Revenue for 2017 differs from the published figure as at 31 December 2017 following the impact of retrospective restatement for the purposes of IFRS 15, as described in more detail in note 3.

10.2 Disclosures regarding non-controlling interests in consolidated companies and structured entities

Disclosure regarding non-controlling interests

The consolidated companies deemed relevant for the Atlantia Group, in terms of the percentage interests held by non-controlling shareholders for the purposes of the disclosures required by IFRS 12, are the following:

a) Autostrade per l'Italia and its subsidiaries;
b) the Spanish-registered sub-holding company, Abertis HoldCo, established with the non-controlling shareholders, ACS and Hochtief, as part of the transaction that led the Atlantia Group to acquire control of Abertis, as described in greater detail in note 6.2, and the direct parent of the wholly owned sub-holding company, Abertis Participaciones, as described below;
c) the sub-holding company, Abertis Participaciones, which controls 98.7% of Abertis;
d) the Brazilian sub-holding company, AB Concessões, and its subsidiaries;
e) the Chilean sub-holding company, Grupo Costanera, and its direct and indirect subsidiaries;
f) Azzurra Aeroporti, ACA and its subsidiaries.

The non-controlling interests in these sub-groups of companies are deemed relevant in relation to their contribution to the Atlantia Group's consolidated accounts. It should be noted that:

a) non-controlling interests in Autostrade per l'Italia break down as follows:
    1) Appia Investments Srl (a company directly and indirectly owned by Allianz Capital Partners, EDF Invest and DIF), which holds a 6.94% interest;
    2) Silk Road Fund, which holds 5%;
b) non-controlling interests in Abertis HoldCo, held by ACS and Hochtief, with interests of 30% and 20% (less one share);
c) non-controlling interests in Abertis Participaciones, represented by the non-controlling interests contributed by the direct and indirect subsidiaries, not wholly owned by Abertis, and the non-controlling interest of 1.3% in Abertis itself;

d) the non-controlling interest in AB Concessões is held by a sole shareholder (a Bertin group company from Brazil);
e) the non-controlling interest in Grupo Costanera (49.99%) is held by the Canadian fund, Canada Pension Plan Investment Board;
f) Azzurra Aeroporti, which directly controls Aéroports de la Côte d'Azur with a 64% interest, is owned by Atlantia and Aeroporti di Roma through their respective interests of 52.51% and 10%, by EDF Invest, which has a 24,99% interest, and by the Principality of Monaco, which has a 12.5% interest. Including preference rights, the interests are as follows: Atlantia 52.69%, Aeroporti di Roma 7.77%, the Principality of Monaco 20.15% and EDF Invest 19.39%. The Atlantia Group's total interest amounts to 60.40% representing the sum of Atlantia's interest (52.69%) and Aeroporti di Roma's interest of 7.71%.

The key financial indicators presented in the following table thus include amounts for the above companies and their respective subsidiaries, extracted, unless otherwise indicated, from the reporting packages prepared by these companies for the purposes of Atlantia's consolidated financial statements, in addition to the accounting effects of acquisitions (fair value adjustments of the net assets acquired).

€M	AUTOSTRADE PER L'ITALIA AND DIRECT AND INDIRECT SUBSIDIARIES		ABERTIS HOLDCO(3)	ABERTIS PARTICIPACIONES AND DIRECT AND INDIRECT SUBSIDIARIES(3)	AB CONCESSOES AND DIRECT SUBSIDIARIES		GRUPO COSTANERA AND DIRECT AND INDIRECT SUBSIDIARIES		AZZURRA AEROPORTI AND DIRECT SUBSIDIARIES	
	2018	2017	2018	2018	2018	2017	2018	2017	2018	2017
Revenue (1)	4,168	4,051	-	966	272	348	269	309	353	300
Profit for the year	599	964	-28	186	8	45	165	154	-21	61
Profit/(Loss) for the year attributable to non-controlling interests (2)	**83**	**105**	**-14**	**103**	**4**	**23**	**82**	**48**	**-11**	**39**
Net cash generated from operating activities(2)	1,610	1,870	-28	380	54	67	338	201	110	75
Net cash used in investing activities(2)	-559	-567	-13,063	2,068	-49	-92	-139	-102	-70	-53
Net cash generated from/(used in) financing activities(2)	-2,098	-1,165	29,689	-16,574	33	66	-190	-132	-38	15
Effect of exchange rate movements on cash and cash equivalents (2)	-	-	-	-11	-9	-10	-10	-12	-	-
Increase/(Decrease) in cash and cash equivalents(1)	**-1,047**	**138**	**16,598**	**-14,137**	**29**	**31**	**-1**	**-45**	**2**	**37**
Dividends paid to non-controlling shareholders	69	54	-	41	-	-	69	-	40	19

€M	AUTOSTRADE PER L'ITALIA AND DIRECT AND INDIRECT SUBSIDIARIES		ABERTIS HOLDCO(3)	ABERTIS PARTICIPACIONES AND DIRECT AND INDIRECT SUBSIDIARIES(3)	AB CONCESSOES AND DIRECT SUBSIDIARIES		GRUPO COSTANERA AND DIRECT AND INDIRECT SUBSIDIARIES		AZZURRA AEROPORTI AND DIRECT SUBSIDIARIES	
	31 December 2018	31 December 2017	31 December 2018	31 December 2018	31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017
Non-current assets	18,397	18,652	16,520	34,756	1,900	2,160	2,994	3,121	4,098	4,120
Current assets	3,061	4,261	3	6,215	209	170	584	542	130	127
Non-current liabilities	14,288	15,320	9,783	18,969	1,106	1,239	1,585	1,694	1,505	1,457
Current liabilities	4,302	4,803	10	3,767	276	275	319	177	129	105
Net assets	**2,868**	**2,790**	**6,730**	**18,235**	**727**	**816**	**1,674**	**1,792**	**2,594**	**2,685**
Net assets attributable to non-controlling interests (1)	**657**	**640**	**3,365**	**1,668**	**364**	**408**	**857**	**910**	**874**	**930**

Notes

(1) This item includes toll revenue, aviation revenue, contract revenue and other operating revenue.

(2) The amounts shown contribute to the Atlantia Group's consolidated amounts and, therefore, include the impact of any consolidation adjustments.

(3) Data for the comparative period is not shown, given that Abertis HoldCo and Abertis Participaciones were consolidated for the last two months of 2018.

Disclosures regarding structured entities not included in the scope of consolidationity

Unconsolidated subsidiaries include Gemina Fiduciary Services ("GFS"), in which Atlantia holds a 99.99% interest. This company is registered in Luxembourg and its sole purpose is to represent the interests of the holders of notes with a value of 40 million US dollars issued, in June 1997, by Banco Credito Provincial (Argentina), which subsequently became insolvent.
On 26 February 2019, Atlantia SpA sold its entire investment.

10.3 Guarantees

The Group has certain personal guarantees in issue to third parties as at 31 December 2018. These include, listed by importance:

a) the guarantee issued by Atlantia in favour of credit institutions on behalf of Strada dei Parchi as a safeguard against the impact on cash flow hedges of movements in interest rates. The amount of the guarantee, based on the fair value of the hedges, has been capped at €40,000 thousand, which corresponds to the value as at 31 December 2018. This guarantee was renewed for a further 12 months in February 2019. The guarantee can only be enforced if the concession held by Strada dei Parchi is terminated, whilst Atlantia has received a counter-indemnity from Toto Holding (Strada dei Parchi's majority shareholder);
b) bank guarantees provided by Tangenziale di Napoli (€26,150 thousand) to the Ministry of Infrastructure and Transport, as required by the covenants in the relevant concession arrangement;
c) the guarantees issued by the subsidiary, Electronic Transaction Consultants (Performance Bonds and Maintenance Bonds), totalling approximately €59,244 thousand, to guarantee projects in progress;
d) the guarantee issued by Autostrade dell'Atlantico, guaranteeing the 215 million Brazilian real bond issue by Autostrade do Brasil through Planner Trustee Distribuidora de Títulos e Valores Mobiliários LTDA, coordinated by Banco Santander, with the proceeds to be used by the operator, Nascentes das Gerais;
e) guarantees issued by the Brazilian, Chilean and Polish operators and by Azzurra Aeroporti securing project financing in the form of either bank loans or bonds;
f) bank guarantees issued on behalf of Autostrada Tirrenica pa (€14,003 thousand), Raccordo Autostradale Valle d'Aosta (€5,901 thousand) and in favour of the Grantor, guaranteeing performance of the operator's obligations under its concession.

As at 31 December 2018, the shares of certain of the Group's overseas operators (Rodovias das Colinas, Concessionária da Rodovia MG050, Triangulo do Sol, Sociedad Concesionaria Costanera Norte, Sociedad Concesionaria de Los Lagos, Sociedad Concesionaria Autopista Nororiente, Sociedad Concesionaria Litoral Central, Sociedad Concesionaria Vespucio Sur and Stalexport Autostrada Malopolska), have also been pledged to the respective providers of project financing to the same companies, as have shares in Pune-Solapur Expressways, Lusoponte, Tangenziale Esterna and Bologna & Fiera Parking. Finally, i) all of Azzurra Aeroporti's shares and ii) this company's shareholding in Aèroports de la Côte d'Azur (ACA) have been pledged as collateral to the providers of Azzurra Aeroporti's project financing.
The Abertis group reports guarantees totalling €726,661 thousand, including €410,846 thousand relating to operating guarantees and €315,815 in financial guarantees.
The operating guarantees mainly regard guarantees issued in favour of grantors, primarily by the Spanish motorway operators (€114,263 thousand) and the French motorway operators (€58,622 thousand). The financial guarantees primarily regard the Chilean motorway operators (€114,298 thousand) providing cash collateral required by their loan agreements, in addition to Abertis Infraestructuras (€83,043 thousand), primarily guaranteeing the debt of Abertis Infraestructuras Finance BV and the services provided by the French subsidiary, Emovis (€46,922 thousand).
The loan agreements to which certain Abertis group companies are party (Arteris, Federal and Via Paulista in Brazil, A4 Holding in Italy, Metropistas in Puerto Rico, Avasa, Tunels and Aulesa in Spain, as well as the Indian subsidiaries) require the pledge of shares to secure the loans provided, in addition to encumbrances on certain of the companies' assets, including fixed assets, deposits and receivables.

10.4 Reserves

As at 31 December 2018, Group companies have recognised contract reserves quantified by contractors in relation to:

a) investing activities, totalling €982 million (€1,235 million as at 31 December 2017). Based on past experience, only a small percentage of the reserves will actually have to be paid to contractors and, in this case, will be accounted for as an increase in intangible assets deriving from concession rights;
b) non-investing activities, amounting to approximately €41 million, the estimated future cost of which is covered by existing provisions in the consolidated financial statements.

10.5 Related party transactions

In implementation of the provisions of art. 2391-*bis* of the Italian Civil Code, the Regulations adopted by the *Commissione Nazionale per le Società e la Borsa* (the CONSOB) in Resolution 17221 of 12 March 2010, as amended, and Resolution 17389 of 23 June 2010, on 11 November 2010 Atlantia's Board of Directors - with the prior approval of the Independent Directors on the Related Party Transactions Committee – approved the new Procedure for Related Party Transactions entered into directly by the Company and/or through subsidiaries.
The Procedure, which is available for inspection at the Company's website **www.atlantia.it**, establishes the criteria to be used in identifying related parties, in distinguishing between transactions of greater and lesser significance and in applying the rules governing the above transactions of greater and lesser significance, and in fulfilling the related reporting requirements.
The following table shows material amounts in the income statement and statement of financial position generated by the Atlantia Group's related party transactions, including those with Directors, Statutory Auditors and key management personnel at Atlantia.

€M	PRINCIPAL TRADING TRANSACTIONS WITH RELATED PARTIES														
	Assets				Liabilities				Income		Expenses				
	Trading and other assets				Trading and other liabilities				Trading and other income		Trading and other expenses				
	Trade receivables	Current tax assets	Other trading and other assets	Total	Trade payables	Other current liabilities	Other non-current liabilities	Total	Revenue from construction services and other operating income	Total	Raw and consumable materials	Service costs	Staff costs	Other operating costs	Total
	31 December 2018								2018						
Sintonia	0	6.7	0	**6.7**	3.5	0	0	**3.5**	0	**0**	0	0	0	0	**0**
Edizione	0	0	0	**0**	0	0		**0**	0	**0**	0	0	0.2	0	**0.2**
Largest shareholder	**0**	**6.7**	**0**	**6.7**	**3.5**	**0**	**0**	**3.5**	**0**	**0**	**0**	**0**	**0.2**	**0**	**0.2**
Biuro Centrum	0	0	0	**0**	0.1	0	0	**0.1**	0.1	**0.1**	0	0.7	0	0	**0.7**
Bologna & Fiera Parking	0.1	0	0	**0.1**	0	0	0	**0**	0	**0**	0	0	0	0	**0**
Pedemontana Veneta (in liquidation)	0.5	0	0	**0.5**	0	0	0	**0**	0	**0**	0	0	0	0	**0**
Società Infrastrutture Toscane (in liquidation)	0	0	1.5	**1.5**	0	0	0	**0**	0	**0**	0	0	0	0	**0**
Aeroporto Guglielmo Marconi di Bologna	0.2	0	0	**0.2**	0	0	0	**0**	0.2	**0.2**	0	0	0	0	**0**
Bip & Drive	2.5	0	0	**2.5**	0	0	0	**0**	0.1	**0.1**	0	0	0	0	**0**
Leonord	0	0	0	**0**	0	0	0	**0**	2.3	**2.3**	0	0	0	0	**0**
Routalis	0.8	0	0	**0.8**	0	0	0	**0**	0.7	**0.7**	0	0	0	0	**0**
Rio dei Vetrai	1.4	0	0	**1.4**	0	0	0	**0**	0	**0**	0	0	0	0	**0**
C.I.S.	1.7	0	0	**1.7**	0	0	0	**0**	0	**0**	0	0	0	0	**0**
Coviandes	0.1	0	0	**0.1**	0	0	0	**0**	0.1	**0.1**	0	0	0	0	**0**
Total associates	**7.3**	**0**	**1.5**	**8.8**	**0.1**	**0**	**0**	**0.1**	**3.5**	**3.5**	**0**	**0.7**	**0**	**0**	**0.7**
Pune Solapur Expressways Private	0.1	0	0	**0.1**	0	0	0	**0**	0.3	**0.3**	0	0	0	0	**0**
Trados-45	0.1	0	0	**0.1**	0	0	0	**0**	0.1	**0.1**	0	0	0	0	**0**
Areamed 2000	4	0	0	**4**	0	0	0	**0**	1.5	**1.5**	0	0	0	0	**0**
Trans-Canada Flow Tolling Inc.	0	0	0	**0**	0.1	0	0	**0.1**	0	**0**	0	0	0	0	**0**
Total joint ventures	**4.2**	**0**	**0**	**4.2**	**0.1**	**0**	**0**	**0.1**	**1.9**	**1.9**	**0**	**0**	**0**	**0**	**0**
Autogrill	33.4	0	0	**33.4**	4.7	0	0	**4.7**	87.9	**87.9**	2.1	1.4	0	0.6	**4.1**
Benetton Group	0.1	0	0	**0.1**	0	0	0	**0**	0.6	**0.6**	0	0	0	0	**0**
Total affiliates	**33.5**	**0**	**0**	**33.5**	**4.7**	**0**	**0**	**4.7**	**88.5**	**88.5**	**2.1**	**1.4**	**0**	**0.6**	**4.1**
ASTRI pension fund	0	0	0	0	0	6	0	**6**	0	0	0	0	16.7	0	**16.7**
CAPIDI pension fund	0	0	0	0	0	1.8	0	**1.8**	0	0	0	0	4.6	0	**4.6**
Total pension funds	**0**	**0**	**0**	**0**	**0**	**7.8**	**0**	**7.8**	**0**	**0**	**0**	**0**	**21.3**	**0**	**21.3**
Key management personnel	0	0	0	**0**	0	4	6.3	**10.3**	0	**0**	0	0	11.3	0	**11.3**
Total key management personnel (1)	**0**	**0**	**0**	**0**	**0**	**4**	**6.3**	**10.3**	**0**	**0**	**0**	**0**	**11.3**	**0**	**11.3**
TOTAL	**45.0**	**6.7**	**1.5**	**53.2**	**8.4**	**11.8**	**6.3**	**26.5**	**93.9**	**93.9**	**2.1**	**2.1**	**32.8**	**0.6**	**37.6**
	31 December 2017								2017						
Sintonia	0	6.7	0	**6.7**	0	0	0	**0**	0	**0**	0	0	0	0	**0**
Edizione	0	0	0	**0**	0	0	0	**0**	0	**0**	0	0	0.2	0.1	**0.3**
Largest shareholder	**0**	**6.7**	**0**	**6.7**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0.2**	**0.1**	**0.3**
Biuro Centrum	0	0	0	**0**	0	0	0	**0**	0.1	**0.1**	0	0.7	0	0	**0.7**
Bologna and Fiere Parking	1.2	0	0	**1.2**	0	0	0	**0**	0.1	**0.1**	0	0	0	0	**0**
Aeroporto Guglielmo Marconi di Bologna	0	0	0	**0**	0.1	0	0	**0.1**		**0**	0	0	0	0	**0**
Total associates	**1.2**	**0**	**0**	**1.2**	**0.1**	**0**	**0**	**0.1**	**0.2**	**0.2**	**0**	**0.7**	**0**	**0**	**0.7**
Pune Solapur Expressways Private	0.1	0	0	**0.1**	0	0	0	**0**	0.3	**0.3**	**0**	**0**	**0**	**0**	**0**
Total joint ventures	**0.1**	**0**	**0**	**0.1**	**0**	**0**	**0**	**0**	**0.3**	**0.3**	**0**	**0**	**0**	**0**	**0**
Autogrill	32.8	0	0	**32.8**	1.7	0	0	**1.7**	86.4	**86.4**	2.1	0.8	0	0.4	**3.3**
Benetton Group	0.1	0	0	**0.1**	0	0	0	**0**	0.6	**0.6**	0	0	0	0	**0**
Verde Sport	0	0	0	**0**	0	0	0	**0**	0	**0**	0		0	0	**0**
Total affiliates	**32.9**	**0**	**0**	**32.9**	**1.7**	**0**	**0**	**1.7**	**87**	**87**	**2.1**	**0.8**	**0**	**0.4**	**3.3**
ASTRI pension fund	0	0	0	0	0	6.5	0	**6.5**	0	0	0	0	16.4	**0**	**16.4**
CAPIDI pension fund	0	0	0	0	0	2.5	0	**2.5**	0	0	0	0	6.2	**0**	**6.2**
Total pension funds	**0**	**0**	**0**	**0**	**0**	**9**	**0**	**9**	**0**	**0**	**0**	**0**	**22.6**	**0**	**22.6**
Key management personnel	0	0	0	0	0	6.6	6.5	**13.1**	0	0	0	0	17.7	**0**	**17.7**
Total key management personnel (1)	**0**	**0**	**0**	**0**	**0**	**6.6**	**6.5**	**13.1**	**0**	**0**	**0**	**0**	**17.7**	**0**	**17.7**
TOTAL	**34.2**	**6.7**	**0**	**40.9**	**1.8**	**15.6**	**6.5**	**23.9**	**87.5**	**87.5**	**2.1**	**1.5**	**40.5**	**0.5**	**44.6**

(1) Atlantia's "key management personnel" means the Company's Directors, Statutory Auditors and other key management personnel as a whole. Expenses for each period include emoluments, salaries, benefits in kind, bonuses and other incentives (including the fair value of share-based incentive plans) for Atlantia staff and staff of the relevant subsidiaries. In addition to the information shown in the table, the consolidated financial statements include contributions of €3.5 million paid on behalf of Directors, Statutory Auditors and other key management personnel in 2018 and liabilities of €3.5 million payable to such persons as at 31 December 2018.

€M	PRINCIPAL FINANCIAL TRANSACTIONS WITH RELATED PARTIES										
	Assets				Liabilities			Income		Expenses	
	Financial assets				Financial liabilities			Financial income		Financial expenses	
	Other non-current financial assets	Current financial assets deriving from government grants	Other current financial assets	Total	Medium/long-term borrowings	Other current financial liabilities	Total	Other financial income	Total	Other financial expenses	Total
	31 December 2018							2018			
Sintonia	0	0	0	**0**	**0**	**0**	**0**	0	**0**	3.5	**3.5**
Total parents	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**3.5**	**3.5**
Pedemontana Veneta (in liquidation)	0.5	**0**	0.2	**0.7**	**0**	**0**	**0**	0	**0**	0	**0**
Aeroporto Guglielmo Marconi di Bologna	0	0	0	**0**	**0**	**0**	**0**	0.1	**0.1**	0	**0**
Leonord	0.9	0	0	**0.9**	**0**	**0**	**0**	0	**0**	0	**0**
Rio dei Vetrai	8.6	0	0	**8.6**	**0**	**0**	**0**	0	**0**	0	**0**
C.I.S.	0	0	0.1	**0.1**	**0**	**0**	**0**	0	**0**	0	**0**
Road Management Group LTD (RMG)	15	0	0.1	**15.1**	**8.4**	**0**	**8.4**	0.3	**0.3**	0	**0**
Total associates	**25**	**0**	**0.4**	**25.4**	**8.4**	**0**	**8.4**	**0.4**	**0.4**	**0**	**0**
Rodovias do Tietê	23.7	0	0	**23.7**	**0**	**0**	**0**	2.8	**2.8**	0	**0**
Total joint ventures	**23.7**	**0**	**0**	**23.7**	**0**	**0**	**0**	**2.8**	**2.8**	**0**	**0**
Autogrill	0	0.5	0	**0.5**	**0**	**0**	**0**	0	**0**	0	**0**
Total affiliates	**0**	**0.5**	**0**	**0.5**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Gemina Fiduciary Services	0	0	0.2	**0.2**	**0**	**0**	**0**	0	**0**	0	**0**
Pavimental Est	0	0	0.4	**0.4**	**0**	**0**	**0**	0	**0**	0	**0**
Total other companies	**0**	**0**	**0.6**	**0.6**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
TOTAL	**48.7**	**0.5**	**1**	**50.2**	**8.4**	**0**	**8.4**	**3.2**	**3.2**	**3.5**	**3.5**
	31 December 2017							2017			
Pedemontana Veneta (in liquidation)	0	**0**	0.2	**0.2**	0	0	0	0	**0**	0	**0**
Società Infrastrutture Toscane (in liquidation)	0	**0**	0	**0**	0	3.5	**3.5**	0	**0**	0	**0**
Aeroporto Guglielmo Marconi di Bologna	0	0	0	**0**		**0**	**0**	0.1	**0.1**		
Total associates	**0**	**0**	**0.2**	**0.2**	**0**	**3.5**	**3.5**	**0.1**	**0.1**	**0**	**0**
Rodovias do Tietê	23.6	0	0	**23.6**	**0**	**0**	**0**	3.5	**3.5**	0	**0**
Total joint ventures	**23.6**	**0**	**0**	**23.6**	**0**	**0**	**0**	**3.5**	**3.5**	**0**	**0**
Autogrill	0	0.5	0	**0.5**	**0**	**0**	**0**	0	**0**	0	**0**
Total affiliates	**0**	**0.5**	**0**	**0.5**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Gemina Fiduciary Services	0	0	0.1	**0.1**	**0**	**0**	**0**	0	**0**	0	**0**
Pavimental Est	0	0	0.4	**0.4**	**0**	**0**	**0**	0	**0**	0	**0**
Total other companies	**0**	**0**	**0.5**	**0.5**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
TOTAL	**23.6**	**0.5**	**0.7**	**24.8**	**0**	**3.5**	**3.5**	**3.6**	**3.6**	**0**	**0**

Related party transactions do not include transactions of an atypical or unusual nature, and are conducted on an arm's length basis.

The principal transactions entered into by the Group with related parties are described below.

Atlantia Group's transactions with its parents

As at 31 December 2018, the Group is owed €6.7 million by the parent, Sintonia. This amount regards tax rebates claimed by Schemaventotto in prior years in respect of income taxes paid during the period in which this company headed the Group's tax consolidation arrangement.
During 2018, the Atlantia Group did not engage in material trading or financial transactions with its direct or indirect parents.

The Atlantia Group's transactions with other related parties

For the purposes of the above CONSOB Resolution, which applies the requirements of IAS 24, the Autogrill group ("Autogrill"), which is under the common control of Edizione Srl, is treated as a related party. With regard to relations between the Atlantia Group's motorway operators and the Autogrill group, it should be noted that, as at 31 December 2018, Autogrill operates 144 concessions at service areas along the Atlantia Group's motorway network and 14 food service concessions at the airports managed by the Atlantia Group. During 2018, the Atlantia Group earned revenue of approximately €87.9 million on transactions with Autogrill, including €76 million in royalties deriving from the management of service areas and airport sub-concessions. Recurring income is generated by contracts entered into over various years, of which a large part was awarded as a result of transparent and non-discriminatory competitive tenders. As at 31 December 2018, trading assets due from Autogrill amount to €33.4 million.

10.6 Disclosures regarding share-based payments

In order to incentivise and foster the loyalty of directors and/or employees holding key positions and responsibilities within Atlantia or in Group companies, and to promote and disseminate a value creation culture in all strategic and operational decision-making processes, driving the Group's growth and boosting management efficiency, a number of share incentive plans based on Atlantia's shares have been introduced in previous years. The plans entail payment in the form of shares or cash and are linked to the achievement of predetermined corporate objectives.

With the exception of the "Supplementary Incentive Plan 2017 – Phantom Share Options" described below, there were no changes, during 2018, in the share-based incentive plans already adopted by the Atlantia Group as at 31 December 2017.

Details of each plan are contained in specific information circulars prepared pursuant to art. 84-bis of CONSOB Regulation 11971/1999, as amended, and in the Remuneration Report prepared pursuant to art. 123 *ter* of the Consolidated Finance Act. These documents, to which reference should be made, are published in the "Remuneration" section of the website at www.atlantia.it.
The following table shows the main aspects of existing incentive plans as at 31 December 2017, including the options and units awarded to directors and employees of the Group at that date, and changes during 2017 (in terms of new awards and the exercise, conversion or lapse of rights). The table also shows the fair value (at the grant date) of each option or unit awarded, as determined by a specially appointed expert, using the Monte Carlo model and other assumptions. The amounts have been adjusted for the amendments to the plans originally approved, which were required to ensure plan benefits remained substantially unchanged despite the dilution caused by the bonus issues approved by the shareholders on 20 April 2011 and 24 April 2012.

	Number of options/units awarded	Vesting date	Exercise/grant date	Exercise price (€)	Fair value of each option or unit at grant date (€)	Expected expiration at grant date (years)	Risk free interest rate used	Expected volatility (based on historic mean)	Expected dividends at grant date
2011 SHARE OPTION PLAN									
Options outstanding as at 1 January 2018									
- 13 May 2011 grant	279,860	13 May 2014	14 May 2017	14.78	3.48	6.0	2.60%	25.2%	4.09%
- 14 October 2011 grant	13,991	13 May 2014	14 May 2017	14.78	(*)	(*)	(*)	(*)	(*)
- 14 June 2012 grant	14,692	13 May 2014	14 May 2017	14.78	(*)	(*)	(*)	(*)	(*)
	345,887	14 June 2015	14 June 2018	9.66	2.21	6.0	1.39%	28.0%	5.05%
- 8 November 2013 grant	1,592,367	8 Nov 2016	9 Nov 2019	16.02	2.65	6.0	0.86%	29.5%	5.62%
- 13 May 2014 grant	173,762	N/A (**)	14 May 2017	N/A	(**)	(**)	(**)	(**)	(**)
- 15 June 2015 grant	52,359	N/A (**)	14 June 2018	N/A	(**)	(**)	(**)	(**)	(**)
- 8 November 2016 grant	526,965	N/A (**)	9 Nov 2019	N/A	(**)	(**)	(**)	(**)	(**)
- options exercised	-2,442,675								
- options lapsed	-329,832								
Total	**227,376**								
Changes in options in 2018									
- options exercised	-130,669								
- options lapsed	-5,189								
Options outstanding as at 31 December 2018	**91,518**								
2011 SHARE GRANT PLAN									
Units outstanding as at 1 January 2018									
- 13 May 2011 grant	192,376	13 May 2014	14 May 2016	N/A	12.9	4.0 - 5.0	2.45%	26.3%	4.09%
- 14 October 2011 grant	9,618	13 May 2014	14 May 2016	N/A	(*)	(*)	(*)	(*)	(*)
- 14 June 2012 grant	10,106	13 May 2014	14 May 2016	N/A	(*)	(*)	(*)	(*)	(*)
	348,394	14 June 2015	15 June 2017	N/A	7.12	4.0 - 5.0	1.12%	29.9%	5.05%
- 8 November 2013 grant	209,420	8 Nov 2016	9 Nov 2018	N/A	11.87	4.0 - 5.0	0.69%	28.5%	5.62%
- units converted into shares on 15 May 2015	-97,439								
- units converted into shares on 16 May 2016	-103,197								
- units converted into shares on 16 June 2016	-98,582								
- units converted into shares on 15 June 2017	-136,572								
- units converted into shares on 13 November 2017	-77,159								
- units lapsed	-159,629								
Total	**97,336**								
Changes in units in 2018									
- units converted into shares on 14 November 2018	-97,336								
Units outstanding as at 31 December 2018	-								
2014 PHANTOM SHARE OPTION PLAN									
Options outstanding as at 1 January 2018									
- 9 May 2014 grant	2,718,203	9 May 2017	9 May 2020	N/A (***)	2.88	3.0 - 6.0	1.10%	28.9%	5.47%
- 8 May 2015 grant	2,971,817	8 May 2018	8 May 2021	N/A (***)	2.59	3.0 - 6.0	1.01%	25.8%	5.32%
- 10 June 2016 grant	3,067,666	10 June 2019	10 June 2022	N/A (***)	1.89	3.0 - 6.0	0.61%	25.3%	4.94%
- options lapsed	-811,474								
- options exercised	-884,316								
Total	**7,061,896**								
Changes in options in 2018									
- options exercised	-1,610,589								
- options lapsed	-1,035,771								
Options outstanding as at 31 December 2018	**4,415,536**								
2017 PHANTOM SHARE OPTION PLAN									
Options outstanding as at 1 January 2018									
- 12 May 2017 grant	2,111,351	15 June 2020	1 July 2023	N/A (***)	2.37	3.13 - 6.13	1.31%	25.6%	4.40%
- options lapsed	-40,631								
Total	**2,070,720**								
Changes in options in 2018									
- 3 August 2018 grant	1,761,076	15 June 2021	1 July 2024	N/A (***)	2.91	5.9	2.35%	21.9%	4.12%
- options lapsed	-165,271								
Options outstanding as at 31 December 2018	**3,666,525**								
SUPPLEMENTARY INCENTIVE PLAN 2017 - PHANTOM SHARE OPTIONS									
Options outstanding as at 1 January 2018	-								
- 29 October 2018 grant	4,134,833	29 Oct 2021	29 Oct 2024	N/A (***)	1.79	3.0 - 6.0	2.59%	24.6%	4.12%
Options outstanding as at 31 December 2018	**4,134,833**								
2017 PHANTOM SHARE GRANT PLAN									
Units outstanding as at 1 January 2018									
- 12 May 2017 grant	196,340	15 June 2020	1 July 2023	N/A	23.18	3.13 - 6.13	1.31%	25.6%	4.40%
- options lapsed	-4,045								
Total	**192,295**								
Changes in units in 2018									
- 3 August 2018 grant	181,798	15 June 2021	1 July 2024	N/A	24.5	5.9	2.35%	21.9%	4.12%
- options lapsed	-17,108								
Units outstanding as at 31 December 2018	**356,985**								

(*) Options and units awarded as a result of Atlantia's bonus issues which, therefore, do not represent the award of new benefits.
(**) These are phantom share options granted in place of certain conditional rights included in the grants of 2011 and 2012, and which, therefore, do not represent the award of new benefits.
(***) Given that these are cash bonus plans, involving payment of a gross amount in cash, the 2014 Phantom Share Option Plan, the 2017 Phantom Share Option Plan and the Supplementary Incentive Plan 2017 – Phantom Share Options do not require an exercise price. However, the Terms and Conditions of the plans indicate an "Exercise price" (equal to the arithmetic mean of Atlantia's share price in a determinate period) as the basis on which to calculate the gross amount to be paid to beneficiaries.

2011 Share Option Plan

Description

As approved by the Annual General Meeting of shareholders on 20 April 2011, and amended by the Annual General Meeting of shareholders on 30 April 2013 and 16 April 2014, the 2011 Share Option Plan entails the award of up to 2,500,000 options free of charge in three annual award cycles (2011, 2012 and 2013). Each option will grant beneficiaries the right to purchase one ordinary Atlantia share held in treasury, with settlement involving either physical delivery or, at the beneficiary's option, a cash payment equivalent to the proceeds from the sale of the shares on the stock exchange organised and managed by Borsa Italiana SpA, after deduction of the full exercise price. The exercise price is equivalent to the average of the official prices of Atlantia's ordinary shares in the month prior to the date on which Atlantia's Board of Directors announces the beneficiary and the number of options to be awarded.
The options granted will vest in accordance with the Plan terms and conditions and, in particular, only if, on expiration of the vesting period (three years from the date of award of the options to beneficiaries by the Board of Directors), cumulative FFO for the three annual reporting periods preceding expiration of the vesting period, adjusted for a number of specific items (total operating cash flow of the Group, Atlantia or of certain of its subsidiaries – depending on the role held by the various beneficiaries of the Plan), is higher than a pre-established target, unless otherwise decided by the Board of Directors, which has the authority to assign beneficiaries further targets.
Vested options may be exercised, in part, from the first day following expiration of the vesting period and, in part, from the end of the first year following expiration of the vesting period and, in any event, in the three years following expiration of the vesting period (subject to the clause in the Plan terms and conditions requiring executive Directors and key management personnel to retain a minimum holding). The maximum number of exercisable options will be calculated on the basis of a mathematical algorithm that takes account, among other things, of the current value and the exercise price, plus any dividends paid, so as to cap the realisable gain.

Changes in options in 2018

During 2018, with regard to the second and third award cycles (the vesting periods for both of which have expired), a number of beneficiaries exercised vested options and paid the established exercise price; this entailed the allocation to them of Atlantia's ordinary shares held by the Company as treasury shares. This resulted in the transfer of:

a) 17,862 of Atlantia's ordinary shares to beneficiaries in connection with the second cycle; moreover, 6,946 phantom options awarded in 2015 were exercised (following the exercise of these options, the options awarded as part of the second cycle have lapsed);
b) 47,591 of Atlantia's ordinary shares to beneficiaries in connection with the third cycle; moreover, 58,270 phantom options awarded in 2016 were exercised.

Thus, as at 31 December 2018, taking into account lapsed options at that date, the remaining options outstanding total 91,518, including 44,722 phantom options awarded under the third cycle (the unit fair value of which, as at 31 December 2018, was measured as €2.93 in place of the unit fair values at the grant date).

2011 Share Grant Plan

Description

Annual General Meeting of shareholders on 30 April 2013, the 2011 Share Grant Plan entails the grant of up to 920,000 units free of charge in three annual award cycles (2011, 2012 and 2013). Each unit will grant beneficiaries the right to receive one Atlantia ordinary share held in treasury, with settlement involving either physical delivery or, at the beneficiary's option, a cash payment equivalent to the proceeds from the sale of the shares on the stock exchange organised and managed by Borsa Italiana SpA.
The units granted will vest in accordance with the Plan terms and conditions and, in particular, only if, on expiration of the vesting period (three years from the date the units are granted to beneficiaries by the Board of Directors), cumulative FFO for the three annual reporting periods preceding expiration of the vesting period, adjusted for a number of specific items (total operating cash flow of the Atlantia Group or of certain of its subsidiaries – depending on the role held by the various beneficiaries of the Plan) is higher than a pre-established target, unless otherwise decided by the Board of Directors. Vested units may be converted into shares, in part, after one year from the date of expiration of the vesting period and, in part, after two years from the date of expiration of the vesting period (subject to the clause in the Plan terms and conditions requiring executive Directors and key management personnel to maintain a minimum holding). The number of convertible units will be calculated on the basis of a mathematical algorithm that takes account, among other things, of the current value and initial value of the shares so as to cap the realisable gain.

Changes in units in 2018

On 14 November 2018, the remaining units awarded during the third award cycle (the vesting period for which expired on 9 November 2018) were converted, in accordance with the Plan Terms and Conditions, into Atlantia's ordinary shares. As a result, Plan beneficiaries received 97,336 shares held by the Company as treasury shares.
As at 31 December 2018, all the units awarded under this plan have thus lapsed.

2014 Phantom Share Option Plan

Description

On 16 April 2014, the Annual General Meeting of Atlantia's shareholders approved the new incentive plan named the "2014 Phantom Share Option Plan", subsequently also approved, within the scope of their responsibilities, by the boards of directors of the subsidiaries employing the beneficiaries. The plan entails the award of phantom share options free of charge in three annual award cycles (2014, 2015 and 2016), being options that give beneficiaries the right to payment of a gross amount in cash, computed on the basis of the increase in the value of Atlantia's ordinary shares in the relevant three-year period.
In accordance with the Terms and Conditions of the plan, the options granted will only vest if, at the end of the vesting period (equal to three years from the date on which the options were awarded to the beneficiaries by the Board of Directors), a minimum operating/financial performance target for (alternatively) the Group, the Company or for one or more of Autostrade per l'Italia's subsidiaries, as indicated for each Plan beneficiary (the "hurdle"), has been met or exceeded. The vested options may be exercised from, in part, the first day immediately following the vesting period, with the remaining part exercisable from the end of the first year after the end of the vesting period and, in any event, in the three years after the end of the vesting period (without prejudice to the Terms and Conditions of the plan as regards minimum holding requirements for executive directors and key management personnel). The number of exercisable options is to be computed in application of a mathematical algorithm, taking into account, among other things, the current value, the target value and the exercise price, in order to cap the realisable gain.

Changes in options in 2018

The vesting period for the second cycle of the Plan expired on 8 May 2018. A total of 1,610,589 vested options awarded under the second award cycle and the first cycle were exercised in 2018.
Thus, as at 31 December 2018, after taking into account lapsed options at that date, the remaining options outstanding amount to 4,415,536. The unit fair values of the options awarded under the first, second and third award cycles were remeasured as at 31 December 2018 as €6.01, €1.20 and €1.34, respectively, in place of the unit fair values at the grant date.

2017 Phantom Share Option Plan

Description

On 21 April 2017, the Annual General Meeting of Atlantia's shareholders approved the new incentive plan named the "2017 Phantom Share Option Plan", subsequently also approved, within the scope of their responsibilities, by the boards of directors of the subsidiaries employing the beneficiaries. The Plan entails the award of phantom share options free of charge in three annual award cycles (2017, 2018 and 2019), to be awarded to directors and employees with key roles within the Group. The options grant beneficiaries the right to payment of a gross amount in cash, computed on the basis of the increase in the value of Atlantia's ordinary shares in the relevant period.
In accordance with the Terms and Conditions of the Plan, the options granted will only vest if, at the end of the vesting period (15 June 2020 for options awarded in 2017, 15 June 2021 for options awarded in 2018 and 15 June 2022 for options awarded in 2019), one or more minimum operating/financial performance targets for (alternatively) the Group, the Company or one or more of Atlantia's subsidiaries, as indicated for each Plan beneficiary (the "hurdle"), have been met or exceeded. A portion of the vested options may be exercised from the 1 July immediately following the end of the vesting period, with the remaining options exercisable from the end of the first year after the end of the vesting period and, in any event, in the three years from 1 July of the year in which the vesting period ends (without prejudice to the Terms and Conditions of the Plan as regards minimum holding requirements for executive directors and key management personnel). The number of exercisable options is to be computed in application of a mathematical algorithm, taking into account, among other things, the current value, the target value and the exercise price, in order to cap the realisable gain.

Changes in options in 2018

On 3 August 2018, Atlantia's Board of Directors selected the beneficiaries for the second cycle of the Plan in question. This resulted in the award of a total of 1,761,076 phantom options with a vesting period from 3 August 2018 – 15 June 2021 and an exercise period from 1 July 2021 to 1 July 2024.
As at 31 December 2018, after taking into account lapsed options at that date, the remaining options outstanding amount to 3,666,525. The unit fair values of the options for the first and second award cycles at that date were remeasured as €1.83 and €1.67, respectively, in place of the unit fair value at the grant date.

Supplementary Incentive Plan 2017 - Phantom Share Options

Description

This plan, approved by the General Meeting of Atlantia's shareholders on 2 August 2017, was designed to provide incentives for a limited number of core people particularly involved in the process of building and creating value at the new Atlantia Group that would have been formed following the acquisition of control of Abertis, had Atlantia's public tender offer been successful. No options were granted in 2017 whilst awaiting the outcome of Atlantia's public tender offer.
In view of the fact that the structure of the transaction changed in 2018, following the agreements reached with ACS and Hochtief regarding the acquisition of Abertis, and the resulting withdrawal of Atlantia's

public tender offer, Atlantia's Annual General Meeting, held on 20 April 2018, voted to modify certain definitions in the plan and reduce the maximum number of options (as defined below) from 7.5 million to 5 million.
Following the changes made by the above Annual General Meeting, therefore, the plan entails the award of up to 5 million phantom share options free of charge, in a single cycle and within 3 months of the date of the acquisition of control of Abertis (being options that give beneficiaries the right to payment of a gross amount in cash). The options are to be awarded to the Chairman, Chief Executive Officer and employees of the Company and its subsidiaries, limited to core people involved the integration process and the creation of value for the Atlantia Group.
The options awarded will vest in accordance with the specified Terms and Conditions and may in part be exercised from the first day immediately after the vesting period, with the remaining options exercisable at the end of the first year following the end of the vesting period, and in any event in the three years following the expiry of this period (without prejudice to the provisions of the Plan Terms and Conditions as regards minimum holding requirements for executive directors and key management personnel). The number of exercisable options is to be computed in application of a mathematical algorithm, taking into account, among other things, the current value, the target value and the exercise price, in order to cap the realisable gain.

Changes in options in 2018

Following completion of the acquisition of control of Abertis, on 29 October 2018, the conditions for award of the options to the Chairman and Chief Executive Officer had been met. The remaining beneficiaries were then approved in a later resolution of Atlantia's Board of Directors at a meeting held on 18 January 2019, which awarded a total of 4,134,833 phantom options, vesting between 29 October 2018 and 29 October 2021, and exercisable between 30 October 2021 and 29 October 2024.
The unit fair value of the options as at 31 December 2018 was remeasured as €1.80 in place of the unit fair value at the grant date.

2017 Phantom Share Grant Plan

Description

On 21 April 2017, the Annual General Meeting of Atlantia's shareholders approved the new incentive plan named the "2017 Phantom Share Grant Plan", subsequently also approved, within the scope of their responsibilities, by the boards of directors of the subsidiaries employing the beneficiaries. The Plan entails the award of phantom shares free of charge in three annual award cycles (2017, 2018 and 2019), to be awarded to directors and employees with key roles within the Group. The units grant beneficiaries the right to payment of a gross amount in cash, computed on the basis of the value of Atlantia's ordinary shares in the period prior to the period in which the units are awarded.
In accordance with the Terms and Conditions of the Plan, the units granted will only vest if, at the end of the vesting period (15 June 2020 for units granted in 2017, 15 June 2021 for units granted in 2018 and 15 June 2022 for units granted in 2019), one or more minimum operating/financial performance targets for (alternatively) the Group, the Company or one or more of Atlantia's subsidiaries, as indicated for each Plan beneficiary (the "hurdle"), have been met or exceeded. A portion of the vested units will be convertible from the 1 July immediately following the end of the vesting period, with the remaining options exercisable from the end of the first year of the exercise period and, in any event, in the three years from 1 July of the year in which the vesting period ends (without prejudice to the Terms and Conditions of the Plan as regards minimum holding requirements for executive directors and key management personnel). The number of exercisable options is to be computed in application of a mathematical algorithm, taking into account, among other things, the current value and initial value of the shares, in order to cap the realisable gain.

Changes in units in 2018

On 3 August 2018, Atlantia's Board of Directors selected the beneficiaries for the second cycle of the Plan in question. This resulted in the award of a total of 181.798 units, vesting in the period from 3 August 2018 to 15 June 2021 and exercisable in the period from 1 July 2021 to 1 July 2024.
As at 31 December 2018, after taking into account lapsed units at that date, the remaining units outstanding amount to 356,985. The unit fair values of the options from the first and second award cycles were remeasured as €19.29 and €18.06, respectively, in place of the unit fair values at the grant date.

The official prices of Atlantia's ordinary shares in the various periods covered by the above plans are shown below:

a) price as at 31 December 2018: €18.03;
b) price as at 3 August and 29 October 2018 (the grant date for new options or units, as described): €24.86 and€17.79, respectively;
c) the weighted average price for 2018: €22.34;
d) the weighted average price for the period 3 August 2018 – 31 December 2018: €18.54;
e) the weighted average price for the period 29 October 2018 – 31 December 2018: €18.05.

In accordance with the requirements of IFRS 2, as a result of existing plans, in 2018 the Group has recognised staff costs of €1,275 thousand, based on the accrued fair value of the options and units awarded at that date, including €519 thousand accounted for as a decrease in equity reserves. In contrast, the liabilities represented by phantom share options outstanding as at 31 December 2018, have been recognised in other current and non-current liabilities, based on the assumed exercise date.

10.7 Significant legal and regulatory aspects

This section describes the main disputes outstanding and key regulatory aspects of importance to Atlantia Group companies.
Current disputes are unlikely to give rise to significant charges for Group companies in excess of the provisions already accounted for in the consolidated financial statements as at and for the year ended 31 December 2018.

Italian motorways

Toll increases with effect from 1 January 2018

The Minister of Infrastructure and Transport (the "MIT") and Minister of the Economy and Finance (the "MEF") issued decrees on 29 December 2017, determining toll increases with effect from 1 January 2018. These are as follows:

a) an overall toll increase of 1.51%, including 0.49% as the inflation-linked component, 0.64% to provide a return capital expenditure via the "X" tariff component and -0.04% to provide a return on investment via the "K" tariff component (the shortfall in the increase awarded for 2017 was recouped almost in full for both these components) and 0.43% to recover the reduction in revenue earned in the period from June 2014 to 2017 as a result of the discounted tolls for frequent motorway users, introduced by the Memorandum of Understanding entered into with the MIT. Regarding the shortfall in the increase with respect to the requested amount, equal to 0.01% (relating to the "X" component), the Grantor, following submission of additional documentation by Autostrade per l'Italia on 12 March 2018, deemed that the request was largely warranted, and therefore to be taken into account when determining the toll increase for 2019. Application of the remaining amounts was suspended, pending an update of the financial plan;

b) Raccordo Autostradale Valle d'Aosta was to apply a toll increase of 52.69%, compared with the 81.12% requested. The company has challenged this determination before the Regional Administrative Court;

c) Autostrade Meridionali was to apply a toll increase of 5.98%, compared with the 9.9% requested;

d) Autostrada Tirrenica was to apply a toll increase of 1.33%, compared with the 36.51% requested. The company has challenged this determination before the Regional Administrative Court.
On 7 February 2019, Lazio Regional Administrative Court annulled the Decree contested by Autostrada Tirrenica regarding toll increases for 2018. Similar judgements were also handed down on the same date for the years 2014, 2016 and 2017, requiring the Ministry of Infrastructure and Transport and Minister of the Economy and Finance to review their response to the company's proposals in accordance with legal requirements and the concession arrangement. In addition, in another judgement on the same date, Lazio Regional Administrative Court, in response to the interministerial decree revoking suspension of the toll increase for 2013, ruled that the challenge was inadmissible in the absence of any interest in proceeding, recognising the jurisdiction of the ordinary court system with regard to a decision regarding compensation for the company's lost revenue during the period of the suspension;

e) Tangenziale di Napoli was to apply a toll increase of 4.31%, including recovery of amounts not applied in previous years, compared with the 1.93% requested. This application was granted on the basis of the new financial plan attached to the Addendum, signed digitally on 22 February 2018. This came into effect with the approval of Ministry of Infrastructure and Transport and Ministry of the Economy and Finance Decree 131 of 16 March 2018, registered at the Court of Auditors on 23 April 2018.

In the case of Traforo del Monte Bianco, which operates under a different regulatory regime, the Intergovernmental Committee for the Mont Blanc Tunnel gave the go-ahead for a toll increase of 1.09% for 2018. This is based on the average of the inflation rates registered in Italy and France from 1 September 2016 to 31 August 2017, in addition to an extra 0.95% increase determined by the Committee. From 1 April 2018, the toll for all Euro 3 heavy goods vehicles, of more than 3.5 tonnes, was increased by 5%.

Toll increases with effect from 1 January 2019

The MIT and MEF issued decrees on 31 December 2018, determining toll increases with effect from 1 January 2019. These are as follows:

a) in Autostrade per l'Italia's case, based on a willingness expressed by the Company itself, the decision was taken to leave the tolls in force as at 31 December 2018 unchanged for a period of six months. These tolls included the component of 0.43% designed to recover the reduction in revenue resulting from the discounting of tolls for frequent motorway users, which ceased to be effective on 31 December 2018. The tolls applied to road users will thus increase by 0.81% from 1 July 2019, unless otherwise agreed by the Grantor and the Company. Regarding the shortfall in the increase with respect to the requested amount, equal to 0.06% (relating to the "X" component), Autostrade per l'Italia has reserved the right to produce additional documentation with the aim of obtaining the remaining increase and, to this end, has accessed the documentation relating to the review conducted by the Grantor;
b) in Raccordo Autostradale Valle d'Aosta's case, the toll increase is 6.32%, in line with its request. The decree acknowledges that the company, in a memo dated 27 December 2018, had accepted the Grantor's request and announced its willingness to suspend the toll increase effective 1 January 2019 for residents/commuters in the Val d'Aosta area who have registered to participate in the initiative;
c) in Autostrade Meridionali's case, no toll increase was granted with respect to the requested 1.20%, as the concession had expired on 31 December 2012. The company has challenged this determination;
d) in the case of Tangenziale di Napoli, a toll increase of 1.82% has been granted, compared with a request for 1.93%. The company has filed a legal challenge, citing the failure to take into account certain investments;
e) in Autostrada Tirrenica's case, no toll increase was granted in view of the ongoing EU infraction proceedings (the company had requested an increase of 1.59% for 2019 and, given the absence of any increases in previous years, a total increase of 36.41%).

In the case of Traforo del Monte Bianco which operates under a different regulatory regime, the Intergovernmental Committee for the Mont Blanc Tunnel awarded a toll increase of 1.78% for 2019. This is based on the average of the inflation rates registered in Italy (1.57%) and France (1.98%), plus 0.95% linked to the extraordinary increase for the Frejus Tunnel and also applied to Traforo del Monte Bianco.

Five-yearly update of Autostrade per l'Italia's financial plan

On 15 June 2018, Autostrade per l'Italia submitted a proposal to the Grantor regarding a five-year update of its financial plan, which will subsequently be formalised as an addendum to the current Arrangement.

Consultation with the Transport Regulator

The Transport Regulator (ART) issued a determination on 20 February 2019, initiating a consultation designed to establish a tariff regime using a consistently applied method based on a price cap mechanism. Rather than establishing the criteria solely to be used in determining the productivity indicator, as provided for in Law Decree 109 of 28 September 2018, converted into Law 130 of 16 November 2018, the regulator's determination proposes to modify the entire tariff regime for motorway concession arrangements, introducing new criteria for determining the components of tolls. The determination also envisages the application of this new regime not only to motorway operators for which the five-year regulatory period expired after the entry into force of Law Decree 109/2018, and for which the related update has yet to be finalised, but also to operators, such as Autostrade per l'Italia, whose regulatory period expired before the entry into force of the above Law Decree and for which the five-yearly review of the financial plan is still in progress.
The deadline for submitting observations is 29 March 2019, whilst the procedure is scheduled to be completed by 28 June 2019. The company is considering what legal action to take in order to protect its interests.

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

In 2012, the Ministry of Infrastructure and Transport issued a call for tenders for the new concession for the A3 Naples – Pompei – Salerno motorway. On 22 March 2016, the Ministry announced its intention to exclude the two competing bidders, Autostrade Meridionali and Consorzio Stabile SIS, from the tender process. This gave rise to a complex dispute that was finally brought to a close by the Council of State judgement published on 25 February 2019, which upheld the judgement at first instance, confirming both companies' disqualification.

Accident on the Acqualonga viaduct on the A16 Napoles-Canosa motorway

Criminal proceedings

With regard to the accident that occurred on 28 July 2013, a total of twelve employees and former employees of the Company were committed for trial in 2016 charged with being accessories to culpable multiple manslaughter and criminal negligence.
At the hearing held on 9 May 2016, the judge committed all the accused for trial before a single judge at the Court of Avellino.
Evidence began to be heard during the hearing of 28 October 2016, with the final hearing held on 11 January 2019, when the judgement was read.
Specifically, the court found the accused who at the time of the accident held the roles of Autostrade per l'Italia's Chief Executive Officer, General Manager for Operations & Maintenance, Head of the "Road Surfaces and Safety Barriers" unit, Head of the "Safety Barriers, Laboratories and RD" operations unit and the two Coordinators at the VI Section Operations Centre in Cassino not guilty pursuant to art. 530, paragraph 1 of the code of criminal procedure, as they are innocent of the crime of which they were accused. Instead, the then managers and heads of operations at the VI Section office in Cassino were found guilty. The court fixed a term of 90 days for the court to file its reasons for the judgement.
To date, almost all of the civil parties whose entry of appearance in the criminal trial was admitted had previously been paid compensation and had, therefore, withdrawn their actions following payment of their claims by Autostrade per l'Italia's insurance provider under the existing general liability policy.

Civil proceedings

In addition to the criminal proceedings, a number of civil actions have been brought by persons not party to the criminal trial. These actions have been combined by the Civil Court of Avellino. Following the combination of the various proceedings, judgement is thus pending before the Civil Court of Avellino in relation to: (i) the original action brought by Reale Mutua Assicurazioni, the company that insured the coach, in order to make the maximum claim payable available to the damaged parties, including Autostrade per l'Italia (€6 million), (ii) subsequent claims, submitted as counterclaims or on an individual basis, by a number of damaged parties, including claims against Autostrade per l'Italia. Subject to the permission of the court, Autostrade per l'Italia intends to refer claimants to its insurance provider (Swiss Re International), with a view to being indemnified against any claims should it lose the case. Preliminary hearings before the civil court were held between 20 October 2016 and 12 July 2018. At the hearing of 18 January 2018, the court reserved judgement.

Autostrade per l'Italia-Autostrade Tech against Alessandro Patanè and companies linked to him and appeals brought forward before the Civil Court of Rome

In response to repeated claims made by Mr. Alessandro Patanè and the companies linked to him, in 2013, Autostrade per l'Italia and Autostrade Tech served a writ on Mr. Patanè before the Court of Rome, with the aim of having the claims examined and declared groundless based on ownership of the software used in the SICVe system.
On appearing before the court, Mr. Patanè filed a counterclaim, in which he claimed compensation for the damages allegedly suffered.
The Court of Rome issued judgement 120/2019, declaring Mr. Patanè's counterclaim to be inadmissible as it had been filed late, and ruling that the claim for fraud forming part of the same legal action was also inadmissible.
The court also rejected the writ served by Autostrade per l'Italia and Autostrade Tech, with the aim of having the court reject the claims for damages brought by the other party, as there as insufficient evidence to prove ownership of the software.
Autostrade per l'Italia and Autostrade Tech have appealed this judgement before the Court of Appeal in Rome.

Proceedings before the Court of Appeal in Rome - Autostrade per l'Italia versus Craft Srl

Initial proceedings before the Supreme Court

On 4 November 2015, the First Civil Section of the Supreme Court handed down judgement no. 22563, rejecting Autostrade per l'Italia's appeal regarding the fact that Craft's patent should be declared null and void and partially annulling the earlier sentence of the Court of Appeal in Rome, referring the case back to this court, to be heard by different judges, following the reinstatement of proceedings by one of the parties. The Court of Appeal was asked to provide logical grounds for finding that Autostrade per l'Italia has not infringed Craft's patent.

Court of Appeal judgement

On 10 April 2018, the Court of Appeal in Rome handed down judgement no. 2275/2018, ruling, without the aid of expert evidence, that the TUTOR system installed by Autostrade per l'Italia constitutes an infringement (due to its equivalence to) Craft's patent.
The Court also ordered Autostrade per l'Italia to remove and destroy all existing equipment installed on the motorways it operates that is in violation of Craft's patent (prohibiting it future sale or use), and imposing a civil penalty of €500 to be paid by Autostrade per l'Italia for every day it fails to comply with the above order.
The Court also rejected Craft's claim for economic damages and its claim for the return of any profits as, in the Court's opinion, the Tutor system does generate earnings for the road operator, even in terms of cost savings.
There was no award of non-economic damages as there is no proof that the infringement has damaged Craft's image.

New proceedings before the Supreme Court

Autostrade per l'Italia has appealed judgement no. 2275/2018 handed down by the Court of Appeal in Rome before the Supreme Court, believing it to be unlawful, and requesting suspensive relief before the Court of Appeal of Rome and requesting an *ex parte* decision by the court.
On 28 May 2018, Court of Appeal of Rome rejected the request for suspensive relief.

The judges ruled that motorway safety was not a question of Autostrade per l'Italia's interest, but the interests of the institutions (the police) and, as such, the safety of road users cannot, in Autostrade per l'Italia's case, constitute serious prejudice pursuant to art. 373 of the code of civil procedure.
In addition, the judges stated that within the scope of the responsibilities assigned by art. 14 of the highway code, the operator is under no obligation to install speed check systems, but is responsible for the safety of the infrastructure (as Autostrade per l'Italia is solely responsible for its maintenance).
The judges ruled that there were no grounds to pass the case on to the public prosecutor in relation to Craft's claim that the company had infringed its patent, given that the various judgements had so far failed to agree and that the appeal was pending before the Supreme Court.

Faced with the need to comply with the judgement, the SICVE software used in Autostrade per l'Italia's systems was uninstalled, subject to independent certification of compliance.
Based on the needs of the traffic police, a new system for conducting the speed checks required by the Highway Code, called SICVe-PM, has been made available to the traffic police.

Action brought to correct the judgement of the Court of Appeal in Rome

On 5 September 2018, CRAFT filed a motion before with Court of Appeal in pursuant to art. 288 of the code of civil procedure, requesting that the Court's judgement no. 2275/2018 be corrected in respect of the ruling that imposed a civil penalty of €500 to be paid by Autostrade per l'Italia for every day it failed to comply with the judgement, without specifying that the fine, according to CRAFT, referred to "any system covered by the claims brought by Craft regarding its patent and, therefore, any dual system using "speed cameras on entry" / "speed cameras on exit" recording one carriageway or a section of motorway in one direction regardless of the number of lanes per carriageway in that section".
This motion was rejected on 9 October 2018.

Executive proceedings

On 9 November 2018, CRAFT notified the company of two injunctions executing judgement no. 2275/2018 issued by the Court of Appeal in Rome, relating to the part imposing a civil fine of €500 to be paid by Autostrade per l'Italia for every day it failed to comply with the judgement and to the part ordering the Company to remove and destroy the equipment.
The company responded to the first injunction by appealing for relief, which was turned down by court order on 13 February 2019. The Company will appeal this decision.
In the meantime, CRAFT has notified the company that is has obtained seizure orders for a number of the company's current accounts with several banks. The hearing to distribute the sums involved has been scheduled for 4 April 2019.
The company contested the action, including the seizure order. The preliminary hearing has been scheduled for 4 April 2019.
With regard to the second injunction, CRAFT has filed an appeal before the Court of Appeal in Rome pursuant to art. 124 of the code of Industrial property Code (Corrective measures and civil fines), initiating the process of verifying compliance with the obligations resulting from the judgement handed down by the Court of Appeal in Rome on 10 April 2018. The preliminary hearing has been scheduled for 12 March 2019.

Claim for damages from the Ministry of the Environment

A criminal case (initiated in 2007) pending before the Court of Florence involves two employees who at the time of the events were managers at Autostrade per l'Italia and another 18 people from contractors, who are accused of violating environmental laws relating to the reuse of soil and rocks resulting from excavation work during construction of the *Variante di Valico*. The process of hearing depositions was completed on 30 October 2017.
At the hearing of 30 October 2017, the court acquitted the two managers from Autostrade per l'Italia in accordance with art. 530, paragraph I of the criminal code, based on the fact that there was no case to answer and setting a term of 90 days for the court to file the reasons for its judgement.

The deadline for filing the court's reasons for the judgements has been further extended and there are no further developments to report.

Investigation by the Public Prosecutor's Office in Ancona following the collapse of the motorway bridge on the SP10 crossing the A14 Bologna-Taranto motorway

On 9 March 2017, the collapse of a bridge on the SP10, as it crosses the A14 motorway at km 235+794, caused the deaths of the driver and a passenger in a car and injuries to three workers employed by a sub-contractor of Pavimental SpA, to which Autostrade per l'Italia had previously awarded the contract for the widening to three lanes of the Rimini North–Porto Sant'Elpidio section of the A14 Bologna-Bari-Taranto motorway. Autostrade per l'Italia's legal representative was subsequently sent a notice of investigation issued by the Public Prosecutor's Office in Ancona. The investigation regards the alleged offence provided for in articles 25-*septies*, paragraphs 2 and 3, 6 and 7 of Legislative Decree 231/2001 (Art. 25-*septies* "Culpable homicide and negligent injury or grievous bodily harm resulting from breaches of occupational health and safety regulations"; art. 6 "Senior management and the entity's organisational models"; art. 7 "Subordinates and the entity's organisational models") regarding the offences provided for in art. 589, paragraph 2 of the penal code ("Culpable homicide resulting from breaches of occupational health and safety regulations") and art. 590, paragraph 3 of the penal code ("Culpable injury resulting from breaches of occupational accident prevention").

In connection with this event, a number of Autostrade per l'Italia's managers and employees are under investigation pursuant to articles 113, 434, paragraph 2 and 449 of the penal code ("accessory to culpable collapse"), 113 and 589, last paragraph of the penal code ("accessory to culpable multiple manslaughter"), 113 and 590, paragraph 3 of the penal code ("accessory to culpable multiple injury").

In September 2018, the technical experts appointed by the Public Prosecutor's Office filed their reports. On 14 December 2018, the prosecutors filed notice of completion of their preliminary investigation and requested that the case against Autostrade per l'Italia SpA's three managers be dismissed.

Events of 14 August relating to the collapse of a section of the Polcevera road bridge in Genoa

A section of the Polcevera road bridge in Genoa collapsed on 14 August 2018, resulting in the deaths of 43 people. The causes of this tragic incident have yet to be identified at the date of approval of this Annual Report.

Procedure initiated by the Grantor

On 16 August 2018, the Ministry of Infrastructure and Transport sent Autostrade per l'Italia a letter of complaint before conducting any form of prior investigation into the causes of the collapse or who was responsible. The letter alleged that the company had committed serious breaches of its contractual obligations regarding routine and extraordinary maintenance and of its obligation to ensure that the road was in good working condition. As a result, the Ministry declared that it was appropriate "to activate the procedures provided for in articles 8, 9 and 9 *bis* of the Concession Arrangement".

In its response dated 31 August 2018, and in the subsequent letter dated 13 September 2018, Autostrade per l'Italia presented its counterarguments, rejecting the accusation that it had failed to meet its contractual obligations and, in addition, asserting that any decision by the Ministry to activate the procedures provided for in articles 8, 9 and 9 *bis* of the Concession Arrangement was inadmissible and without effect.

The Inspection Committee appointed by the Ministry of Infrastructure and Transport then published its report on the collapse of a section of the Polcevera road bridge on 25 September 2018. A subsequent letter from Autostrade per l'Italia, dated 5 October 2018, highlighted a number of concerns regarding both procedural aspects and the merits of the Committee's conclusions.

Subsequently, in a letter dated 20 December 2018, the Ministry of Infrastructure and Transport added further to its letter of complaint and, in accordance with the procedure required under the arrangement, requested the company to provide further counterarguments, specifically in relation to information on aspects regarding the system used to monitor infrastructure and the potential causes of the collapse. The latter gave the company 120 days to respond.
The company believes, in part based on the opinion of leading experts, that communications with the Grantor do not qualify as the initial act in the procedure leading to termination of the concession, in accordance with art. 9 of the Single Concession Arrangement.

Law Decree 109 of 2018

In parallel, Law Decree 109 was published on 28 September 2018 and later converted into Law 130 of 16 November 2018. The legislation contains a range of urgent measures for the city of Genoa and:

a) appoints a Special Commissioner to oversee the reconstruction, who may act in derogation of the law other than criminal law, save for the binding restrictions imposed by membership of the European Union;
b) requires the operator, "as the entity responsible for ensuring that the infrastructure operated under concession was safe and fit for purpose, and therefore as the entity responsible for the events", within 30 days of receipt of the Special Commissioner's request, to pay the sum necessary for the reconstruction in the amount to be provisionally determined by the Commissioner, without prejudice to any subsequent findings regarding liability for the event;
c) excludes Autostrade per l'Italia and its subsidiaries and associates from involvement in the reconstruction;
d) assigns the Commissioner responsibility for the sections of motorway linked to the road bridge whose operation will be affected by work on the reconstruction and which the operator is obligated to hand over to the Commissioner.

Legal challenges brought by Autostrade per l'Italia before Liguria Regional Administrative court

Autostrade per l'Italia has brought an action before Liguria Regional Administrative Court challenging the legislation contained in Law Decree 109 of 2018 and subsequent implementing measures, without applying for injunctive relief, the Cabinet Office Decree of 4 October 2018 appointing the Special Commissioner, and certain implementing decrees issued by the Commissioner relating to demolition and reconstruction of the bridge and the connected activities, contesting their legality, including from a constitutional viewpoint.
The hearing of 27 February 2019 has been rescheduled for 22 May 2019.
At the same time, Autostrade per l'Italia, in its acknowledged role as the operator, has handed over the sums requested by the Special Commissioner in order to fund the purchase of homes and business premises, and payments on account to the firms contracted to carry out the demolition and reconstruction and project management. The company has also committed to making available the remaining sums requested by the Special Commissioner as the work progresses.

Investigation by the Public Prosecutor's Office in Genoa

The collapse of a section of the Polcevera road bridge has resulted in criminal action before the Court of Genoa against 9 Autostrade per l'Italia SpA personnel, including executives and other people employed at the company's Rome headquarters and the relevant area office in Genoa. The action also regards a further 12 employees and managers at SPEA Engineering, the Atlantia Group company contracted to monitor the state of the infrastructure, and the Ministry of Infrastructure and Transport, in relation to offences provided for in articles: 449-434 of the criminal code ("accessory to culpable collapse"); 449-432 of the criminal code ("violation of transport safety regulations aggravated by culpable disaster"); 589-bis, paragraph 1 of the criminal code ("culpable vehicular homicide"); 590-bis, paragraph 1 of the criminal code ("grievous or very grievous bodily harm caused by road traffic violations"); 589, paragraphs 1, 2 and 3 of the criminal code ("culpable homicide resulting from breaches of occupational health and safety

regulations"); 590, paragraphs 1, 3 and 4 of the criminal code ("negligent injury resulting from breaches of occupational health and safety regulations").
With specific regard to the last two offences, Autostrade per l'Italia is also under investigation pursuant to art. 25-*septies* of Legislative Decree 231/2001, relating to "Culpable homicide or grievous or very grievous bodily harm resulting from breaches of occupational health and safety regulations".
Subsequently, on 12 September 2018, the preliminary investigating magistrate (*Giudice per le Indagini Preliminari*) requested a pre-trial hearing to appoint experts to prepare a report on conditions at the disaster scene, to assess the state of repair and maintenance of the infrastructure that did not collapse and of the parts of the road bridge that did collapse and have yet to be removed, and to identify and reach agreement with the relevant authorities on procedures for the removal of debris and for demolition, so as to preserve the evidence needed for the purposes of the investigation.
The work of the experts began on 2 October 2018 and is still in progress.
At the hearing held on 8 February 2019, the preliminary investigating magistrate upheld the request from the counsel defending Autostrade per l'Italia's personnel to discuss the translated versions of the expert reports prepared by the specially appointed laboratories with the other parties.
At the hearing of 15 February 2019, the preliminary investigating magistrate appointed an interpreter to translate the above expert reports and counsel for the defendants appointed their own technical consultants.
Finally, the preliminary investigating magistrate has scheduled a hearing for 27 March 2019 in order to discuss the expert reports and for 8 April 2019 to receive an update on the work carried out by the experts.

Overseas motorways

Chile

From 1 January 2018, Grupo Costanera's motorway operators applied the following annual toll increases, determined on the basis of their concession arrangements:

a) 5.5% for Costanera Norte, Vespucio Sur and Nororiente, reflecting a combination of the increase linked to inflation in 2017 (1.9%) and a further increase of 3.5%;
b) 3.4% for AMB, reflecting a combination of the increase linked to inflation in 2017 (1.9%) and a further increase of 1.5%;
c) 1.9% for Litoral Central, reflecting the increase linked to inflation in 2017.

From 1 January 2018, the tolls applied by Los Lagos rose 3.4%, reflecting a combination of the increase linked to inflation in 2017 (1.9%) and a further increase in the form of a bonus relating to safety improvements in 2018 (5.0%), less the bonus for safety improvements awarded in 2017 (3.5%).
On 9 May 2018, Nororiente finalised an addendum with Chile's Ministry of Public Works regarding implementation of a free flow tolling system to replace the previous manual system, with compensation, at a pre-set rate, for loss of revenue due to toll evasion. Compensation will, at the Ministry's discretion, take the form of a 10-month extension of the concession term or a cash payment at the end of the original concession term. The new free-flow tolling system entered service on 28 July 2018.

From 1 January 2019, Grupo Costanera's motorway operators applied the following annual toll increases, determined on the basis of their concession arrangements:

a) 6.4% for Costanera Norte, Vespucio Sur and Nororiente, reflecting a combination of the increase linked to inflation in 2018 (2.8%) and a further increase of 3.5%;
b) 4.3% for AMB, reflecting a combination of the increase linked to inflation in 2018 (2.8%) and a further increase of 1.5%;
c) 2.8% for Litoral Central, reflecting the increase linked to inflation in 2018.

From January 2018, the tolls applied by Los Lagos were reduced by 0.1%, reflecting a combination of the increase linked to inflation in 2018 (2.8%) and a reduction in the bonus for safety improvements (the bonus of 2.0% for 2019, less the bonus for safety improvements awarded in 2018, amounting to 5.0%).

Award of the new AVO II urban motorway concession

Grupo Costanera, has been awarded the concession for the Américo Vespucio Oriente II project, which regards the construction and operation of a 5-km section of tunnel for the orbital motorway in the city of Santiago, using a free-flow tolling system. The estimated cost of construction is approximately €490 million. The concession was awarded in July 2017, while on 5 April 2018 the Supreme Decree awarding the concession, and signed by the President of the Republic of Chile, was published in the Official Gazette, following prior approval by the Chilean Court of Auditors. This date marks the beginning of the concession term, which is linked to the achievement of specific pre-set revenue milestones after discounting to present value. The term may not, in any event, exceed 45 years.

Award of the new "Vial Ruta 78-68 Connection" urban motorway concession

Grupo Costanera, has been awarded the concession for the Vial Ruta 78-68 Connection project, involving construction and operation of a new 9.2-km section of urban, free-flow toll motorway in the city of Santiago. The new road will link Ruta 78 with Ruta 68, the two main roads connecting Santiago with the ports of Valparaiso and San Antonio, and will be connected with the section already operated under concession by Costanera Norte. The estimated cost of the project is approximately €210 million[1]. The concession was awarded in February 2018, while on 21 April 2018 the Supreme Decree awarding the concession, and signed by the President of the Republic of Chile, was published in the Official Gazette, following prior approval by the Chilean Court of Auditors. This date marks the beginning of the concession term, which is linked to the achievement of specific pre-set revenue milestones after discounting to present value. The term may not, in any event, exceed 45 years.

Brazil

From 1 July 2018, Triangulo do Sol and Rodovias das Colinas applied their annual toll increase of 2.9% based on the rate of general price inflation in the period between 1 June 2017 and 31 May 2018, as provided for in the respective concession arrangements. This reflects the fact that this figure was lower than the rate of consumer price inflation in the same period (4.3%). The difference will be adjusted for in accordance with the concession arrangement.
From 31 May 2018, the toll exemption for vehicles with raised axles was extended to the State of Sao Paulo. This measure was adopted by the federal government to settle the truck drivers' strike that began on 21 May 2018. The lost income will be adjusted for to compensate the operator.
The tolls applied by the operator, Rodovia MG050, were raised by 2.8% from 13 June 2018, based on the rate of consumer price inflation in the period between 1 May 2017 and 30 April 2018, as provided for in the concession arrangement.

Italian airports

Tariff proposal for 2018

On completion of the consultation with airport users, on 22 December 2017, the Civil Aviation Authority (*ENAC*) announced the airport fees for Fiumicino and Ciampino for the period 1 March 2018 - 28 February 2019. The fees for Fiumicino and Ciampino fell by an average of 0.7% and 4%, respectively, compared with the fees for 2017[3].

[1] Based on the average exchange rate in December 2018.
[3] Based on the ratio between the maximum permitted revenue and fee-paying passengers for the twelve months from 1 March.

Tariff proposal for 2019

On 7 August 2018, Aeroporti di Roma ("ADR") began a consultation process, involving the users of Fiumicino and Ciampino airports, on the proposed revision of regulated fees for the 2019 annual period (1 March 2019-29 February 2020). The procedure meets existing Italian and EU requirements and is in line with the guidelines in the "Procedure for consultation between airport operators and users for ordinary planning agreements and those in derogation" issued by ENAC on 31 October 2014.
In order to ensure the maximise the involvement of users, on 10 August 2018, ADR published the information documents setting out the proposed fees for 2019 on its website.
The consultation process came to a conclusion on 5 November 2018. During the process, ADR responded to the observations received from users by the deadlines announced at the beginning of the procedure. On 24 December 2018, having completed its review conducted as part of the tariff revision process for 2019, ENAC announced that it had approved the new airport fees to be applied by the two Rome airports from 1 March 2019. The fees were then published on the authority's website.
The revised fees for the period 1 March 2019 - 29 February 2020 envisage a 1.4% reduction for Fiumicino airport and a 2.2% increase for Ciampino with respect to the fees currently in force[3].

Continuity of the services provided by Alitalia in Extraordinary Administration

On 2 May 2017, Alitalia – Società Aerea Italiana SpA ("Alitalia") was placed into extraordinary administration.
Law Decree 38 of 27 April 2018 introduced urgent measures modifying the terms of the procedure for selling the industrial assets owned by Alitalia. The Decree extended the deadline for completion of the sale procedures from 30 April 2018, previously set by Law Decree 148/2017 ("Urgent financial measures and measures relating to non-deferrable needs"), until 31 October 2018. As a result, the term for full repayment of the interest-bearing government loan to the company in extraordinary administration, amounting to €900 million, was extended until 15 December 2018.
Art. 2 of Law Decree 135 of 14 December 2018 (the so-called Simplification Decree) then modified the terms of repayment of the government loan to Alitalia, requiring the loan to be repaid within 30 days of the effective date of the sale of the assets in accordance with the procedures set out in art. 50 of Law Decree 50 of 24 April 2017 and, in any event, no later than 30 June 2019.
Finally, the Ministerial Decree of 5 December 2018, regarding "Replacement of the special commissioner for the Alitalia SAI group companies in extraordinary administration", appointed Daniele Discepolo special commissioner, with immediate effect, in place of Luigi Gubitosi.

Overseas airports

Tariff review for the 2018-2019 period

On 14 July 2018, a decree was published by the French Minister of Transport who, within the scope of the Minister's powers, has established the criteria for determining the fees payable in return for the airport services provided by the Aéroports de la Côte d'Azur group ("ACA").
Specifically, the decree (i) defines and differentiates the scope of regulated and non-regulated activities (essentially commercial and real estate activities, with the exception of car parks that come under regulated

[3] Based on the ratio between the maximum permitted revenue and fee-paying passengers for the twelve months from 1 March.

activities), and (ii) establishes a tariff regulation mechanism for activities regulated by a price cap system (*plafond tarifaire*) linked to inflation, notwithstanding the limit on the allowed return on invested capital. The decree thus establishes a stable and predictable regulatory framework for the period of the airport concession term, which may be reflected both in annual tariff increases and in the context of annual regulatory agreements lasting five years, which in any event are subject to approval by the Independent Supervisory Authority.

However, in spite of the provisions in the Decree and ACA's submission of a tariff proposal for the period November 2018 – October 2019, in January 2019, the Independent Supervisory Authority refused to endorse the proposed tariffs, adopted the same approach with other French airports. ACA has challenged this refusal before the French Council of State.

Even whilst the challenge is pending, the authority may independently set tariffs for the relevant tariff period, in accordance with the legislation in force. ACA will also have the option of challenging this decision.

In the meantime, and without prejudice to the legal challenge, the authority has entered into a consultation process with ACA, the grantor, France's Civil Aviation Authority and the Users' Committee, based on its own tariff proposal.

In the meantime, the existing tariffs will continue to apply.

Other activities

Electronic Transaction Consultants (ETC)

Following the withholding of payment by the Miami-Dade Expressway Authority ("MDX") for the on site and office system management and maintenance services provided by ETC, on 28 November 2012 ETC petitioned the Miami Dade County Court in Florida to order MDX to settle unpaid claims and pay any additional costs incurred and damages for breach of contact. In January 2018, the court issued judgement at first instance upholding ETC's claim for breach of contract by MDX, awarding ETC damages of US$43 million, together with accrued interest of approximately US$10 million, making a total of approximately US$53 million, in addition to interest payable until settlement.

The court also awarded ETC costs to cover reasonable legal expenses, amounting to the sum of US$8 million following an agreement between ETC and MDX.

On 25 April 2018, MDX appealed the above judgement. ETC has until 14 May 2019 to file its defence brief.

On 20 June 2018, MDX also appealed the judgement awarding ETC costs to cover the reasonable legal expenses incurred. ETC has until 21 May 2019 to file its defence brief.

Abertis Group

Toll increases 2018-2019

Spain

From 1 January 2018, the Spanish operators applied the following annual toll increases, as per the applicable contracts:

- +1.9% for the state concessions (Acesa, Aumar, Iberpistas – Castellana, Avasa, Aulesa), to adjust for the full rate of inflation, calculated as the annual average rate of change of the inflation index in the period between 1 November 2016 – 31 October 2017;
- +1.5% for the concessions with the regional Government of Catalonia (Aucat, Invicat, Tunels), to adjust for 95% of the annual rate of change of the inflation index in October 2017 (1.6%).

From 1 January 2019, the Spanish operators applied the following annual toll increases, as per the applicable contracts:
- +1.7% for the state concessions (Acesa, Aumar, Iberpistas – Castellana, Avasa, Aulesa), to adjust for the full rate of inflation, calculated as the annual average rate of change of the inflation index in the period between 1 November 2017 – 31 October 2018.
- +2.2% for the concessions with the regional Government of Catalonia (Aucat, Invicat, Tunels), to adjust for 95% of the annual rate of change of the inflation index in October 2018 (2.3%).

France

In February 2018, the French operators raised their rates by 1.4%, to reflect the combined effect of 70% of the 2017 inflation rate (+1.0%), the adjustments related to the recovery of the frozen 2015 toll increases, and the return on the additional investment plan known as "*Plan de Investissement Autoroutier*" (+0.7%).
In February 2019, the French operators raised their rates by 1.7%, to reflect the combined effect of 70% of the 2018 inflation rate (+1.9%), the adjustments related to the recovery of the frozen 2015 toll increases, and the return on the additional investment plan known as "*Plan de Investissement Autoroutier*" (+0.3%).

Italy

From 1 January 2018, the rates charged by the Italian concession Autostrada A4 - Brescia Padova, under a RAB regime, rose by 2.1%, to reflect the combined effect of the inflation rate (+ 1.7%) and a quality indicator (0.4%).
In 2019, the rates charged by the Italian operator of the A4 - Brescia Padova motorway did not increase. The operator's requests for an increase were not approved by the Ministry of Infrastructure and Transport, pending the finalisation of the operating and financial plan and on the basis of objections raised in connection with the amount of maintenance expenses. The company, considering the objections groundless, challenged the rejection before Lazio Regional Administrative Court, requesting the suspension of its effectiveness and its annulment.

Chile

In 2018, the Abertis group's Chilean operators implemented the following annual toll increases as per the applicable contracts:
- from 1 January 2018, the rates charged by Autopista Central and Autopista del Los Andes increased by 5.5%, to reflect the combined effect of the inflation adjustment for the period 1 December 2016 – 30 November 2017 (+ 1.9%) and the increase factor of 3.5%;
- from 1 January 2018, the rates charged by Autopista del Sol increased by 0.6%, to reflect the inflation adjustment for the six months between 1 June – 30 November 2017. A further increase of 1.5% took effect on 1 July 2018, due to the inflation for the six months between 1 December 2017 – 31 May 2018;
- from 1 January 2018, the rates charged by Rutas del Pacifico increased by 2.5%, to reflect the combined effect of the inflation adjustment for the period 1 December 2016 – 30 November 2017 (+1.9%) and the toll increase related to the safety premium 2018 (+5.0%) minus the safety premium granted in 2017 (+4.4%);
- from 1 January 2018, the rates charged by Elqui increased by 5.2%, to reflect the combined effect of the inflation adjustment for the period 1 December 2016 – 30 November 2017 (+1.9%) and the toll

increase related to the safety premium 2018 (+5.0%) minus the safety premium granted in 2017 (+1.7%);
- from 1 February 2018, the rates charged by Autopista del Los Libertadores increased by 3.1%, to reflect the combined effect of the inflation adjustment for the period 1 January – 31 December 2017 (+2.3%) and the toll increase related to the safety premium for 2018 (+5.0%) minus the safety premium granted in 2017 (+4.1%).

In 2019, the Chilean operators implemented the following annual toll increases as per the applicable contracts:
- from 1 January 2019, the rates charged by Autopista Central and Autopista del Los Andes increased by 6.4%, to reflect the combined effect of the inflation adjustment for the period 1 December 2017 – 30 November 2018 (+ 2.8%) and the increase factor of 3.5%
- from 1 January 2019, the rates charged by Autopista del Sol increased by 1.3%, to reflect the inflation adjustment for the six months between 1 June – 30 November 2018.
- from 1 January 2019, the rates charged by Rutas del Pacifico and Elqui increased by 2.8%, to reflect the combined effect of the inflation adjustment for the period 1 December 2017 – 30 November 2018 (+2.8%) and the confirmation of the safety premium for 2018;
- from 1 February 2018, the rates charged by Autopista del Los Libertadores increased by 2.6%, to reflect the combined effect of the inflation adjustment for the period 1 January – 31 December 2018 (+2.6%) and confirmation of the safety premium for 2018.

Brazil

As of 1 July 2018, the rates charged by Centrovias, Autovias and Intervias rose by 2.9%, reflecting the corresponding change of the consumer price inflation in the period between 1 June 2017 – 31 May 2018, as it was lower than the change in the IGP-M in the same period of reference (4.3%), with the difference to be rebalanced financially pursuant to the concession agreement.
Starting from 31 May 2018, the State of Sao Paulo implemented the exemption for heavy vehicles with suspended axles from toll payments, a measure adopted by the federal government to meet the demands of truck drivers, who had starting a protest on 21 May 2018. Operators will be compensated for the loss of revenue.
On 25 January 2019, Via Paulista, which will include the Autovias section, expiring in June 2019, began charging tolls on 3 toll plazas.

The operators of Brazilian federal concessions (ANTT – Agencia Nacional de Transportes) applied the following annual toll increases for 2018:
- on 22 December 2018, Fernao Dias raised its rates by 4.5%, to reflect the combined effect of the change in consumer price inflation between 1 December 2017 and 30 November 2018 (+4.7%) and adjustments linked to investments and regulatory receivables/payables;
- on 22 December 2018, Planalto Sul raised its rates by +8.9%, to reflect the combined effect of the change in consumer price inflation between 1 December 2017 and 30 November 2018[6] (+4.7%) and adjustments linked to investments and regulatory receivables/payables.
- on 29 December 2018, Regis Bittencourt raised its rates by +3.4%, to reflect the combined effect of the change in consumer price inflation between 1 December 2017 and 30 November 2018[6] (+4.0%) and adjustments linked to investments and regulatory receivables/payables.
- on 17 February 2018, Fluminense raised its rates by +11.3%, to reflect the combined effect of the change in consumer price inflation between 1 December 2017 and 30 November 2018[6] (+3.1) and adjustments linked to investments and regulatory receivables/payables;
- on 24 February 2018, Litoral Sul raised its rates by +5.3%, to reflect the combined effect of the change in consumer price inflation between 1 December 2017 and 30 November 2018[6] (+3.0%) and adjustments linked to investments and regulatory receivables/payables.

Argentina

Until 24 July 2018 the tolls of the GCO and AUSOL concessions included an amount to be paid back to the Authority (RAE). On 2 February 2018, the GCO and AUSOL concessions raised their tolls by 23.7% and 31.6%, respectively, reflecting an effective increase of +36.1% for GCO and 18% for Ausol.

On 24 July 2018, the operators entered into agreements with the grantor whereby the toll component that was previously paid back to the grantor is now kept by the operators to compensate for regulatory imbalances. Accordingly, even though tolls were unchanged for users, the net toll increase was +70% for Ausol and +24% for GCO.
On 5 January 2019, tolls were raised by +38% for both concessions.

Puerto Rico

The Concessions in Puerto Rico raised their rates on 1 January 2018:
- Metropistas raised its tolls by +3.6%, to reflect the rate of inflation in the U.S. (+2.1%) plus an increase in real terms of +1.5%;
- APR raised its tolls by +1.4%, to reflect the rate of inflation in Puerto Rico.

On 1 January 2019:
- Metropistas raised its tolls by +3.6%, to reflect the rate of inflation in the U.S. (+2.1%) plus an increase in real terms of +1.5%.
- APR raised its tolls by +1.5%, to reflect the rate of inflation in Puerto Rico.

India

On 1 September 2018, the Indian operators, JPEL and TTPL, raised their tolls by 2.6%, to reflect the adjustment for producer price inflation.

Spain

Royal Decree 457/2006 (Acesa)

The operator, Acesa, filed a complaint against the Grantor in relation to the failure by the Grantor to pay sums under Royal Decree 457/2006, which approved the agreement between the Spanish government and the company in relation to the amendments to the terms and conditions of the concession granted to the latter.
The agreement called for, among others, the construction of additional lanes on certain sections of the AP-7 motorway, with implementation of a closed toll system as well as free passage and discounts upon occurrence of certain conditions, as well as Acesa's waiver to request compensation for possible negative impacts on its traffic deriving from the construction of second lanes on parallel roads N-II and CN-340. By contrast, the agreement calls for procedures to calculate the consequent compensation payable to the company upon expiration of the concession.
Based on the provisions of the Royal Decree, compensation that Acesa deems to be payable to it amounts to approximately €2,950 million at the end of 2018.
In light of disputes arising in connection with the method to calculate compensation, Acesa initiated legal proceedings against the Grantor, in June 2015, to have the Court ascertain the correct method to calculate compensation. Following completion of the proceedings, on 6 February 2018, the Council Chamber of the Supreme Court met to adopt a decision on the case. At the date of approval of this Annual report, the decision has not been adopted yet. The Atlantia Group's consolidated financial statements for 2018 do not include the receivables associated with the disputed amount of the compensation due to Acesa.
The portion of this sum that is not disputed (€890.4 million as at 31 December 2018) has been recognised in the Atlantia Group's consolidated financial statements.

Royal Decree 1132/1986 (Aumar)

In February 2011, Aumar requested the Grantor to provide compensation in relation to loss of revenues deriving from the construction of roads parallel to the toll road under concession.
This request for compensation includes the revenue lost by the company for the period 2002-2019 (end of the concession).
In the face of the Grantor's rejection of the request for compensation, Aumar filed several complaints, the last of which was reviewed by the Council Chamber of the Supreme Court on 13 February 2019 for a decision to be handed down shortly.
Even though the company did not recognise any such receivable in its financial statements, the amount requested by the operator amounts to approximately €400 million.

Investment in Alazor

Regarding a dispute related to the obligations assumed under the financial support agreement between Iberpistas and Acesa with the lending banks of the investee, Alazor Inversiones SA (a company undergoing liquidation proceedings), on 22 January 2019, 5 funds deemed to be the current creditors for part of Alazor Inversiones SA's debt, began legal proceedings in order to obtain payment of a total amount of €223.5 million, corresponding to the guarantees provided by the above-mentioned financial support agreement. As described in note 7.14, provisions for risks and charges have been made for this sum as at 31 December 2018.

10.8 Events after 31 December 2018

Sale of Abertis's 89.7% interest in Hispasat to Red Eléctrica agreed

On 12 February 2019, Abertis Infraestructuras, through its subsidiary, Abertis Telecom Satélites, reached agreement with Red Eléctrica for the sale of its 89.7% interest in Hispasat for a consideration of €949 million.

The sale is subject to the suspensively conditional on receipt of clearance from the Spanish government and the Spanish and Portuguese competition and markets authorities and on any other regulatory consent. The transaction is expected to complete by the end of the first half of 2019.

ANNEXES TO THE CONSOLIDATED FINANCIAL STATEMENTS

ANNEX 1

THE ATLANTIA GROUP'S SCOPE OF CONSOLIDATION AND INVESTMENTS AS AT 31 DECEMBER 2018

ANNEX 2

DISCLOSURE PURSUANT TO ART. 149-*DUODECIES* OF THE CONSOB REGULATIONS FOR ISSUERS 11971/1999

THE ABOVE ANNEXES HAVE NOT BEEN AUDITED

NAME	REGISTERED OFFICE	BUSINESS	CURRENCY	SHARE CAPITAL/ CONSORTIUM FUND AS AT 31 DECEMBER 2018 (IN SHARE/UNITS)	HELD BY	% INTEREST IN SHARE CAPITAL/ CONSORTIUM FUND AS AT 31 DECEMBER 2018	% OVERALL GROUP INTEREST	% OVERALL NON-CONTROLLING INTEREST	NOTE
PARENT COMPANY									
ATLANTIA SpA	ROME	HOLDING COMPANY	EURO	825,783,990					
SUBSIDIARIES CONSOLIDATED ON A LINE-BY-BASIS									
A4 HOLDING SpA	VERONA	HOLDING COMPANY	EURO	134,110,065	Abertis Italia Srl	90.03%	44.43%	55.57%	
A4 MOBILITY Srl	VERONA	MAINTENANCE, OPERATION AND CONSERVATION OF INFRASTRUCTURE	EURO	100,000	A4 Holding SpA	100%	44.43%	55.57%	
A4 TRADING Srl	VERONA	CONSULTING SERVICES RELATING TO THE OPRATION AND DEVELOPMENT OF PARKING AREAS	EURO	3,700,000	A4 Holding S.p.A	100%	44.43%	55.57%	
AB CONCESSÕES SA	SAO PAULO (BRAZIL)	HOLDING COMPANY	BRAZILIAN REAL	738,652,989	Autostrade Concessões e Participações Brasil limitada	50.00%	50.00%	50.00%	(1)
ABERTIS AUTOPISTAS ESPAÑA SA	MADRID (SPAIN)	STUDY, PROMOTION AND CONSTRUCTION OF CIVIL INFRASTRUCTURE	EURO	551,000,000	Abertis Infraestructuras SA	100%	49.35%	50.65%	
ABERTIS HOLDCO SA	MADRID (SPAIN)	HOLDING COMPANY	EURO	100,059,990	Atlantia SpA	50.00%	50.00%	50.00%	(2)
ABERTIS INDIA TOLL ROAD SERVICES LLP	MUMBAI (INDIA)	HOLDING COMPANY	INDIAN RUPEE	185,053,700		100%	49.35%	50.65%	
					Abertis India SL	99.00%			
					Abertis Internacional SA	1.00%			
ABERTIS INDIA SL	MADRID (SPAIN)	HOLDING COMPANY	EURO	15,913,500	Abertis Internacional SA	100%	49.35%	50.65%	
ABERTIS INFRAESTRUCTURAS CHILE SPA	SANTIAGO (CHILE)	HOLDING COMPANY	CHILEAN PESO	10,433,503,191	Abertis Infraestructuras SA	100%	49.35%	50.65%	

(1) The Atlantia Group holds 50% plus one share in the companies and exercises control on the base of partnership and governance agreements.

(2) The Atlantia Group holds 50% plus one share in the companies and exercises control on the base of partnership and governance agreements.

NAME	REGISTERED OFFICE	BUSINESS	CURRENCY	SHARE CAPITAL/ CONSORTIUM FUND AS AT 31 DECEMBER 2018 (IN SHARE/UNITS)	HELD BY	% INTEREST IN SHARE CAPITAL/ CONSORTIUM FUND AS AT 31 DECEMBER 2018	% OVERALL GROUP INTEREST	% OVERALL NON-CONTROLLING INTEREST	NOTE
ABERTIS INFRAESTRUCTURAS FINANCE BV	AMSTERDAM (NETHERLANDS)	FINANCIAL SERVICES	EURO	18,000	Abertis Infraestructuras SA	100%	49.35%	50.65%	
ABERTIS INFRAESTRUCTURAS SA	MADRID (SPAIN)	CONSTRUCTION, CONSERVATION AND DEVELOPMENT OF MOTORWAYS UNDER CONCESSION	EURO	2,734,696,113	Abertis Participaciones SA	98.70%	49.35%	50.65%	
ABERTIS INTERNACIONAL SA	MADRID (SPAIN)	CONSTRUCTION, CONSERVATION AND DEVELOPMENT OF MOTORWAYS UNDER CONCESSION	EURO	33,687,000	Abertis Infraestructuras SA	100%	49.35%	50.65%	
ABERTIS ITALIA Srl	VERONA	HOLDING COMPANY	EURO	341,000,000	Abertis Internacional SA	100%	49.35%	50.65%	
ABERTIS MOBILITY SERVICES SL	BARCELLONA (SPAIN)	DESIGN, DEVELOPMENT, IMPLEMENTATION AND OPERATION OF TECHNOLOGICAL SOLUTIONS FOR THE MANAGEMENT OF TRANSPORT INFRASTRUCTURE	EURO	1,003,000	Abertis Infraestructuras SA	100%	49.35%	50.65%	
ABERTIS MOTORWAYS UK LTD.	LONDON (UK)	HOLDING COMPANY	POUND STERLING	10,000,000	Abertis Infraestructuras SA	100%	49.35%	50.65%	
ABERTIS PARTICIPACIONES SA	MADRID (SPAIN)	COSTRUCTION OF MOTORWAYS AND HOLDING COMPANY	EURO	100,059,990	Abertis HoldCo SA	100%	50.00%	50.00%	
ABERTIS TELECOM SATÉLITES SA	MADRID (SPAIN)	HOLDING COMPANY (SATELLITE COMMUNICATIONS)	EURO	242,082,290	Abertis Infraestructuras SA	100%	49.35%	50.65%	
ACA C1 SAS.	NICE (FRANCE)	-	EURO	1	Aéroports de la Côte d'Azur	100%	38.66%	61.34%	
ACA HOLDING SAS.	NICE (FRANCE)	HOLDING COMPANY	EURO	17,000,000	Aéroports de la Côte d'Azur	100%	38.66%	61.34%	
AD MOVING SpA	ROME	ADVERTISING SERVICES	EURO	1,000,000	Autostrade per l'Italia SpA	100%	88.06%	11.94%	
ADR ASSISTANCE Srl	FIUMICINO	PRM SERVICES	EURO	4,000,000	Aeroporti di Roma SpA	100%	99.38%	0.62%	

NAME	REGISTERED OFFICE	BUSINESS	CURRENCY	SHARE CAPITAL/ CONSORTIUM FUND AS AT 31 DECEMBER 2018 (IN SHARE/UNITS)	HELD BY	% INTEREST IN SHARE CAPITAL/ CONSORTIUM FUND AS AT 31 DECEMBER 2018		% OVERALL GROUP INTEREST	% OVERALL NON-CONTROLLING INTEREST	NOTE
AERO 1 GLOBAL & INTERNATIONAL Sàrl	LUXEMBOURG	HOLDING COMPANY	EURO	6,670,862	Atlantia SpA		100%	100%		
AEROPORTI DI ROMA SpA	FIUMICINO	MANAGEMENT AND DEVELOPMENT OF ROME AIRPORT SYSTEM	EURO	62,224,743	Atlantia SpA		99.38%	99.38%	0.62%	
AÉROPORTS DE LA CÔTE D'AZUR SA	NICE (FRANCE)	MANAGEMENT AND DEVELOPMENT OF NICE AND CANNES -MANDELIEU AIRPORTS	EURO	148,000	Azzurra Aeroporti SpA		64.00%	38.66%	61.34%	
AÉROPORTS DU GOLFE DE SAINT TROPEZ SA	SAINT TROPEZ (FRANCE)	MANAGEMENT AND DEVELOPMENT OF GOLFE DE SAINT TROPEZ AIRPORT	EURO	3,500,000	Aéroports de la Côte d'Azur		99.94%	38.63%	61.37%	
AIRPORT CLEANING Srl	FIUMICINO	CLEANING AND MAINTENANCE SERVICES	EURO	1,500,000	Aeroporti di Roma SpA		100%	99.38%	0.62%	
ADR MOBILITY Srl	FIUMICINO	MANAGEMENT OF AIRPORT CAR PARKING AND CAR PARKS	EURO	1,500,000	Aeroporti di Roma SpA		100%	99.38%	0.62%	
ADR SECURITY Srl	FIUMICINO	AIRPORT SCREENING AND SECURITY SERVICES	EURO	400,000	Aeroporti di Roma SpA		100%	99.38%	0.62%	
ADR SVILUPPO Srl	FIUMICINO	PROPERTY MANAGEMENT	EURO	100,000	Aeroporti di Roma SpA		100%	99.38%	0.62%	
ADR TEL SpA	FIUMICINO	TELECOMMUNICATIONS	EURO	600,000			100%	99.38%	0.62%	
					Aeroporti di Roma SpA	99.00%				
					ADR Sviluppo Srl	1.00%				
ARTERIS PARTICIPAÇÕES SA	SAO PAULO (BRAZIL)	HOLDING COMPANY	BRAZILIAN REAL	73,842,009	Arteris SA		100%	20.71%	79.29%	
ARTERIS SA	SAO PAULO (BRAZIL)	HOLDING COMPANY FOR NON-FINANCIAL INSTITUTIONS	BRAZILIAN REAL	5,103,847,555			82.29%	20.71%	79.29%	
					Participes en Brasil SA	33.16%				
					Participes en Brasil II SL	40.87%				
					PDC Participaçoes SA	8.26%				
AUTOPISTA FERNÃO DIAS SA	POUSO ALEGRE (BRAZIL)	MOTORWAY CONSTRUCTION AND OPERATION	BRAZILIAN REAL	1,401,384,583	Arteris SA		100%	20.71%	79.29%	
AUTOPISTA FLUMINENSE SA	RIO DE JANEIRO (BRAZIL)	MOTORWAY CONSTRUCTION AND OPERATION	BRAZILIAN REAL	917,789,100	Arteris SA		100%	20.71%	79.29%	
AUTOPISTA LITORAL SUL SA	JOINVILLE (BRAZIL)	MOTORWAY CONSTRUCTION AND OPERATION	BRAZILIAN REAL	1,272,295,511	Arteris SA		100%	20.71%	79.29%	
AUTOPISTA PLANALTO SUL SA	RIO NEGRO (BRAZIL)	MOTORWAY CONSTRUCTION AND OPERATION	BRAZILIAN REAL	1,033,034,052	Arteris SA		100%	20.71%	79.29%	

NAME	REGISTERED OFFICE	BUSINESS	CURRENCY	SHARE CAPITAL/ CONSORTIUM FUND AS AT 31 DECEMBER 2018 (IN SHARE/UNITS)	HELD BY	% INTEREST IN SHARE CAPITAL/ CONSORTIUM FUND AS AT 31 DECEMBER 2018	% OVERALL GROUP INTEREST	% OVERALL NON-CONTROLLING INTEREST	NOTE
AUTOPISTA RÉGIS BITTENCOURT SA	SAO PAULO (BRAZIL)	MOTORWAY CONSTRUCTION AND OPERATION	BRAZILIAN REAL	1,162,285,422	Arteris SA	100%	20.71%	79.29%	
AUTOPISTAS AUMAR SA CONCESIONARIA DEL ESTADO (AUMAR)	VALENCIA (SPAIN)	TOLL MOTORWAY OPERATOR	EURO	213,595,500	Abertis Autopistas España SA	100%	49.35%	50.65%	
AUTOPISTAS DE LEÓN SAC.E. (AULESA)	LEON (SPAIN)	TOLL MOTORWAY OPERATOR	EURO	34,642,000	Iberpistas SA	100%	49.35%	50.65%	
AUTOPISTAS DE PUERTO RICO Y COMPAÑÍA S.E. (APR)	SAN JUAN (PORTO RICO)	TOLL MOTORWAY OPERATOR	US DOLLAR	3,503,002	Abertis Infrastructuras SA	100%	49.35%	50.65%	
AUTOPISTAS DEL SOL SA (AUSOL)	BUENOS AIRES (ARGENTINA)	TOLL MOTORWAY OPERATOR	ARGENTINE PESO	992,409,312	Abertis Infraestructuras SA	31.59%	15.59%	84.41%	
AUTOPISTAS METROPOLITANAS DE PUERTO RICO LLC	SAN JUAN (PORTO RICO)	TOLL MOTORWAY OPERATOR	US DOLLAR	500,323,664	Abertis Infrastructuras SA	51.00%	25.17%	74.83%	
AUTOPISTAS VASCO-ARAGONESA C.E.SA (AVASA)	OZORCO (SPAIN)	TOLL MOTORWAY OPERATOR	EURO	237,094,716	Iberpistas SA	100%	49.35%	50.65%	
AUTOPISTAS CONCESIONARIA ESPAÑOLA SA (ACESA)	BARCELLONA (SPAIN)	TOLL MOTORWAY OPERATOR	EURO	319,488,531	Abertis Autopistas España SA	100%	49.35%	50.65%	
AUTOPISTES DE CATALUNYA SA (AUCAT)	BARCELLONA (SPAIN)	TOLL MOTORWAY OPERATOR	EURO	96,160,000	Societat d'Autopistes Catalanes SA	100%	49.35%	50.65%	
AUTOSTRADA BS VR VI PD SPA	VERONA	TOLL MOTORWAY OPERATOR	EURO	125,000,000	A4 Holding SpA	100%	44.43%	55.57%	
AUTOSTRADE CONCESSÕES E PARTICIPACÕES BRASIL LIMITADA	SAN PAOLO (BRAZIL)	HOLDING COMPANY	BRAZILIAN REAL	729,590,863		100%	100.00%	0.00%	
					Autostrade Portugal Srl	25.00%			
					Autostrade dell'Atlantico Srl	41.14%			
					Autostrade Holding do Sur SA	33.86%			
AUTOSTRADE DELL'ATLANTICO Srl	ROME	HOLDING COMPANY	EURO	1,000,000	Atlantia SpA	100%	100%		

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AUTOSTRADE HOLDING DO SUR SA	SANTIAGO (CHILE)	HOLDING COMPANY	CHILEAN PESO	51,496,805,692		100%	100.00%	0.00%	(3)
					Autostrade dell'Atlantico Srl	100.00%			
					Autostrade per l'Italia SpA	0.00%			
AUTOSTRADE INDIAN INFRASTRUCTURE DEVELOPMENT PRIVATE LIMITED	MUMBAI - MAHARASHTRA (INDIA)	HOLDING COMPANY	INDIAN RUPEE	500,000		100%	100%		
					Atlantia SpA	99.99%			
					Spea Engineering SpA	0.01%			
AUTOSTRADE MERIDIONALI SpA	NAPLES	MOTORWAY OPERATION AND CONSTRUCTION	EURO	9,056,250	Autostrade per l'Italia SpA	58.98%	51.94%	48.06%	(4)
AUTOSTRADE PER L'ITALIA SpA	ROME	MOTORWAY OPERATION AND CONSTRUCTION	EURO	622,027,000	Atlantia SpA	88.06%	88.06%	11.94%	
AUTOSTRADE PORTUGAL Srl	ROME	HOLDING COMPANY	EURO	30,000,000	Autostrade dell'Atlantico Srl	100%	100%		
AUTOSTRADE TECH SpA	ROME	SALE OF INFORMATION SYSTEMS AND EQUIPMENT FOR THE CONTROL AND AUTOMATION OF TRAFFIC AND ROAD SAFETY	EURO	1,120,000	Autostrade per l'Italia SpA	100%	88.06%	11.94%	
AUTOVÍAS SA	RIBERAO PRETO (BRAZIL)	MOTORWAY OPERATOR	BRAZILIAN REAL	127,655,876	Arteris SA	100%	20.71%	79.29%	
AZZURRA AEROPORTI SpA	ROMA	HOLDING COMPANY	EURO	3,221,234		60.46%	60.40%	39.60%	(5)
					Atlantia SpA	52.69%			
					Aeroporti di Roma SpA	7.77%			
BIP&GO SAS.	ISSY-LES-MOULINEAUX (FRANCE)	DISTRIBUTOR OF TOLLING SYSTEMS	EURO	1,000	Sanef SA	100%	49.35%	50.65%	
CASTELLANA DE AUTOPISTAS SAC.E.	SEGOVIA (SPAIN)	TOLL MOTORWAY OPERATOR	EURO	98,000,000	Iberpistas SA	100%	49.35%	50.65%	
CENTRAL KORBANA CHILE SPA	SANTIAGO (CHILE)	HOLDING COMPANY	CHILEAN PESO	66,967,389,476	Central Korbana S.à.r.l.	100%	35.45%	64.55%	

(3) The company's shares are held by: Autostrade dell'Atlantico Srl, with a holding of 1,000,000 shares, and Autostrade per l'Italia SpA, with 1 share.

(4) The company is listed on Borsa Italiana SpA's Expandi market.

(5) The issued capital is made up of €2,500,000 in ordinary shares and €721,234 in preference shares. The percentage interest in the issued capital refers to the total shares in issue, whilst the percentage of voting rights is 52.51% in Atlantia SpA's case and 10.00% in Aeroporti di Roma SpA's case.

NAME	REGISTERED OFFICE	BUSINESS	CURRENCY	SHARE CAPITAL/ CONSORTIUM FUND AS AT 31 DECEMBER 2018 (IN SHARE/UNITS)	HELD BY	% INTEREST IN SHARE CAPITAL/ CONSORTIUM FUND AS AT 31 DECEMBER 2018	% OVERALL GROUP INTEREST	% OVERALL NON-CONTROLLING INTEREST	NOTE
CENTRAL KORBANA SAR.L.	LUXEMBOURG (LUXEMBOURG)	HOLDING COMPANY	US DOLLAR	19,000	Inversora de Infraestructuras SL	100%	35.45%	64.55%	
CENTROVIAS SISTEMAS RODOVIÁRIOS SA	ITIRAPINA (BRAZIL)	MOTORWAY CONSTRUCTION AND OPERATION	BRAZILIAN REAL	98,800,776	Arteris SA	100%	20.71%	79.29%	
CONCESSIONÁRIA DA RODOVIA MG050 SA	SAO PAULO (BRAZIL)	MOTORWAY OPERATION AND CONSTRUCTION	BRAZILIAN REAL	446,878,027	AB Concessões SA	100%	50.00%	50.00%	
CONCESIONARIA DE RODOVIAS DO INTERIOR PAULISTA SA	ARARAS (BRAZIL)	MOTORWAY CONSTRUCTION AND OPERATION	BRAZILIAN REAL	129,625,130		100%	20.71%	79.29%	
					Arteris SA	51.00%			
					Arteris Participaçoes SA	49.00%			
CONSULTEK INC.	PALO ALTO (CALIFORNIA - USA)	TECHNICAL CONSULTING SERVICES	US DOLLAR	20,000	Hispasat SA	100%	44.26%	55.75%	
ECOMOUV SAS (IN LIQUIDATION)	PARIS (FRANCE)	FINANCING/DESIGN/CONSTRUCTION/OPERA TION OF EQUIPMENT REQUIRED FOR ECO-TAXE PROJECT	EURO	-	Autostrade per l'Italia SpA	70.00%	61.64%	38.36%	(6)
ELECTRONIC TRANSACTION CONSULTANTS Co.	RICHARDSON (TEXAS - USA)	MANAGEMENT OF AUTOMATED TOLLING SERVICES	US DOLLAR	16,264	Autostrade dell'Atlantico Srl	64.46%	64.46%	35.54%	
EMOVIS OPERATIONS IRELAND LTD	DUBLIN (IRELAND)	TOLL OPERATOTR	EURO	-	Emovis SAS.	100%	49.35%	50.65%	
EMOVIS OPERATIONS LEEDS (UK)	LEEDS (UK)	TOLL OPERATOTR	POUND STERLING	10	Emovis SAS.	100%	49.35%	50.65%	
EMOVIS OPERATIONS MERSEY LTD	HARROGATE (UK)	TAGS DISTRIBUTION	POUND STERLING	10	Emovis SAS.	100%	49.35%	50.65%	
EMOVIS OPERATIONS PUERTO RICO INC.	LUTHERVILLE TIMONIUM (MARYLAND - USA)	TOLL OPERATOTR	US DOLLAR	1,000	Emovis technologies US INC.	100%	49.35%	50.65%	

(6) As at 31 December 2018, the company has returned its capital to shareholders, but continues to be registered in France.

NAME	REGISTERED OFFICE	BUSINESS	CURRENCY	SHARE CAPITAL/ CONSORTIUM FUND AS AT 31 DECEMBER 2018 (IN SHARE/UNITS)	HELD BY	% INTEREST IN SHARE CAPITAL/ CONSORTIUM FUND AS AT 31 DECEMBER 2018	% OVERALL GROUP INTEREST	% OVERALL NON-CONTROLLING INTEREST	NOTE
EMOVIS SAS.	ISSY-LES-MOULINEAUX (FRANCE)	OPERATOR AND SUPPLIER OF TOLLING SYSTEM	EURO	11,781,984	Abertis Mobility Services SL	100%	49.35%	50.65%	
EMOVIS TAG UK LTD	LEEDS (UK)	DISTRIBUTOR OF TAGS IN UK	POUND STERLING	10	Emovis SAS.	100%	49.35%	50.65%	
EMOVIS TECHNOLOGIES BC INC.	VANCOUVER (CANADA)	OPERATION OF TOLLING SYSTEMS	CANADIAN DOLLAR	342,612	Emovis SAS.	100%	49.35%	50.65%	
EMOVIS TECHNOLOGIES CHILE SA	SANTIAGO (CHILE)	OPERATION OF TOLLING SYSTEMS	CHILEAN PESO	507,941,000	Emovis SAS.	100%	49.35%	50.65%	
EMOVIS TECHNOLOGIES D.O.O.	SPLIT (CROATIA)	SUPPLIER OF TOLLING SYSTEMS	CROATIAN KUNA	2,364,600	Emovis SAS.	100%	49.35%	50.65%	
EMOVIS TECHNOLOGIES IRELAND LIMITED	DUBLIN (IRELAND)	OPERATION OF TOLLING SYSTEMS	EURO	10	Emovis SAS.	100%	49.35%	50.65%	
EMOVIS TECHNOLOGIES QUÉBEC INC.	MONTREAL (CANADA)	OPERATION OF TOLLING SYSTEMS	CANADIAN DOLLAR	-	Emovis SAS.	100%	49.35%	50.65%	
EMOVIS TECHNOLOGIES UK LIMITED	LONDON (UK)	OPERATION OF TOLLING SYSTEMS	POUND STERLING	130,000	Emovis SAS.	100%	49.35%	50.65%	
EMOVIS TECHNOLOGIES US INC.	LUTHERVILLE TIMONIUM (MARYLAND - USA)	SUPPLIER OF TOLLING SYSTEMS	US DOLLAR	1,000	Emovis SAS.	100%	49.35%	50.65%	
EUROTOLL CENTRAL EUROPE ZRT	BUDAPEST (HUNGARY)	TOLL TRANSACTION PROCESSING	EURO	16,633	Eurotoll SAS	100%	49.35%	50.65%	
EUROTOLL SAS.	ISSY-LES-MOULINEAUX (FRANCE)	TOLL OPERATOTR	EURO	3,300,000	Abertis Mobility Services SL	100%	49.35%	50.65%	
ESSEDIESSE SOCIETÀ DI SERVIZI SpA	ROME	GENERAL AND ADMINISTRATIVE SERVICES	EURO	500,000	Autostrade per l'Italia SpA	100%	88.06%	11.94%	
FIUMICINO ENERGIA Srl	FIUMICINO	ELECTRICITY PRODUCTION	EURO	741,795	Atlantia SpA	87.14%	87.14%	12.86%	
GESTORA DE AUTOPISTAS S.A. (GESA)	SANTIAGO (CHILE)	OPERATION, MAINTENANCE AND DEVELOPMENT OF ROADS AND MOTORWAYS	CHILEAN PESO	837,978,217	Vías Chile SA	100%	39.74%	60.26%	
GIOVE CLEAR Srl	ROME	CLEANING AND MAINTENANCE SERVICES	EURO	10,000	Autostrade per l'Italia SpA	100%	88.06%	11.94%	

NAME	REGISTERED OFFICE	BUSINESS	CURRENCY	SHARE CAPITAL/ CONSORTIUM FUND AS AT 31 DECEMBER 2018 (IN SHARE/UNITS)	HELD BY	% INTEREST IN SHARE CAPITAL/ CONSORTIUM FUND AS AT 31 DECEMBER 2018		% OVERALL GROUP INTEREST	% OVERALL NON-CONTROLLING INTEREST	NOTE
GLOBALCAR SERVICES SPA	VERONA	VEHICLE HIRE	EURO	2,000,000	A4 Holding SpA		66.00%	29.32%	70.68%	
GRUPO CONCESIONARIO DEL OESTE SA (GCO)	ITUZAINGO' (ARGENTINA)	TOLL MOTORWAY OPERATOR	ARGENTINE PESO	1,716,541,000	Acesa		42.87%	21.16%	78.84%	(7)
GRUPO COSTANERA SpA	SANTIAGO (CHILE)	HOLDING COMPANY	CHILEAN PESO	328,443,738,418	Autostrade dell'Atlantico Srl		50.01%	50.01%	49.99%	
HISPAMAR EXTERIOR SLU.	MADRID (SPAIN)	SATELLITE OPERATOR	EURO	800,000	Hispamar Satélites SA		100%	35.83%	64.17%	
HISPAMAR SATELITES SA	RIO DE JANEIRO (BRAZIL)	SATELLITE OPERATOR	BRAZILIAN REAL	94,509,339			80.96%	35.83%	64.17%	
					Hispasat Brasil LTDA	77.03%				
					Hispasat SA	3.93%				
HISPASAT BRASIL LTDA	RIO DE JANEIRO (BRAZIL)	SATELLITE OPERATOR	BRAZILIAN REAL	106,273,020			100%	44.26%	55.74%	
					Hispasat SA	99.99%				
					Hispamar Satélites SA	0.01%				
HISPASAT CANARIAS SLU.	LAS PALMAS (SPAIN)	SATELLITE OPERATOR	EURO	102,002,989	Hispasat SA		100%	44.26%	55.74%	
HISPASAT MÉXICO SA DE CV	MEXICO CITY (MEXICO)	SATELLITE OPERATOR	MEXICAN PESO	151,000,000			100%	44.26%	55.74%	
					Hispasat SA	99.95%				
					Hispasat Canarias SL	0.05%				
HISPASAT SA	MADRID (SPAIN)	SATELLITE OPERATOR	EURO	121,946,380	Abertis Telecom Satélites SA		89.70%	44.26%	55.74%	
HOLDING D'INFRASTRUCTURES DE TRANSPORT 2 SAS	ISSY-LES-MOULINEAUX (FRANCE)	HOLDING COMPANY	EURO	3,060,000	Abertis Infraestructuras SA		100%	49.35%	50.65%	
HOLDING D'INFRASTRUCTURES DE TRANSPORT SAS	ISSY-LES-MOULINEAUX (FRANCE)	HOLDING COMPANY	EURO	1,512,267,743	Abertis Infraestructuras SA		100%	49.35%	50.65%	
IBERPISTAS SA	SEGOVIA (SPAIN)	TOLL MOTORWAY OPERATOR	EURO	54,000,000	Abertis Autopistas España SA		100%	49.35%	50.65%	
INFOBLU SpA	ROME	TRAFFIC INFORMATION	EURO	5,160,000	Telepass SpA		75.00%	75.00%	25.00%	
INFRAESTRUCTURES VIÀRIES DE CATALUNYA SA (INVICAT)	BARCELLONA (SPAIN)	MOTORWAY CONSTRUCTION AND OPERATION	EURO	92,037,215	Societat d'Autopistes Catalanes SA		100%	49.35%	50.65%	
INVERSORA DE INFRAESTRUCTURAS SL (INVIN)	MADRID (SPAIN)	HOLDING COMPANY	EURO	116,047,578	Abertis Infraestructuras SA		71.84%	35.45%	64.55%	

(7) The percentage interest is calculated with reference to all shares in issue, whereas the 49.99% of voting rights is calculated with reference to ordinary voting shares.

NAME	REGISTERED OFFICE	BUSINESS	CURRENCY	SHARE CAPITAL/ CONSORTIUM FUND AS AT 31 DECEMBER 2018 (IN SHARE/UNITS)	HELD BY	% INTEREST IN SHARE CAPITAL/ CONSORTIUM FUND AS AT 31 DECEMBER 2018	% OVERALL GROUP INTEREST	% OVERALL NON-CONTROLLING INTEREST	NOTE
JADCHERLA EXPRESSWAYS PRIVATE LIMITED (JEPL)	HYDERABAD (INDIA)	TOLL MOTORWAY OPERATOR	INDIAN RUPEE	2,271,486,818		100%	49.35%	50.65%	(8)
					Abertis India SL	100.00%			
					Abertis Infraestructuras SA	0.00%			
JETBASE Ltda	CASCAIS (PORTUGAL)	HANDLING SERVICES	EURO	50,000	Aca Holding SAS	100%	38.66%	61.34%	
K-MASTER Srl	ROME	GPS FLEET MANAGEMENT	EURO	10,000	Telepass SpA	93.40%	93.40%	6.60%	
LATINA MANUTENÇÃO DE RODOVIAS LTDA.	SAO PAULO (BRAZIL)	MOTORWAY CONSTRUCTION AND REPAIR	BRAZILIAN REAL	31,048,346		99.99%	20.72%	79.28%	
					Arteris SA	99.99%			
					Participes en Brasil SA	0.00%			
LEONARDO ENERGIA – SOCIETA' CONSORTILE a r.l.	FIUMICINO	ELECTRICITY PRODUCTION	EURO	10,000		100%	88.36%	11.64%	
					Fiumicino Energia Srl	90.00%			
					Aeroporti di Roma SpA	10.00%			
LEONORD EXPLOITATION SAS	ISSY-LES-MOULINEAUX (FRANCE)	MANAGEMENT OF OPERATING CONTRACTS	EURO	697,000	Sanef SA	85.00%	41.95%	58.05%	
MULHACEN Srl	VERONA	BUSINESS CONSULTING AND OTHER ADMINISTRATIVE-MANAGEMENT CONSULTING AND BUSINESS PLANNING	EURO	10,000	A4 Holding SpA	100%	44.43%	55.57%	
OPERADORA ANDES S.A.	SANTIAGO (CHILE)	CONSERVATION, OPERATION AND DEVELOPMENT OF TRANSPORT INFRASTRUCTURE	CHILEAN PESO	770,000,000	Vías Chile SA	100%	39.74%	60.26%	
OPERADORA SOL S.A.	SANTIAGO (CHILE)	CONSERVATION, OPERATION AND DEVELOPMENT OF TRANSPORT INFRASTRUCTURE	CHILEAN PESO	1,876,000,000	Vías Chile SA	100%	39.74%	60.26%	
OPERADORA LOS LIBERTADORES S.A.	SANTIAGO (CHILE)	CONSERVATION, OPERATION AND DEVELOPMENT OF TRANSPORT INFRASTRUCTURE	CHILEAN PESO	1,224,000,000	Vías Chile SA	100%	39.74%	60.26%	
OPERADORA DEL PACÍFICO S.A.	SANTIAGO (CHILE)	MOTORWAY MAINTENANCE, OPERATION AND DEVELOPMENT	CHILEAN PESO	322,854,652	Vías Chile SA	100%	39.74%	60.26%	
PAVIMENTAL POLSKA SP.ZO.O.	WARSAW (POLAND)	ROAD, MOTORWAY AND AIRPORT CONSTRUCTION AND MAINTENANCE	POLISH ZLOTY	3,000,000	Pavimental SpA	100%	96.89%	3.11%	

(8) Abertis Infraestructuras SA holds 1 share in the company.

NAME	REGISTERED OFFICE	BUSINESS	CURRENCY	SHARE CAPITAL/ CONSORTIUM FUND AS AT 31 DECEMBER 2018 (IN SHARE/UNITS)	HELD BY	% INTEREST IN SHARE CAPITAL/ CONSORTIUM FUND AS AT 31 DECEMBER 2018		% OVERALL GROUP INTEREST	% OVERALL NON-CONTROLLING INTEREST	NOTE
PAVIMENTAL SpA	ROME	MOTORWAY AND AIRPORT CONSTRUCTION AND MAINTENANCE	EURO	10,116,452			99.40%	96.89%	3.11%	
					Atlantia SpA	59.40%				
					Autostrade per l'Italia SpA	20.00%				
					Aeroporti di Roma SpA	20.00%				
PARTÍCIPES EN BRASIL II SL	MADRID (SPAIN)	CONSTRUCTION, MAINTENANCE AND OPERATION OF MOTORWAYS UNDER CONCESSION AND MANAGEMENT OF CONCESSIONS	EURO	3,100	Participes en Brasil SA		100%	25.17%	74.83%	
PARTÍCIPES EN BRASIL SA	MADRID (SPAIN)	HOLDING COMPANY	EURO	41,093,222	Abertis Infraestructuras SA		51.00%	25.17%	74.83%	
PDC PARTICIPAÇÕES SA	SAO PAULO (BRAZIL)	MANAGEMENT OF CONCESSIONS	BRAZILIAN REAL	608,323,218	Participes en Brasil SA		100%	25.17%	74.83%	
RACCORDO AUTOSTRADALE VALLE D'AOSTA SpA	AOSTA	MOTORWAY OPERATION AND CONSTRUCTION	EURO	343,805,000	Società Italiana per Azioni per il Traforo del Monte Bianco		47.97%	21.54%	78.46%	(9)
RODOVIAS DAS COLINAS SA	SAO PAULO (BRAZIL)	MOTORWAY OPERATION AND CONSTRUCTION	BRAZILIAN REAL	226,145,401	AB Concessões SA		100%	50.00%	50.00%	
SANEF 107.7 SAS	ISSY-LES-MOULINEAUX (FRANCE)	RADIO BROADCASTER	EURO	15,245	Sanef SA		100%	49.35%	50.65%	
SANEF AQUITAINE SAS.	ISSY-LES-MOULINEAUX (FRANCE)	MOTORWAY OPERATION AND DEVELOPMENT	EURO	500,000	Sanef SA		100%	49.35%	50.65%	
SANEF SA	ISSY-LES-MOULINEAUX (FRANCE)	TOLL MOTORWAY OPERATOR	EURO	53,090,462	Holding d'Infraestructures de Transport (HIT)		99.99%	49.35%	50.65%	
SAPN SA (SOCIÉTÉ DES AUTOROUTES PARIS-NORMANDIE)	ISSY-LES-MOULINEAUX (FRANCE)	TOLL MOTORWAY OPERATOR	EURO	14,000,000	Sanef SA		99.97%	49.34%	50.66%	
SCI LA RATONNIÉRE SAS.	NICE (FRANCE)	PROPERTY SERVICES	EURO	243,918	Aéroports de la Côte d'Azur		100%	38.66%	61.34%	

(9) The issued capital is made up of €284,350,000 in ordinary shares and €59,455,000 in 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.

NAME	REGISTERED OFFICE	BUSINESS	CURRENCY	SHARE CAPITAL/ CONSORTIUM FUND AS AT 31 DECEMBER 2018 (IN SHARE/UNITS)	HELD BY	% INTEREST IN SHARE CAPITAL/ CONSORTIUM FUND AS AT 31 DECEMBER 2018	% OVERALL GROUP INTEREST	% OVERALL NON-CONTROLLING INTEREST	NOTE
SE BPNL SAS	ISSY-LES-MOULINEAUX (FRANCE)	MOTORWAY MAINTENANCE, OPERATION AND CONSERVATION	EURO	40,000	Sanef SA	100%	49.35%	50.65%	
SERENISSIMA PARTECIPAZIONI SPA	VERONA	MOTORWAY MAINTENANCE AND CONSERVATION	EURO	2,314,063	A4 Holding SPA	99.99%	44.43%	55.57%	
SKY VALET FRANCE SAS.	LE BOURGET (FRANCE)	HANDLING SERVICES	EURO	1,151,584	Aca Holding SAS	100%	38.66%	61.34%	
SKY VALET SPAIN SL	MADRID (SPAIN)	HANDLING SERVICES	EURO	231,956	Aca Holding SAS	100%	38.66%	61.34%	
SOCIEDAD CONCESIONARIA AMB SA	SANTIAGO (CHILE)	MOTORWAY OPERATION AND CONSTRUCTION	CHILEAN PESO	5,875,178,700		100%	50.01%	49.99%	
					Grupo Costanera SpA	99.98%			
					Sociedad Gestion Vial SA	0.02%			
SOCIEDAD CONCESIONARIA AMERICO VESPUCIO ORIENTE II SA	SANTIAGO (CHILE)	MOTORWAY OPERATION AND CONSTRUCTION	CHILEAN PESO	100,000,000,000		100%	50.01%	49.99%	(10)
					Grupo Costanera SpA	100.00%			
					Sociedad Gestion Vial SA	0.00%			
SOCIEDAD CONCESIONARIA AUTOPISTA CENTRAL SA	SANTIAGO (CHILE)	TOLL MOTORWAY OPERATOR	CHILEAN PESO	76,694,956,663		100%	37.60%	62.40%	
					Central Korbana Chile SA	50.00%			
					Vías Chile SA	50.00%			
SOCIEDAD CONCESIONARIA AUTOPISTA DE LOS ANDES SA	SANTIAGO (CHILE)	TOLL MOTORWAY OPERATOR	CHILEAN PESO	35,466,685,791		100%	39.74%	60.26%	
					Gestora de Autopistas SpA	0.00%			
					Vías Chile SA	100.00%			
SOCIEDAD CONCESIONARIA AUTOPISTA DEL SOL SA	SANTIAGO (CHILE)	TOLL MOTORWAY OPERATOR	CHILEAN PESO	19,960,726,041		100%	39.74%	60.26%	
					Vías Chile SA	100%			
					Gestora de Autopistas SA	0.00%			
SOCIEDAD CONCESIONARIA AUTOPISTA LOS LIBERTADORES SA	SANTIAGO (CHILE)	TOLL MOTORWAY OPERATOR	CHILEAN PESO	16,327,525,305		100%	39.74%	60.26%	
					Vías Chile SA	100%			
					Gestora de Autopistas SpA	0.00%			

(10) The issued capital amounts to 11,500,000,000 Chilean pesos.

NAME	REGISTERED OFFICE	BUSINESS	CURRENCY	SHARE CAPITAL/ CONSORTIUM FUND AS AT 31 DECEMBER 2018 (IN SHARE/UNITS)	HELD BY	% INTEREST IN SHARE CAPITAL/ CONSORTIUM FUND AS AT 31 DECEMBER 2018		% OVERALL GROUP INTEREST	% OVERALL NON-CONTROLLING INTEREST	NOTE
SOCIEDAD CONCESIONARIA AUTOPISTA NORORIENTE SA	SANTIAGO (CHILE)	MOTORWAY OPERATION AND CONSTRUCTION	CHILEAN PESO	22,738,904,654			100%	50.01%	49.99%	
					Grupo Costanera SpA	99.90%				
					Sociedad Gestion Vial SA	10.00%				
SOCIEDAD CONCESIONARIA AUTOPISTA NUEVA VESPUCIO SUR SA	SANTIAGO (CHILE)	MOTORWAY OPERATION AND CONSTRUCTION	CHILEAN PESO	166,967,672,229			100%	50.01%	49.99%	
					Grupo Costanera SpA	100.00%				
					Sociedad Gestion Vial SA	0.00%				
SOCIEDAD CONCESIONARIA CONEXION VIAL RUTA 78 - 68 SA	SANTIAGO (CHILE)	MOTORWAY OPERATION AND CONSTRUCTION	CHILEAN PESO	32,000,000,000			100%	50.01%	49.99%	(11)
					Grupo Costanera SpA	100.00%				
					Sociedad Gestion Vial SA	0.00%				
SOCIEDAD CONCESIONARIA COSTANERA NORTE SA	SANTIAGO (CHILE)	MOTORWAY OPERATION AND CONSTRUCTION	CHILEAN PESO	58,859,765,519			100%	50.01%	49.99%	
					Grupo Costanera SpA	100.00%				
					Sociedad Gestion Vial SA	0.00%				
SOCIEDAD CONCESIONARIA DEL ELQUI SA (ELQUI)	SANTIAGO (CHILE)	TOLL MOTORWAY OPERATOR	CHILEAN PESO	44,000,000,000			100%	39.74%	60.26%	
					Gestora de Autopistas SpA	0.06%				
					Vías Chile SA	99.94%				
SOCIEDAD CONCESIONARIA DE LOS LAGOS SA	LLANQUIHUE (CHILE)	MOTORWAY OPERATION AND CONSTRUCTION	CHILEAN PESO	53,602,284,061			100%	100.00%	0.00%	
					Autostrade Holding Do Sur SA	99.95%				
					Autostrade dell'Atlantico Srl	0.05%				
SOCIEDAD CONCESIONARIA LITORAL CENTRAL SA	SANTIAGO (CHILE)	MOTORWAY OPERATION AND CONSTRUCTION	CHILEAN PESO	18,368,224,675			100%	50.01%	49.99%	
					Grupo Costanera SpA	99.99%				
					Sociedad Gestion Vial SA	0.01%				
SOCIEDAD CONCESIONARIA RUTAS DEL PACÍFICO SA	SANTIAGO (CHILE)	TOLL MOTORWAY OPERATOR	CHILEAN PESO	51,000,000,000			100%	39.74%	60.26%	
					Gestora de Autopistas SpA	0.01%				
					Vías Chile SA	99.99%				
SOCIEDADE PARA PARTICIPAÇÃO EM INFRAESTRUCTURA SA	SAO PAULO (BRAZIL)	MANAGEMENT OF CONCESSIONS	BRAZILIAN REAL	22,506,527	Abertis Infraestructuras SA		51.00%	25.17%	74.83%	

(11) The issued capital amounts to 6,600,000,000 Chilean pesos.

NAME	REGISTERED OFFICE	BUSINESS	CURRENCY	SHARE CAPITAL/ CONSORTIUM FUND AS AT 31 DECEMBER 2018 (IN SHARE/UNITS)	HELD BY	% INTEREST IN SHARE CAPITAL/ CONSORTIUM FUND AS AT 31 DECEMBER 2018	% OVERALL GROUP INTEREST	% OVERALL NON-CONTROLLING INTEREST	NOTE
SOCIETAT D'AUTOPISTES CATALANES SAU.	BARCELLONA (SPAIN)	CONSTRUCTION, CONSERVATION AND DEVELOPMENT OF MOTORWAYS UNDER CONCESSION	EURO	1,060,000	Abertis Infraestructuras SA	100%	49.35%	50.65%	
SOCIEDAD GESTION VIAL SA	SANTIAGO (CHILE)	CONSTRUCTION AND MAINTENANCE OF ROADS AND TRAFFIC SERVICES	CHILEAN PESO	11,397,237,788		100%	50.01%	49.99%	
					Grupo Costanera SpA	99.99%			
					Sociedad Operacion y Logistica de Infraestructuras SA	0.01%			
SOCIEDAD OPERACION Y LOGISTICA DE INFRAESTRUCTURAS SA	SANTIAGO (CHILE)	SERVICES FOR OPERATORS	CHILEAN PESO	11,736,819		100%	50.01%	49.99%	
					Grupo Costanera SpA	99.99%			
					Sociedad Gestion Vial SA	0.01%			
SOCIETÀ AUTOSTRADA TIRRENICA p.A.	ROME	MOTORWAY OPERATION AND CONSTRUCTION	EURO	24,460,800	Autostrade per l'Italia SpA	99.93%	88.06%	11.94%	(12)
SOCIETÀ ITALIANA PER AZIONI PER IL TRAFORO DEL MONTE BIANCO	PRE' SAINT DIDIER (AOSTA)	MONT BLANC TUNNEL OPERATION AND CONSTRUCTION	EURO	198,749,200	Autostrade per l'Italia SpA	51.00%	44.91%	55.09%	
SOLUCIONA CONSERVACAO RODOVIARIA LTDA	MATAO (BRAZIL)	MOTORWAY MAINTENANCE	BRAZILIAN REAL	500,000	AB Concessões SA	100%	50.00%	50.00%	
SPEA DO BRASIL PROJETOS E INFRA ESTRUTURA LIMITADA	SAO PAULO (BRAZIL)	INTEGRATED TECHNICAL AND ENGINEERING SERVICES	BRAZILIAN REAL	4.504.000		100%	97.49%	2.51%	
					Spea Engineering SpA	100.00%			
					Austostrade Concessoes e Partecipacoes Brasil Limitada	0.00%			
SPEA ENGINEERING SpA	ROME	INTEGRATED TECHNICAL AND ENGINEERING SERVICES	EURO	6,966,000		100%	97.49%	2.51%	
					Atlantia SpA	60.00%			
					Autostrade per l'Italia SpA	20.00%			
					Aeroporti di Roma SpA	20.00%			
STALEXPORT AUTOROUTE SAR.L.	LUXEMBOURG (LUXEMBOURG)	MOTORWAY SERVICES	EURO	56,149,500	Stalexport Autostrady SA	100%	61.20%	38.80%	
STALEXPORT AUTOSTRADA MAŁOPOLSKA SA	MYSŁOWICE (POLAND)	MOTORWAY OPERATION AND CONSTRUCTION	POLISH ZLOTY	66,753,000	Stalexport Autoroute SAr.l.	100%	61.20%	38.80%	
STALEXPORT AUTOSTRADY SA	MYSLOWICE (POLAND)	HOLDING COMPANY	POLISH ZLOTY	185,446,517	Atlantia SpA	61.20%	61.20%	38.80%	(13)
TANGENZIALE DI NAPOLI SpA	NAPLES	MOTORWAY OPERATION AND CONSTRUCTION	EURO	108,077,490	Autostrade per l'Italia SpA	100%	88.06%	11.94%	

(12) On 29 December 2015, Autostrada Tirrenica, following authorisation by the general meeting of shareholders held on the same date, purchased 109,600 own shares from non-controlling shareholders. Autostrade per l'Italia's interest is, therefore, equal to 99.99% as at 31 December 2018, whilst the percentage interest based on the number of shares held by Autostrade per l'Italia as a percentage of the subsidiary's total shares in issue, is 99.93%. The Atlantia Group's interest, instead, is 88.06%.

NAME	REGISTERED OFFICE	BUSINESS	CURRENCY	SHARE CAPITAL/ CONSORTIUM FUND AS AT 31 DECEMBER 2018 (IN SHARE/UNITS)	HELD BY	% INTEREST IN SHARE CAPITAL/ CONSORTIUM FUND AS AT 31 DECEMBER 2018		% OVERALL GROUP INTEREST	% OVERALL NON-CONTROLLING INTEREST	NOTE
TECH SOLUTIONS INTEGRATORS SAS.	PARIS (FRANCE)	CONSTRUCTION, INSTALLATION AND MAINTENANCE OF ELECTRONIC TOLLING SYSTEMS	EURO	2,000,000	Autostrade per l'Italia SpA		100%	88.06%	11.94%	
TELEPASS SpA	ROME	OPERATION OF AUTOMATED PAYMENT SERVICES	EURO	26,000,000	Atlantia SpA		100%	100%		
TELEPASS BROKER Srl	ROME	INSURANCE BROKER	EURO	500,000	Telepass SpA		100%	100%		
TELEPASS PAY SpA	ROME	DEVELOPMENT, ISSUE AND MANAGEMENT OF ELECTRONIC MONEY INSTRUMENTS AND POSTPAID SERVICES	EURO	702,983	Telepass SpA		100%	100%		
TOLLING OPERATIONS PUERTO RICO INC.	SAN JUAN (PORTO RICO)	TOLL OPERATOR	US DOLLAR	-	Emovis SAS.		100.00%	49.35%	50.65%	
TRIANGULO DO SOL AUTO-ESTRADAS SA	MATAO (BRAZIL)	MOTORWAY OPERATION AND CONSTRUCTION	BRAZILIAN REAL	71,000,000	AB Concessões SA		100%	50.00%	50.00%	
TRICHY TOLLWAY PRIVATE LIMITED (TTPL)	HYDERABAD (INDIA)	TOLL MOTORWAY OPERATOR	INDIAN RUPEE	2,083,106,010			100%	49.35%	50.65%	(14)
					Abertis India SL	100.00%				
					Abertis Infraestructuras SA	0.00%				
TÚNELS DE BARCELONA I CADÍ CONCESIONARIA DE LA GENERALITAT DE CATALUNYA SA	BARCELLONA (SPAIN)	TOLL MOTORWAY OPERATOR	EURO	60,000	Infraestructures Viàries de Catalunya SA (INVICAT)		50.01%	24.68%	75.32%	
URBANnext SA	CHIASSO (SWITZERLAND)	DESIGN, PRODUCTION AND DEVELOPMENT OF MOBILE TELECOMMUNICATIONS APPLICATIONS FOR URBAN MOBILITY	SWISS FRANC	100,000	Telepass SpA		70.00%	70.00%	30.00%	
VIA4 SA	MYSŁOWICE (POLAND)	MOTORWAY SERVICES	POLISH ZLOTY	500,000	Stalexport Autoroute SAr.l.		55.00%	33.66%	66.34%	
VIANORTE SA	SERTAOZINHO (BRAZIL)	MOTORWAY CONSTRUCTION AND OPERATION	BRAZILIAN REAL	107,542,669	Arteris SA		100%	20.71%	79.29%	
VIAPAULISTA SA	RIBERAO PRETO (BRAZIL)	MOTORWAY CONSTRUCTION AND OPERATION	BRAZILIAN REAL	1,293,085,843	Arteris SA		100%	20.71%	79.29%	
VÍAS CHILE SA	SANTIAGO (CHILE)	CONSTRUCTION, CONSERVATION AND DEVELOPMENT OF MOTORWAYS UNDER CONCESSION	CHILEAN PESO	42,959,926,469			100%	39.74%	60.26%	
					Inversora de Infraestructuras SL	69.15%				
					Abertis Infraestructuras Chile SpA	30.85%				
					Abertis Infraestructuras SA	0.00%				

(14) The company's shares are held by: Autostrade dell'Atlantico Srl, with a holding of 1,000,000 shares, and Autostrade per l'Italia SpA, with 1 share.

NAME	REGISTERED OFFICE	BUSINESS	CURRENCY	SHARE CAPITAL/ CONSORTIUM FUND AS AT 31 DECEMBER 2018 (IN SHARE/UNITS)	HELD BY	% INTEREST IN SHARE CAPITAL/ CONSORTIUM FUND AS AT 31 DECEMBER 2018		NOTE
INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD								
Associates								
AEROPORTO GUGLIELMO MARCONI DI BOLOGNA SpA	BOLOGNA	MANAGEMENT OF BOLOGNA AIRPORT	EURO	90,314,162	Atlantia SpA		29.38%	
A'LIENOR SAS.	PAU (FRANCE)	TOLL MOTORWAY OPERATOR	EURO	275,632,000	Sanef SA		35.00%	
ALAZOR INVERSIONES SA	MADRID (SPAIN)	HOLDING COMPANY	EURO	223,600,000	Iberpistas SA		31.22%	
AUTOPISTA TERRASSA-MANRESA CONCESSIONÀRIA DE LA GENERALITAT DE CATALUNYA SA (AUTEMA)	BARCELLONA (SPAIN)	TOLL MOTORWAY OPERATOR	EURO	83,410,572	Autopistas Concesionaria Española SA (ACESA)		23.72%	
ALIS S.A.	BOURG-ACHARD (FRANCE)	TOLL MOTORWAY OPERATOR	EURO	2,850,000			19.67%	
					SAPN SA	8.00%		
					Sanef SA	11.67%		
BIP & DRIVE SA	MADRID (SPAIN)	SALE AND MARKETING OF TAGS	EURO	4,612,969	Abertis Autopistas España SA		35.00%	
C.I.S. S.p.A. (IN LIQUIDAZIONE)	VICENZA	CONSTRUCTION AND MAINTENANCE	EURO	5,236,530	A4 HOLDING SpA		25.23%	
CIRALSA SAC.E.	ALICANTE (SPAIN)	TOLL MOTORWAY CONSTRUCTION, MAINTENANCE AND DEVELOPMENT	EURO	50,167,000	Autopistas Aumar SA Concesionaria del Estado		25.00%	
CONCESIONARIA VIAL DE LOS ANDES SA (COVIANDES)	BOGOTA' (COLOMBIA)	INFRASTRUCTURE OPERATOR	COLOMBIAN PESO	27,400,000,000	Abertis Infraestructuras SA		40.00%	

NAME	REGISTERED OFFICE	BUSINESS	CURRENCY	SHARE CAPITAL/ CONSORTIUM FUND AS AT 31 DECEMBER 2018 (IN SHARE/UNITS)	HELD BY	% INTEREST IN SHARE CAPITAL/ CONSORTIUM FUND AS AT 31 DECEMBER 2018		NOTE
CONSTRUCTORA DE INFRAESTRUCTURA VIAL SAS.	BOGOTA' (COLOMBIA)	CONSTRUCTION	COLOMBIAN PESO	50,000,000	Abertis Infraestructuras SA		40.00%	
BOLOGNA & FIERA PARKING SpA	BOLOGNA	DESIGN, CONSTRUCTION AND MANAGEMENT OF MULTI-LEVEL PUBLIC CAR PARKS	EURO	2,715,200	Autostrade per l'Italia SpA		36.81%	
BIURO CENTRUM SP. Z O.O.	KATOWICE (POLAND)	ADMINISTRATIVE SERVICES	POLISH ZLOTY	80,000	Stalexport Autostrady SA		40.63%	
GETLINK SE	PARIS (FRANCE)	OPERATION OF THE CHANNEL TUNNEL	EURO	220,000,000	Aero 1 Global & International S.à.r.l.		15.49%	(1)
G.R.A. DI PADOVA SpA	VENICE	INFRASTRUCTURE OPERATOR	EURO	2,950,000	Autostrada BS VR VI PD SpA		33.90%	
GRUPO NAVEGACIÓN POR SATÉLITES SISTEMAS Y SERVICIOS SL	MADRID (SPAIN)	SATELLITE OPERATOR	EURO	1,026,000	Hispasat SA		14.29%	
HISDESAT SERVICIOS ESTRATÉGICOS SA	MADRID (SPAIN)	SATELLITE OPERATOR	EURO	108,174,000	Hispasat SA		43.00%	
INFRAESTRUCTURAS Y RADIALES SA (IRASA)	MADRID (SPAIN)	ADMINISTRATION AND OPERATION OF INFRASTRUCTURE	EURO	11,610,200			30.00%	
					Iberpistas SA	15.00%		
					Autopistas Vasco-Aragonesa C.E.SA (AVASA)	15.00%		
					Global Vía Infraestructuras SA	10.00%		
LEONORD SAS	LIONE (FRANCE)	MANAGEMENT OF OPERATING CONTRACTS	EURO	697,377	Sanef SA		35.00%	
RIO DEI VETRAI Srl	MILAN	CONSTRUCTION AND MAINTENANCE	EURO	100,000	SEREMISSIMA PARTECIPAZIONI SpA		50.00%	
ROAD MANAGEMENT GROUP LTD (RMG)	LONDON (UK)	TOLL MOTORWAY OPERATOR	POUND STERLING	25,335,004	Abertis Motorways UK Ltd		33.30%	
ROUTALIS SAS	GUYANCOURT (FRANCE)	INFRASTRUCTURE MANAGEMENT FOR TERRESTRIAL TRANSPORT	EURO	40,000	SAPN SA		30.01%	
SOCIETA' INFRASTRUTTURE TOSCANE SpA (IN LIQUIDATION)	ROME	MOTORWAY OPERATION AND CONSTRUCTION	EURO	15,000,000			46.60%	(2)
					Autostrade per l'Italia SpA	46.00%		
					Spea Engineering SpA	0.60%		

(1) Aero 1 Global & International S.à.r.l. holds 26.64% of Getlink SE shares.

(2) It should be noted that on 12 February 2019 the cancellation of the company from the Rome Companies Register was completed.

NAME	REGISTERED OFFICE	BUSINESS	CURRENCY	SHARE CAPITAL/ CONSORTIUM FUND AS AT 31 DECEMBER 2018 (IN SHARE/UNITS)	HELD BY	% INTEREST IN SHARE CAPITAL/ CONSORTIUM FUND AS AT 31 DECEMBER 2018	NOTE
Joint ventures							
A&T ROAD CONSTRUCTION MANAGEMENT AND OPERATION PRIVATE LIMITED	PUNE - MAHARASHTRA (INDIA)	OPERATION AND MAINTENANCE, DESIGN AND PROJECT MANAGEMENT	INDIAN RUPEE	100,000	Autostrade Indian Infrastructure Development Private Limited	50.00%	
AIRPORT ONE SAS	NICE (FRANCE)	REAL ESTATE	EURO	1,000	Aéroports de la Côte d'Azur	49.00%	
AIRPORT HOTEL SAS	NICE (FRANCE)	REAL ESTATE	EURO	1,000	Aéroports de la Côte d'Azur	49.00%	
AREAMED 2000 SA	BARCELLONA (SPAIN)	OPERATION OF SERVICE AREAS	EURO	2,070,012	Abertis Autopistas España SA	50.00%	
AUTOPISTA TRADOS-45 SA (TRADOS-45)	MADRID (SPAIN)	TOLL MOTORWAY OPERATOR	EURO	21,039,015	Iberpistas SA	50.00%	
CONCESSIONÁRIA RODOVIAS DO TIETÊ SA	SAO PAULO (BRAZIL)	MOTORWAY OPERATION AND CONSTRUCTION	BRAZILIAN REAL	303,578,476	AB Concessões SA	50.00%	
GEIE DEL TRAFORO DEL MONTE BIANCO	COURMAYEUR (AOSTA)	MAINTENANCE AND OPERATION OF MONT BLANC TUNNEL	EURO	2,000,000	Società Italiana per Azioni per il Traforo del Monte Bianco	50.00%	
PUNE SOLAPUR EXPRESSWAYS PRIVATE LIMITED	PATAS - DISTRICT PUNE - MAHARASHTRA (INDIA)	MOTORWAY OPERATION AND CONSTRUCTION	INDIAN RUPEE	100,000,000	Atlantia SpA	50.00%	
TRANS- CANADA FLOW TOLLING INC.	VANCOUVER (CANADA)	TOLL OPERATOR	CANADIAN DOLLAR	200	Emovis SAS	50.00%	

NAME	REGISTERED OFFICE	BUSINESS	CURRENCY	SHARE CAPITAL/ CONSORTIUM FUND AS AT 31 DECEMBER 2018 (IN SHARE/UNITS)	HELD BY	% INTEREST IN SHARE CAPITAL/ CONSORTIUM FUND AS AT 31 DECEMBER 2018		NOTE
INVESTMENTS ACCOUNTED FOR AT FAIR VALUE								
Unconsolidated subsidiaries								
DOMINO Srl	ROME	INTERNET SERVICES	EURO	10,000	Atlantia SpA		100%	
GEMINA FIDUCIARY SERVICES SA	LUXEMBOURG (LUXEMBOURG)	TRUST COMPANY	EURO	150,000	Atlantia SpA		99.99%	(1)
PAVIMENTAL EST AO (IN LIQUIDATION)	MOSCOW (RUSSIA)	MOTORWAY CONSTRUCTION AND MAINTENANCE	RUSSIAN ROUBLE	4,200,000	Pavimental SpA		100.00%	
PEDEMONTANA VENETA SpA (IN LIQUIDATION)	VERONA	MOTORWAY OPERATION AND CONSTRUCTION	EURO	6,000,000			61.70%	(2)
					Autostrade per l'Italia SpA	29.77%		
					Autostrada BS VR VI PD SpA	31.93%		
PETROSTAL SA (IN LIQUIDATION)	WARSAW (POLAND)	REAL ESTATE SERVICES	POLISH ZLOTY	2,050,500	Stalexport Autostrady SA		100%	

(1) The company is accounted for using the equity method.

(2) A 4.47% interest in the company has been sold to Autostrade per l'Italia SpA by Intesa San Paolo SpA. In this regard, the seller retained the right of usufruct on the shares until 31 December 2018 in accordance with the terms and conditions of the orginal agreements between Intesa San Paolo SpA and SIAS - Società Iniziative Autostradali e Servizi SpA, which Autostrade per l'Italia SpA has accepted as a result of the pre-emption right by which it increased its investment. Moreover, bare ownership of a further 8.11% interest in the company was transferred by the shareholder, SATAP, which retained the right of usufruct until 31 December 2018 as a result of exercise of the pre-emption right.

NAME	REGISTERED OFFICE	BUSINESS	CURRENCY	SHARE CAPITAL/ CONSORTIUM FUND AS AT 31 DECEMBER 2018 (IN SHARE/UNITS)	HELD BY	% INTEREST IN SHARE CAPITAL/ CONSORTIUM FUND AS AT 31 DECEMBER 2018	NOTE
Other investments							
AEROPORTO DI GENOVA SpA	GENOA	AIRPORT MANAGEMENT	EURO	7,746,900	Aeroporti di Roma SpA	15.00%	
ARGENTEA GESTIONE	BRESCIA	MOTORWAY MAINTENANCE	EURO	120,000	Autostrada BS VR VI PD SpA	5.84%	
AUTOROUTES TRAFIC SAS.	PARIS (FRANCE)	COLLECTION AND BROADCAST OF TRAFFIC INFORMATION	EURO	349,000	Sanef SA	15.00%	
AUTOSTRADA DEL BRENNERO	TRENTO	MOTORWAY CONSTRUCTION AND MAINTENANCE	EURO	55,472,175	Serenissima Partecipazioni SpA	4.23%	
AUTOSTRADE LOMBARDE	BRESCIA	CONSTRUCTION AND MAINTENANCE OF MOTORWAYS AND OTHER INFRASTRUCTURE	EURO	501,726,626	Autostrada BS VR VI PD SpA	4.90%	
AUTOVIE VENETE	TRIESTE	CONSTRUCTION AND MAINTENANCE OF MOTORWAYS AND OTHER INFRASTRUCTURE	EURO	157,965,738	A4 Holding SpA	0.42%	
CENTAURE PARIS-NORMANDIE SAS.	BOSGOUET (FRANCE)	ROAD SAFETY TRAINING	EURO	700,000	SAPN SA	49.90%	
CENTAURE NORD PAS-DE-CALAIS SAS	HENIN BEAUMONT (FRANCE)	ROAD SAFETY TRAINING	EURO	320,000	Sanef SA	34.00%	
CENTAURE GRAND EST SAS.	GEVREY CHAMBERTIN (FRANCE)	ROAD SAFETY TRAINING	EURO	450,000	Sanef SA	14.44%	
CENTRO INTERMODALE TOSCANO AMERIGO VESPUCCI SpA	LIVORNO	FREIGHT LOGISTICS	EURO	11,756,695	Società Autostrada Tirrenica p.A.	0.43%	
COMPAGNIA AEREA ITALIANA SpA	FIUMICINO	AIR TRANSPORT	EURO	3,526,846	Atlantia SpA	6.52%	
CONFEDERAZIONA AUTOSTRADE SpA	VERONA	CONSTRUCTION AND MAINTENANCE OF MOTORWAYS AND OTHER INFRASTRUCTURE	EURO	6,000,000	A4 Holding SpA	16.67%	

NAME	REGISTERED OFFICE	BUSINESS	CURRENCY	SHARE CAPITAL/ CONSORTIUM FUND AS AT 31 DECEMBER 2018 (IN SHARE/UNITS)	HELD BY	% INTEREST IN SHARE CAPITAL/ CONSORTIUM FUND AS AT 31 DECEMBER 2018	NOTE
DIRECTIONAL CAPITAL HOLDINGS (IN LIQUIDATION)	CHANNEL ISLANDS (USA)	FINANCE COMPANY	EURO	150,000	Atlantia SpA	5.00%	
HOCHTIEF AKTIENGESELLSCHAFT	ESSEN (GERMANY)	HOLDING COMPANY	EURO	180,855,570	Atlantia SpA	23.86%	
HOLDING PARTECIPAZIONI IMMOB.	VERONA	HOLDING COMPANY	EURO	1	Serenissima Partecipazioni SpA	13.00%	
HUTA JEDNOŚĆ SA	SIEMIANOWICE (POLAND)	STEEL TRADING	POLISH ZLOTY	27,200,000	Stalexport Autostrady SA	2.40%	
INTERPORTO PADOVA SpA	PADUA	FREIGHT LOGISTICS	EURO	36,000,000	A4 Holding SpA	3.27%	
INWEST STAR SA (IN LIQUIDATION)	STARACHOWICE (POLAND)	STEEL TRADING	POLISH ZLOTY	11,700,000	Stalexport Autostrady SA	0.26%	
LUSOPONTE - CONCESSIONARIA PARA A TRAVESSIA DO TEJO	SA MONTIJO (PORTUGAL)	MOTORWAY OPERATOR	EURO	25,000,000	Autostrade Portugal - Concessoes de Infraestructuras SA	17.21%	
LIGABUE GATE GOURMET ROMA SpA (INSOLVENT)	TESSERA	AIRPORT CATERING	EURO	103,200	Aeroporti di Roma SpA	20.00%	
KONSORCJUM AUTOSTRADA ŚLĄSK SA (IN LIQUIDATION)	KATOWICE (POLAND)	MOTORWAY OPERATION AND CONSTRUCTION	POLISH ZLOTY	1,987,300	Stalexport Autostrady SA	5.43%	
NOGARA MARE ADRIATICO	VERONA	MOTORWAY CONSTRUCTION AND MAINTENANCE	EURO	120,000		2.50%	
					Autostrada BS VR VI PD SpA	2.00%	
					A4 Mobility Srl	0.50%	
SACAL. SpA	LAMEZIA TERME	AIRPORT MANAGEMENT	EURO	13,920,225	Aeroporti di Roma SpA	9.23%	

DENOMINAZIONE	SEDE LEGALE	ATTIVITÁ	VALUTA	CAPITALE SOCIALE/FONDO CONSORTILE AL 31/12/2018 (UNITA')	PARTECIPAZIONE DETENUTA DA	% PARTECIPAZIONE AL CAPITALE SOCIALE/FONDO CONSORTILE AL 31/12/2018
PARTECIPAZIONI CONTABILIZZATE IN BASE AL METODO DEL PATRIMONIO NETTO						
Joint ventures						
A&T ROAD CONSTRUCTION MANAGEMENT AND OPERATION PRIVATE LIMITED	PUNE - MAHARASHTRA (INDIA)	GESTIONE E MANUTENZIONE DI PROGETTAZIONE E DIREZIONI LAVORI	RUPIA INDIANA	100.000	Autostrade Indian Infrastracture Development Private Limited	50,00%
AIRPORT ONE SAS	NIZZA (FRANCIA)	REAL ESTATE	EURO	1.000	Aéroports de la Côte d'Azur	49,00%
AIRPORT HOTEL SAS	NIZZA (FRANCIA)	REAL ESTATE	EURO	1.000	Aéroports de la Côte d'Azur	49,00%
AREAMED 2000 S.A.	BARCELLONA (SPAGNA)	GESTIONE AREE DI SERVIZIO	EURO	2.070.012	Abertis Autopistas España S.A.	50,00%
AUTOPISTA TRADOS-45 S.A. (TRADOS-45)	MADRID (SPAGNA)	GESTIONE DI AUTOSTRADE CON PEDAGGIO	EURO	21.039.015	Iberpistas S.A.	50,00%
CONCESSIONÁRIA RODOVIAS DO TIETÊ S.A.	SAN PAOLO (BRASILE)	CONCESSIONI E COSTRUZIONI AUTOSTRADE	REAL BRASILIANO	303.578.476	AB Concessões S.A.	50,00%
GEIE DEL TRAFORO DEL MONTE BIANCO	COURMAYEUR (AOSTA)	MANUTENZIONE E GESTIONE DEL TRAFORO DEL MONTE BIANCO	EURO	2.000.000	Società Italiana per Azioni per il Traforo del Monte Bianco	50,00%
PUNE SOLAPUR EXPRESSWAYS PRIVATE LIMITED	PATAS - DISTRICT PUNE - MAHARASHTRA (INDIA)	CONCESSIONI E COSTRUZIONI AUTOSTRADE	RUPIA INDIANA	100.000.000	Atlantia S.p.A.	50,00%
TRANS- CANADA FLOW TOLLING INC.	VANCOUVER (CANADA)	OPERATORE DI PEDAGGI	DOLLARO CANADESE	200	Emovis S.A.S	50,00%

NAME	REGISTERED OFFICE	BUSINESS	CURRENCY	SHARE CAPITAL/ CONSORTIUM FUND AS AT 31 DECEMBER 2018 (IN SHARE/UNITS)	HELD BY	% INTEREST IN SHARE CAPITAL/ CONSORTIUM FUND AS AT 31 DECEMBER 2018		NOTE
SOCIETA' DI PROGETTO BREBEMI SpA	BRESCIA	MOTORWAY OPERATION AND CONSTRUCTION	EURO	175,089,679			0.60%	
					Spea Engineering SpA	0.06%		
					Autostrada BS VR VI PD SpA	0.54%		
SOCIETE' G. AEROPORT LILLE	LILLE (FRANCE)	AIRPORT MANAGEMENT	EURO	2,000	Sanef SA	5.00%		
STRADIVARIA SpA	CREMONA	MOTORWAY CONSTRUCTION AND MAINTENANCE	EURO	20,000,000	A4 Mobility Srl		1.00%	
TANGENZIALE ESTERNA SpA	MILAN	MOTORWAY OPERATION AND CONSTRUCTION	EURO	464,945,000			1.25%	
					Autostrade per l'Italia SpA	0.25%		
					Pavimental SpA	1.00%		
TANGENZIALI ESTERNE DI MILANO SpA	MILAN	CONSTRUCTION AND OPERATION OF MILAN RING ROAD	EURO	220,344,608	Autostrade per l'Italia SpA		26.25%	(3)
TERRA MITICA, PARQUE TEMATICO DE BENIDORM SA	ALICANTE (SPAIN)	CONSTRUCTION AND MANAGEMENT OF THEME PARK	EURO	247,487,181	Abertis Infraestructuras SA		1.29%	
UIRNET SpA	ROME	OPERATION OF NATIONAL LOGISTICS NETWORK	EURO	1,061,000	Autostrade per l'Italia SpA		1.51%	
V-FLOW TOLLING INC.	VANCOUVER (CANADA)	DESIGN AND DISTRUBUTION OF ELECTRONIC TOLLING SYSTEMS	CANADIAN DOLLAR	10,000	Emovis SAS.		33.00%	
WALCOWNIA RUR JEDNOŚĆ SP. Z O. O.	SIEMIANOWICE (POLAND)	STEEL TRADING	POLISH ZLOTY	220,590,000	Stalexport Autostrady SA		0.01%	
ZAKŁADY METALOWE DEZAMET SA	NOWA DĘBA (POLAND)	STEEL TRADING	POLISH ZLOTY	19,241,750	Stalexport Autostrady SA		0.26%	

(3) 4.47% of the shares in the company was sold by Intesa San Paolo S.p.A. to Autostrade per l'Italia. In this regard, the former reserved the usufruct on the shares transferred up to 31 December 2018 in accordance with the terms and conditions set forth in the original agreements between Intesa San Paolo SpA and SIAS - Motorway Initiatives and Public Services Company, which Autostrade per l'Italia has accepted as a result of the pre-emption right which increased its shareholding. Furthermore, it should be noted that a further 8.11% of the shares in the company were transferred in bare ownership by the shareholder SATAP who reserved the right of usufruct until 31 December 2018 due to the exercise of the pre-emption right.

NAME	REGISTERED OFFICE	BUSINESS	CURRENCY	SHARE CAPITAL/ CONSORTIUM FUND AS AT 31 DECEMBER 2018 (IN SHARE/UNITS)	HELD BY		% INTEREST IN SHARE CAPITAL/ CONSORTIUM FUND AS AT 31 DECEMBER 2018
CONSORTIA							
BMM SCARL	TORTONA	MOTORWAY MAINTENANCE	EURO	10,000	A4 Mobility Srl		12.00%
CONSORCIO ANHANGUERA NORTE	RIBERAO PRETO (BRAZIL)	CONSTRUCTION CONSORTIUM	BRAZILIAN REAL	-	Autostrade Concessoes e Participacoes Brasil		13.13%
CONSORZIO AUTOSTRADE ITALIANE ENERGIA	ROME	ELECTRICITY PROCUREMENT	EURO	113,949			38.60%
					Autostrade per l'Italia SpA	27.30%	
					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%	
					Società Autostrada Tirrenica p.A.	0.30%	
					Autostrade Meridionali SpA	0.90%	
					Aeroporti di Roma SpA	1.00%	
					Autostrada BS VR VI PD SpA	3.10%	
					Pavimental SpA	1.00%	
CONSORZIO COSTRUTTORI TEEM	TORTONA	MOTORWAY CONSTRUCTION AND ACTIVITIES	EURO	10,000	Pavimental SpA		1.00%
CONSORZIO E.T.L. – EUROPEAN TRANSPORT LAW (IN LIQUIDATION)	ROME	STUDY OF EUROPEAN TRANSPORT LEGISLATION	EURO	1,144	Aeroporti di Roma SpA		25.00%
CONSORZIO GALILEO SCARL (IN LIQUIDATION)	TODI	CONSTRUCTION OF AIRPORT APRONS	EURO	10,000	Pavimental SpA		40.00%
CONSORZIO MIDRA	FLORENCE	SCIENTIFIC RESEARCH FOR DEVICE BASE TECHNOLOGIES	EURO	73,989	Autostrade Tech SpA		33.33%
CONSORZIO NUOVA ROMEA ENGINEERING	MONSELICE	MOTORWAY DESIGN	EURO	60,000	Spea Engineering SpA		16.67%
CONSORZIO PEDEMONTANA ENGINEERING	VERONA	DESIGN OF PEDEMONTANA VENETA MOTORWAY	EURO	20,000	Spea Engineering SpA		23.54%
CONSORZIO RAMONTI S.C.A.R.L. (IN LIQUIDATION)	TORTONA	MOTORWAY CONSTRUCTION	EURO	10,000	Pavimental SpA		49.00%
CONSORZIO R.F.C.C. (IN LIQUIDATION)	TORTONA	CONSTRUCTION OF MOROCCAN ROAD NETWORK	EURO	510,000	Pavimental SpA		30.00%
CONSORZIO SPEA-GARIBELLO	SAO PAULO (BRAZIL)	INTEGRATED TECHNICAL ENGINEERING SERVICES - HIGHWAY MG-050	BRAZILIAN REAL	-	SPEA do Brasil Projetos e Infra Estrutura Limitada		50.00%

NAME	REGISTERED OFFICE	BUSINESS	CURRENCY	SHARE CAPITAL/ CONSORTIUM FUND AS AT 31 DECEMBER 2018 (IN SHARE/UNITS)	HELD BY	% INTEREST IN SHARE CAPITAL/ CONSORTIUM FUND AS AT 31 DECEMBER 2018	
CONSORZIO TANGENZIALE ENGINEERING	MILAN	INTEGRATED TECHNICAL ENGINEERING SERVICES - MILAN EXTERNAL RING ROAD EAST	EURO	20,000	Spea Engineering SpA		30.00%
CONSORZIO 2050	ROME	MOTORWAY DESIGN	EURO	50,000	Spea Engineering SpA		0.50%
COSTRUZIONI IMPIANTI AUTOSTRADALI S.C.A.R.L. (IN LIQUIDATION)	ROME	CONSTRUCTION OF PUBLIC WORKS AND INFRASTRUCTURE	EURO	10,000			100%
					Pavimental SpA	75.00%	
					Autostrade Tech SpA	20.00%	
					Pavimental Polska Sp. z o.o.	5.00%	
ELMAS S.C.A.R.L. (IN LIQUIDATION)	ROME	CONSTRUCTION AND MAINTENANCE OF AIRPORT RUNWAYS AND APRONS	EURO	10,000	Pavimental SpA		60.00%
LAMBRO S.C.A.R.L.	TORTONA	OPERATION AND CONSTRUCTION ON BEHALF OF TEEM CONSTRUCTION CONSORTIUM	EURO	200,000	Pavimental SpA		2.78%
SAT LAVORI S.C.A.R.L. (IN LIQUIDATION)	ROME	CONSTRUCTION CONSORTIUM	EURO	100,000	Società Autostrada Tirrenica p.A.		1.00%
SMART MOBILITY SYSTEMS S.C. A R.L.	TORTONA	INTEGRATED ENGINEERING SERVICES	EURO	10,000	Autostrade Tech SpA		24.50%
INVESTMENTS ACCOUNTED FOR IN CURRENT ASSETS							
DOM MAKLERSKI BDM SA	BIELSKO-BIAŁA (POLAND)	HOLDING COMPANY	POLISH ZLOTY	19,796,924	Stalexport Autostrady SA		2.71%
STRADA DEI PARCHI SpA	ROME	MOTORWAY OPERATION AND CONSTRUCTION	EURO	48,114,240	Autostrade per l'Italia SpA		2.00%

ANNEX 2

DISCLOSURES PURSUANT TO ART. 149-*DUODECIES* OF THE CONSOB REGULATIONS FOR ISSUERS 11971/1999

Atlantia SpA

TYPE OF SERVICE	PROVIDER OF SERVICE	Note	FEES (€000)
Audit	Parent Company's auditor		58
Certification	Parent Company's auditor	(1)	23
Other services	Parent Company's auditor	(2)	134
Other services	Associate of Parent Company's auditor	(3)	60
Total Atlantia SpA			**275**

Subsidiaries

TYPE OF SERVICE	PROVIDER OF SERVICE	Note	FEES (€000)
Audit	Parent Company's auditor		540
Audit	Associate of Parent Company's auditor		1,410
Certification	Parent Company's auditor	(4)	17
Other services	Parent Company's auditor	(5)	105
Other services	Associate of Parent Company's auditor	(6)	110
Total subsidiaries			**2,182**

Total Atlantia Group	**2,457**

(1) Work carried out in preparation for issue of an opinion on the payment of an interim dividend.

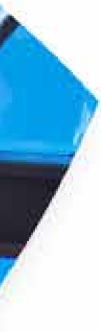
(2) Signature of consolidated and 770 tax forms, review of the Sustainability Report, agreed upon procedures for data and accounting information, comfort letters on bond issues, checks carried out to meet the requirements for tenders in which the Group has taken part and additional audit of pro forma financial information.

(3) Audit of the internal control system on data protection and the 231 corporate liability guidelines prepared for overseas Group companies.

(4) Work carried out in preparation for issue of an opinion on the payment of an interim dividend.

(5) Signature of consolidated and 770 tax forms, agreed upon procedures for data and accounting information and comfort letters on loans.

(6) Audit of the internal control system, agreed upon procedures for data and accounting information and comfort letters on loans.



SEPARATE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2018

Statement of financial position (1)

€	31 December 2018	31 December 2017
NON-CURRENT ASSETS		
Property, plant and equipment	**6,443,511**	**6,761,503**
Property, plant and equipment	1,688,304	1,771,491
Investment property	4,755,207	4,990,012
Intangible assets	**217,034**	**219,680**
Investments	**16,094,571,810**	**9,698,936,908**
Non-current financial assets	**604,213,998**	**617,502,740**
Non-current derivative assets	56,185,030	53,320,952
Other non-current financial assets	548,028,968	564,181,788
Deferred tax assets, net	**9,045,505**	-
Other non-current assets	**91,646**	**31,912,517**
TOTAL NON-CURRENT ASSETS	**16,714,583,504**	**10,355,333,348**
CURRENT ASSETS		
Trading assets	**13,715,600**	**9,569,223**
Trade receivables	13,715,600	9,569,223
Cash and cash equivalents	**281,267,156**	**3,093,377,586**
Cash	218,069,265	2,185,929,118
Cash equivalents	-	900,000,000
Intercompany current account receivables due from related parties	63,197,891	7,448,468
Current financial assets	**19,711,975**	**1,009,973,271**
Current portion of medium/long-term financial assets	1,096,915	1,000,802,065
Current derivative assets	1,681,489	528,465
Other current financial assets	16,933,571	8,642,741
Current tax assets	**116,983,135**	**120,225,722**
Other current assets	**1,110,460**	**1,134,963**
Non-current assets held for sale or related to discontinued operations	-	-
TOTAL CURRENT ASSETS	**432,788,326**	**4,234,280,765**
TOTAL ASSETS	**17,147,371,830**	**14,589,614,113**

(1) As required by CONSOB Resolution 15519 of 27 July 2006, the impact of related party transactions on Atlantia SpA's statement of financial position are shown in the statement of financial position, expressed in thousands of euros, on the following pages. The impact is also described in further detail in note 8.2.

Statement of financial position

€	31 December 2018	31 December 2017
EQUITY AND LIABILITIES		
EQUITY		
Issued capital	825,783,990	825,783,990
Reserves and retained earnings	9,849,067,578	8,590,375,177
Treasury shares	-166,846,414	-169,488,480
Profit/(Loss) for the year net of interim dividends	694,721,201	2,256,191,374
TOTAL EQUITY	**11,202,726,355**	**11,502,862,061**
NON-CURRENT LIABILITIES		
Non-current provisions	**627,155**	**644,352**
Non-current provisions for employee benefits	627,155	644,352
Non-current financial liabilities	**5,042,097,329**	**1,732,021,060**
Bond issues	1,733,842,674	1,732,020,317
Medium/long-term borrowings	3,233,359,430	-
Non-current derivative liabilities	74,895,225	743
Deferred tax liabilities	-	**13,285,448**
Other non-current liabilities	**2,582,703**	**5,714,800**
TOTAL NON-CURRENT LIABILITIES	**5,045,307,187**	**1,751,665,660**
CURRENT LIABILITIES		
Trading liabilities	**23,906,118**	**23,467,986**
Trade payables	23,906,118	23,467,986
Current provisions	**1,583,236**	**1,623,522**
Current provisions for employee benefits	178,481	156,767
Other current provisions	1,404,755	1,466,755
Current financial liabilities	**801,981,337**	**1,134,993,346**
Intercompany current account payables due to related parties	1,573,682	-
Short-term borrowings	-	100,000,000
Current portion of medium/long-term financial liabilities	718,382,131	1,020,423,379
Derivative liabilities	1,681,489	14,039,925
Other current financial liabilities	80,344,035	530,042
Current tax liabilities	**46,065,075**	**151,640,605**
Other current liabilities	**25,802,522**	**23,360,933**
Liabliities related to discontinued operations	-	-
TOTAL CURRENT LIABILITIES	**899,338,288**	**1,335,086,392**
TOTAL LIABILITIES	**5,944,645,475**	**3,086,752,052**
TOTAL EQUITY AND LIABILITIES	**17,147,371,830**	**14,589,614,113**

Income statement (2)

€	2018	2017
REVENUE		
Operating revenue	3,218,556	2,876,154
TOTAL REVENUE	**3,218,556**	**2,876,154**
COSTS		
Raw and consumable materials	**-119,380**	**-51,124**
Service costs	**-62,488,651**	**-22,414,376**
Staff costs	**-20,237,283**	**-24,450,871**
Other operating costs	**-17,632,028**	**-7,768,241**
Lease expense	-1,126,233	-1,127,149
Other	-16,505,795	-6,641,092
Operating change in provisions	**62,000**	-
Amortisation and depreciation	**-320,640**	**-353,031**
Depreciation of property, plant and equipment	-83,187	-105,856
Depreciation of investment property	-234,806	-244,529
Amortisation of intangible assets	-2,647	-2,646
TOTAL COSTS	**-100,735,982**	**-55,037,643**
OPERATING PROFIT/(LOSS)	**-97,517,426**	**-52,161,489**
Financial income	**959,878,747**	**2,955,851,076**
Dividends received from investees	861,299,630	1,799,809,135
Gains on sale of investments	38,319	1,052,052,222
Reversals of impairment losses on financial assets and investments	-	11,824,000
Other financial income	98,540,798	92,165,719
Financial expenses	**-208,723,381**	**-131,114,581**
Financial expenses from discounting of provisions	-6,985	-6,142
Impairment losses on investments	-	-3,996,011
Other financial expenses	-208,716,396	-127,112,428
Foreign exchange gains/(losses)	**-336,986**	**-554,350**
FINANCIAL INCOME/(EXPENSES)	**750,818,380**	**2,824,182,145**
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**653,300,954**	**2,772,020,656**
Income tax (expense)/benefit	**41,420,247**	**-49,710,314**
Current tax expense	39,636,388	-48,883,900
Differences on tax expense for previous years	2,319,406	-893,150
Deferred tax income and expense	-535,547	66,736
PROFIT/(LOSS) FROM CONTINUING OPERATIONS	**694,721,201**	**2,722,310,342**
Profit/(Loss) from discontinued operations	-	-
PROFIT FOR THE YEAR	**694,721,201**	**2,722,310,342**

(2) As required by CONSOB Resolution 15519 of 27 July 2006, the impact of related party transactions on Atlantia SpA's income statement are shown in the income statement, expressed in thousands of euros, on the following pages. The impact is also described in further detail in note 8.2.

Statement of cash flows (3)

€	2018	2017
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Profit for the year	**694,721,201**	**2,722,310,342**
Adjusted by:		
Amortisation and depreciation	320,640	353,031
Operating change in provisions	-58,069	113,664
Financial expenses from discounting of provisions	6,985	6,142
Impairment losses/(Reversal of impairment losses) on financial assets and investments	-	-7,827,989
(Gains)/Losses on sale of non-current assets	-38,319	-1,052,052,222
Net change in deferred tax (assets)/liabilities through profit or loss	535,547	-66,736
Other non-cash costs (income)	-16,530,927	-749,981,325
Change in working capital and other changes	-106,242,607	45,721,541
Net cash generated from/(used in) operating activities [a]	**572,714,451**	**958,576,448**
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Purchases of property, plant and equipment	-	-37,612
Purchase of investments	-6,925,721,335	-265,164,901
Proceeds from distribution of reserves by subsidiaries	100,715,178	1,101,311,641
Proceeds from sale of interests in investees	1,892,779	2,091,164,252
Net change in other non-current assets	31,820,871	-31,698,789
Net change in current and non-current financial assets	1,011,819,702	-271,019,817
Net cash generated from/(used in) investing activities [b]	**-5,779,472,805**	**2,624,554,774**
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
(Purchase)/Sale of treasury shares	-	-84,171,450
Dividends paid	-531,792,740	-899,151,901
Proceeds from exercise of rights under share-based incentive plans	935,058	16,608,985
Increase in medium/long-term borrowings	3,903,136,467	-
Issuance of bonds	-	1,731,030,981
Increase in short-term borrowings	-	100,000,000
Redemption of bonds	-1,000,000,000	-
Net change in other current and non-current financial liabilities	20,795,457	-1,573,569,524
Net cash generated used in financing activities [c]	**2,393,074,242**	**-709,252,909**
Increase/(Decrease) in cash and cash equivalents [a+b+c]	**-2,813,684,112**	**2,873,878,313**
NET CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**3,093,377,586**	**219,499,273**
NET CASH AND CASH EQUIVALENTS AT END OF YEAR	**279,693,474**	**3,093,377,586**

(3) As required by CONSOB Resolution 15519 of 27 July 2006, the impact of related party transactions on Atlantia SpA's statement of cash flows is shown in the statement of cash flows, expressed in thousands of euros, on the following pages.

Statement of financial position

€000	NOTE	L December 2018	of which related party transactions	L December 2017	of which related party transactions
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	**5.1**	**6,444**		**6,762**	
Property, plant and equipment		1,689		1,772	
Investment property		4,755		4,990	
Intangible assets	**5.2**	**217**		**220**	
Investments	**5.3**	**16,094,572**		**9,698,937**	
Non-current financial assets	**5.4**	**604,214**		**617,504**	
Non-current derivative assets		56,185		53,321	
Other non-current financial assets		548,029	538,207	564,183	540,203
Deferred tax assets, net	**5.5**	**9,046**		-	
Other non-current assets	**5.6**	**91**		**31,913**	
TOTAL NON-CURRENT ASSETS		**16,714,584**		**10,355,336**	
CURRENT ASSETS					
Trading assets	**5.7**	**13,715**		**9,569**	
Trade receivables		13,715	12,104	9,569	8,153
Cash and cash equivalents	**5.8**	**281,267**		**3,093,378**	
Cash		218,069		2,185,930	
Cash equivalents		-	-	900,000	500,000
Intercompany current account receivables due from related parties		63,198	63,198	7,448	7,448
Current financial assets	**5.4**	**19,712**		**1,009,972**	
Current portion of medium/long-term financial assets		1,097	-	1,000,801	1,000,137
Current derivative assets		1,681		528	
Other current financial assets		16,934	16,913	8,643	8,522
Current tax assets	**5.9**	**116,983**	**43,987**	**120,225**	**87,311**
Other current assets	**5.10**	**1,110**		**1,135**	
Non-current assets held for sale or related to discontinued operations		-		-	
TOTAL CURRENT ASSETS		**432,787**		**4,234,279**	
TOTAL ASSETS		**17,147,371**		**14,589,615**	

Statement of financial position

€000	NOTE	31 December 2018	of which related party transactions	31 December 2017	of which related party transactions
EQUITY AND LIABILITIES					
EQUITY					
Issued capital		825,784		825,784	
Reserves and retained earnings		9,849,067		8,590,376	
Treasury shares		-166,846		-169,489	
Profit/(Loss) for the year net of interim dividends		694,721		2,256,191	
TOTAL EQUITY	5.11	11,202,726		11,502,862	
NON-CURRENT LIABILITIES					
Non-current provisions	5.12	**627**		**644**	
Non-current provisions for employee benefits		627		644	
Non-current financial liabilities	5.13	**5,042,097**		**1,732,021**	
Bond issues		1,733,843		1,732,021	
Medium/long-term borrowings		3,233,359		-	
Non-current derivative liabilities		74,895		-	
Deferred tax liabilities, net	5.5	-		**13,285**	
Other non-current liabilitie	5.14	**2,583**	3,572	**5,715**	1,442
TOTAL NON-CURRENT LIABILITIES		5,045,307		1,751,665	
CURRENT LIABILITIES					
Trading liabilities	5.15	**23,906**		**23,468**	
Trade payables		23,906	8,443	23,468	5,782
Current provisions	5.12	**1,583**		**1,624**	
Current provisions for employee benefits		178		157	
Other current provisions		1,405		1,467	
Current financial liabilities	5.13	**801,981**		**1,134,994**	
Intercompany current account payables due to related parties		1,574	1,574	-	-
Short-term borrowings		-		100,000	
Current portion of medium/long-term financial liabilities		718,382		1,020,424	
Current derivative liabilities		1,681	1,524	14,040	528
Other current financial liabilities		80,344	80,092	530	-
Current tax liabilities	5.9	**46,065**	**46,065**	**151,641**	**51,714**
Other current liabilities	5.16	**25,803**	**11,163**	**23,361**	**12,053**
Liabliities related to discontinued operations		-		-	
TOTAL CURRENT LIABILITIES		899,338		1,335,088	
TOTAL LIABILITIES		5,944,645		3,086,753	
TOTAL EQUITY AND LIABILITIES		17,147,371		14,589,615	

Income statement

€000	NOTE	2018	of which related party transactions	2017	of which related party transactions
REVENUE					
Operating revenue	6.1	3,219	3,055	2,876	2,117
TOTAL REVENUE		**3,219**		**2,876**	
COSTS					
Raw and consumable materials	6.2	**-119**		**-51**	
Service costs	6.3	**-62,489**	**-3,894**	**-22,414**	**-2,924**
Staff costs	6.4	**-20,237**	**684**	**-24,451**	**-2,737**
Other operating costs	6.5	**-17,632**		**-7,768**	
Lease expense		-1,126	-699	-1,127	-716
Other		-16,506		-6,641	
Operating change in provisions		**62**		**-**	
Amortisation and depreciation		**-321**		**-354**	
Depreciation of property, plant and equipment	5.1	-83		-106	
Depreciation of investment property	5.1	-235		-245	
Amortisation of intangible assets	5.2	-3		-3	
TOTAL COSTS		**-100,736**		**-55,038**	
OPERATING PROFIT/(LOSS)		**-97,517**		**-52,162**	
Financial income		**959,879**		**2,955,851**	
Dividends received from investees		861,300		1,799,809	
Gains on sale of investments		38		1,052,052	
Reversals of impairment losses on financial assets and investments		-		11,824	
Other financial income		98,541	72,247	92,166	73,341
Financial expenses		**-208,724**		**-131,115**	
Financial expenses from discounting of provisions		-7		-6	
Impairment losses on financial assets and investments		-		-3,996	
Other financial expenses		-208,717	-8,594	-127,113	-4,764
Foreign exchange gains/(losses)		**-337**		**-554**	
FINANCIAL INCOME/(EXPENSES)	6.6	**750,818**		**2,824,182**	
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		**653,301**		**2,772,020**	
Income tax (expense)/benefit	6.7	**41,420**		**-49,710**	
Current tax expense		39,636		-48,884	
Differences on tax expense for previous years		2,319		-893	
Deferred tax income and expense		-535		67	
PROFIT/(LOSS) FROM CONTINUING OPERATIONS		**694,721**		**2,722,310**	
Profit/(Loss) from discontinued operations		-		-	
PROFIT FOR THE YEAR		**694,721**		**2,722,310**	

€	NOTE	2018	2017
Basic earnings per share	6.8	**0.85**	**3.33**
of which:			
- from continuing operations		0.85	3.33
- from discontinued operations		-	-
Diluted earnings per share	6.8	**0.85**	**3.33**
of which:			
- from continuing operations		0.85	3.33
- from discontinued operations		-	-

Statement of comprehensive income

€000		2018	2017
Profit for the year	**(A)**	**694,721**	**2,722,310**
Fair value gains/(losses) on cash flow hedges		-59,999	2,224
Tax effect of fair value gains/(losses) on cash flow hedges		17,742	-657
Other comprehensive income/(loss) reclassifiable to profit or loss for the year	**(B)**	**-42,257**	**1,567**
Fair value (losses)/gains on investments		-427,055	-
Tax effect of fair value (losses)/gains on investments		5,124	-
Gains/(losses) from actuarial valuations of provisions for employee benefits		3	-4
Tax effect of gains/(losses) from actuarial valuations of provisions for employee benefits		-	-
Other comprehensive income/(loss) not reclassifiable to profit or loss for the year	**(C)**	**-421,928**	**-4**
Reclassifications of other components of comprehensive income to profit or loss for the year	**(D)**	**-**	**-**
Reclassifications of other components of comprehensive income to profit or loss for the year	**(E=B+C+D)**	**-464,185**	**1,563**
Comprehensive income for the year	**(A+E)**	**230,536**	**2,723,873**

Statement of changes in equity

€000	Issued capital	Reserves and retained earnings										Reserves and retained earnings	Treasury shares	Profit for the year after payment of interim dividend	Total equity
		Share premium reserve	Legal reserve	Extraordinary reserve	Merger reserve	Cash flow hedge reserve	Reserve for actuarial gains and losses on post-employment benefits	Reserve for gains/(losses) on fair value measurement of investments	Restricted reserve for Contingent Value Rights	Other reserves	Retained earnings				
Balance as at 31 December 2016	825,784	154	261,410	5,022,976	2,987,182	4,531	-499	-	18,456	72,195	103,832	8,470,237	-106,874	556,779	9,745,926
															-
Comprehensive income for the year						1,567	-4	-	-	-	-	1,563	-	2,722,310	2,723,873
Owner transactions and other changes	-	-		-	-		-	-	-	-	-	-	-	-	-
Final dividend for 2016 (€0.530 per share)	-	-	-	-	-	-	-	-	-	-	-	-	-	-433,012	-433,012
Transfer of profit/(loss) for previous year to retained earnings	-	-	-	-	-	-	-	-	-	-	123,767	123,767	-	-123,767	-
Interim dividend (€0.570 per share)	-	-	-	-	-	-	-	-	-	-	-	-	-	-466,119	-466,119
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-	-		-84,172	-	-84,172
Share-based incentive plans															
Valuation	-	-	-	-	-	-	-	-	-	144	-	144	-	-	144
Exercise/conversion/lapse of options/units	-	-	-	-	-	-	-	-	-	-6,073	1,125	-4,948	21,557	-	16,609
Riclassification for options/units settled in cash	-	-	-	-	-	-	-	-	-	-387	-	-387	-	-	-387
Balance as at 31 December 2017	825,784	154	261,410	5,022,976	2,987,182	6,098	-503	-	18,456	65,879	228,724	8,590,376	-169,489	2,256,191	11,502,862
Comprehensive income for the year	-	-	-	-	-	-42,257	3	-421,931	-	-	-	-464,185	-	694,721	230,536
Owner transactions and other changes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Final dividend for 2017 (€0.65 per share)	-	-	-	-	-	-	-	-	-	-	-	-	-	-531,607	-531,607
Transfer of profit/(loss) for previous year to retained earnings	-	-	-	-	-	-	-	-	-	-	1,724,584	1,724,584	-	-1,724,584	-
Share-based incentive plans															-
Valuation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exercise/conversion/lapse of options/units	-	-	-	-	-	-	-	-	-	-1,330	-378	-1,708	2,643	-	935
Riclassification for options/units settled in cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2018	825,784	154	261,410	5,022,976	2,987,182	-36,159	-500	-421,931	18,456	64,549	1,952,930	9,849,067	-166,846	694,721	11,202,726

Statement of cash flows

€000	NOTE	2018	of which related party transactions	2017	of which related party transactions
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES					
Profit for the year		694,721		2,722,310	
Adjusted by:					
Amortisation and depreciation		321		354	
Operating change in provisions		-58		114	
Financial expenses from discounting of provisions	6.6	7		6	
Impairment losses/(Reversal of impairment losses) on financial assets and investments	6.6	-	-	-7,828	-11,824
(Gains)/Losses on sale of non-current assets	6.6	-38		-1,052,052	
Net change in deferred tax (assets)/liabilities through profit or loss	6.7	535		-67	
Other non-cash costs (income)		-16,532	-7,382	-749,982	-763,539
Change in working capital and other changes		-106,242	37,579	45,722	104,833
Net cash generated from/(used in) operating activities [a]	7.1	572,714		958,577	
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES					
Purchases of property, plant and equipment	5.1	-		-38	
Purchase of investments	5.3	-6,925,720	-6,925,720	-265,165	-261,169
Proceeds from distribution of reserves by subsidiaries	5.3	100,715	100,715	1,101,312	1,101,312
Proceeds from sale of interests in investees		1,892		2,091,164	
Net change in other non-current assets		31,821		-31,699	
Net change in current and non-current financial assets		1,011,820	993,154	-271,020	-247,016
Net cash generated from/(used in) investing activities [b]	7.1	-5,779,472		2,624,554	
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES					
(Purchase)/Sale of treasury shares	5.11	-		-84,172	
Dividends paid		-531,793		-899,153	
Proceeds from exercise of rights under share-based incentive plans	5.11	935		16,609	
Increase in medium/long term borrowings	5.13	3,903,136		-	
Issuance of bonds	5.13	-		1,731,031	
Increase in short-term borrowings	5.13	-		100,000	
Redemption of bonds		-1,000,000		-	
Net change in other current and non-current financial liabilities		20,795	81,088	-1,573,566	528
Net cash used in financing activities [c]	7.1	2,393,073		-709,251	
Increase/(Decrease) in cash and cash equivalents [a+b+c]		-2,813,685		2,873,880	
NET CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		3,093,378		219,498	
NET CASH AND CASH EQUIVALENTS AT END OF YEAR		279,693		3,093,378	

Additional information on the statement of cash flows

€000	NOTE	2018	2017
Income taxes paid to/(refunded by) the tax authorities		399,693	226,390
Income taxes refunded by/(paid to) companies participating in tax consolidation		341,963	214,410
Interest and other financial income collected		79,681	78,781
Interest and other financial expenses paid		138,299	82,119
Dividends received		797,250	1,044,739
Foreign exchange gains collected		95	174
Foreign exchange losses incurred		138	88

Reconciliation of net cash and cash equivalents

€000	NOTE	2018	2017
Net cash and cash equivalents at beginning of year		3,093,378	219,498
Cash and cash equivalents	5.8	3,093,378	219,498
Net cash and cash equivalents at end of year		279,693	3,093,378
Cash and cash equivalents	5.8	281,267	3,093,378
Intercompany current account payables due to related parties	5.13	-1,574	-

NOTES

1. INTRODUCTON

Atlantia SpA (or the "Company") was formed in 2003. The Company's registered office is in Rome, at Via Nibby, 20. The Company does not have branch offices.
The duration of the Company is currently until 31 December 2050.

The Company, listed on the screen-based trading system *(Mercato Telematico Azionario)* operated by Borsa Italiana SpA, is a holding company with investments in companies whose business is primarily the construction and operation of motorways, airports and transport infrastructure, parking areas and intermodal systems, or who engage in activities related to the management of motorway or airport traffic. At the date of preparation of these consolidated financial statements Sintonia SpA is the shareholder that holds a relative majority of the issued capital of Atlantia SpA. Neither Sintonia SpA nor its direct parent, Edizione Srl, exercise management and coordination of Atlantia SpA.

These financial statements as at and for the year ended 31 December 2018 were approved by the Company's Board of Directors at its meeting of 7 March 2019.
Due to the fact that the Company has significant controlling interests in other companies, it also prepares consolidated financial statements that are presented together with the Company's separate financial statements.

2. BASIS OF PREPARATION

The financial statements as at and for the year ended 31 December 2018, have been prepared on a going concern basis. They have been prepared in compliance with articles 2 and 4 of Legislative Decree 38/2005 and in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and endorsed by the European Commission. These standards reflect the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), in addition to previous International Accounting Standards (IAS) and interpretations issued by the Standard Interpretations Committee (SIC) and still in force. For the sake of simplicity, all the above standards and interpretations are hereinafter referred to as "IFRS".
Moreover, the measures introduced by the CONSOB, in application of paragraph 3 of article 9 of Legislative Decree 38/2005, relating to the preparation of financial statements, have also been taken into account.

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

IFRS have been applied in accordance with the indications provided in the "Conceptual Framework for Financial Reporting", and no events have occurred that would require exemptions pursuant to paragraph 19 of IAS 1.
CONSOB Resolution 15519 of 27 July 2006 requires that, in addition to the specific requirements of IAS 1 and other IFRS, financial statements must, where material, include separate sub-items providing (i) disclosure of amounts deriving from related party transactions; and, with regard to the income statement, (ii) separate disclosure of income and expenses deriving from events and transactions that are non-recurring in nature, or transactions or events that do not occur on a frequent basis during the normal course of business.

As in 2017, no atypical or unusual transactions, involving either third or related parties and having a material impact on the Company's income statement and statement of financial position, were entered into in 2018.

As in 2017, there were no non-recurring events or transactions, involving either third or related parties and having a material impact on the Company's accounts, in 2018.
In view of the importance of the transaction, however, it should be noted that the acquisition of control of the Abertis Infraestructuras group ("Abertis") was completed during the year. This transaction is described in note 4.2, "Acquisition of Abertis Infraestructuras SA", which provides details of the impact on the Company's results of operation and financial position.

Amounts in the statement of financial position, income statement and statement of cash flows are shown in euros, whilst amounts in the statement of comprehensive income, the statement of changes in equity and these notes are shown in thousands of euros, unless otherwise indicated. With regard CONSOB Resolution 15519 of 27 July 2006 relating to the format for financial statements, a specific supplementary statement of financial position, income statement and statement of financial position in thousands of euros, showing material related party transactions and the impact of non-recurring transactions during the reporting period and in the comparative period, has been included.

The euro is both the Company's functional currency and its presentation currency.

Each item in the financial statements is compared with the corresponding amount for the previous year. Comparative amounts have not been either restated or reclassified with respect to those presented in the financial statements as at and for the year ended 31 December 2017.

3. ACCOUNTING STANDARDS AND POLICIES APPLIED

A description follows of the more important accounting standards and policies employed by the Company for its financial statements as at and for the year ended 31 December 2018. These accounting standards and policies are consistent with those applied in preparation of the financial statements for the previous year, with the exception of the changes resulting from first-time adoption, from 1 January 2018, of the new accounting standards, IFRS 9 – Financial Instruments and IFRS 15 – Revenue from Contracts with Customers. A below section of these notes describes the differences between these new standards with respect to the standards previous applied and the impact of their adoption.

Property, plant and equipment

Property, plant and equipment, including items acquired under finance leases, are stated at purchase cost. Cost includes expenditure that is directly attributable to the acquisition of the items and financial expenses incurred during construction of the asset. As permitted by IFRS 1, assets acquired through business combinations prior to 1 January 2004 are stated at previous amounts, as determined under Italian GAAP for those business combinations and representing deemed cost.
The cost of assets with finite useful lives is systematically depreciated on a straight-line basis applying rates that represent the expected useful life of the asset. Each component of an asset with a cost that is significant in relation to the total cost of the item, and that has a different useful life, is accounted for separately. Land, whether free of constructions or annexed to civil and industrial buildings, is not depreciated as it has an indefinite useful life.
Investment property, which is held to earn rentals or for capital appreciation, or both, is recognised at cost measured in the same manner as property, plant and equipment. The relevant fair value of such assets has also been disclosed.
The annual rates of depreciation applied to "Property, plant and equipment" and "Investment property" in 2018, are shown in the table below by asset class.

Property, plant and equipment	Rate of depreciation
Buildings	3%
Industrial and business equipment	20%
Other assets	12%

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

Intangible assets

Intangible assets are identifiable assets without physical substance, controlled by the entity and from which future economic benefits are expected to flow, and purchased goodwill. Identifiable intangible assets are those purchased assets that, unlike goodwill, can be separately distinguished. This requirement is generally satisfied when the intangible asset: (i) arises from a legal or contractual right, or (ii) is separable, meaning that it may be sold, transferred, licensed or exchanged, either individually or as an integral part of other assets. The asset is controlled by the entity if the entity has the power to obtain future economic benefits from the asset and can limit access to it by others.
Internally developed assets are recognised as assets to the extent that: (i) the cost of the asset can be measured reliably; (ii) the Company has the intention, the available financial resources and the technical

expertise to complete the asset and either use or sell it; (iii) the Company 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.
Intangible assets are recognised at cost, measured in the same manner as property, plant and equipment, provided that the assets can be identified and their cost reliably determined, are under the entity's control and are able to generate future economic benefits.
Amortisation of intangible assets with finite useful lives begins when the asset is ready for use and is based on remaining economic benefits to be obtained in relation to their residual useful lives. The annual rate of amortisation used in 2018 is 1.01%.
Intangible assets are tested for impairment, as described below in the note on "Impairment of assets and reversals (impairment testing)", whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable.
Gains and losses deriving from the disposal of an intangible asset are determined as the difference between the disposal proceeds, less costs to sell, and the carrying amount of the asset and are recognised as income or expense in the income statement at the time of the disposal.

Business combinations and goodwill

Acquisitions of companies or business units are accounted for using the acquisition method, as required by IFRS 3. For this purpose, the identifiable assets acquired and liabilities assumed through business combinations are measured at their respective fair values at the acquisition date. The cost of an acquisition is measured as the fair value, at the date of exchange, of the assets acquired, liabilities assumed and any equity instruments issued by the Company in exchange for control.
Goodwill is initially measured as the positive difference between the acquisition cost, plus the fair value at the acquisition date of any previous non-controlling interests held in the acquiree, and the fair value of net assets acquired.
The goodwill, as measured on the date of acquisition, is allocated to each of the substantially independent cash generating units expected to benefit from the synergies of the business combination.
A negative difference between the cost of the acquisition and the fair value of the net assets acquired is recognised as income in profit or loss in the year of acquisition.
Goodwill on acquisitions of non-controlling interests is included in the carrying amount of the relevant investments.
If the Company is not in possession of all the information necessary to determine the fair value of the assets acquired and the liabilities assumed, these are recognised on a provisional basis in the year in which the business combination is completed and retrospectively adjusted within twelve months of the acquisition date.
After initial recognition, goodwill is no longer amortised and is carried at cost less any accumulated impairment losses, determined as described in the note on impairment testing.
IFRS 3 was not applied retrospectively to acquisitions prior to 1 January 2004, the Company's IFRS transition date. As a result, the carrying amount of goodwill on these acquisitions is that determined under Italian GAAP, which is the net carrying amount at this date, subject to impairment testing and the recognition of any impairment losses.

Investments

Investments in subsidiaries, associates and joint ventures are accounted for at cost and include any directly attributable transaction costs. Impairment losses are identified in accordance with IAS 36, as described below in the paragraph on "Impairment of assets and reversals (impairment testing)". The impairment is reversed in the event the circumstances giving rise to the impairment cease to exist; the reversal may not exceed the original carrying amount of the investment. Provisions are made to cover any losses of an

associate or joint venture exceeding the carrying amount of the investment, to the extent that the shareholder is required to comply with actual or constructive obligations to cover such losses.
Investments in other companies, which qualify as available-for-sale financial instruments, as defined by IFRS 9, 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 through profit or loss, with the exception of investments not held for trading and for which, as permitted by IFRS 9, the Group has exercised the option, at the time of purchase, to designate the investment at fair value through other comprehensive income.
Acquisitions or disposals of companies and/or business units between companies belonging to the Atlantia Group (entities or businesses under common control) are treated, in accordance with IAS 1 and IAS 8, on the basis of their economic substance, with confirmation of the fact that the purchase consideration is determined on the basis of fair value and that added value is generated for all the parties involved, resulting in significant measurable changes in the cash flows generated by the investments transferred before and after transaction. In this regard:

a) in the case of the disposal of an intra-group investment, if both requirements to be confirmed are met, the difference between the purchase consideration received and the carrying amount of the investment transferred is recognised in profit or loss. In the other cases, the difference is recognised directly in equity;
b) in the case of acquisitions of intragroup investments, if both requirements to be confirmed are met, such investments are recognised at cost (as defined above); in the other cases, the investment is accounted for at the same amount at which it was accounted for in the financial statements of the transferee. The difference between the purchase consideration paid and this amount is, if positive, recognised as either an increase in the value of the investment held in the transferee (or in the transferee's parent in the event of indirect control) or, if negative, in profit or loss as a dividend.

Financial instruments

Financial instruments include cash and cash equivalents, derivative financial instruments and financial assets and liabilities (as defined by IFRS 9 and including, among other things, trade receivables and payables).

Cash and cash equivalents

Cash and cash equivalents are recognised at face value. They include highly liquid demand deposits or very short-term instruments of excellent quality, which are subject to an insignificant risk of changes in value.

Derivative financial instruments

All derivative financial instruments are recognised at fair value at the end of the year.
As required by IFRS 9, 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.
Changes in the fair value of cash flow hedges hedging assets and liabilities (including those that are pending and highly likely to arise in the future) are recognised in the statement of comprehensive income. The gain or loss relating to the ineffective portion is recognised in profit or loss.
Changes in the fair value of derivatives serving as fair value hedges are recognised in profit or loss. Analogously, the hedged assets and liabilities are restated at fair value through profit or loss.
Since derivative contracts deemed net investment hedges in accordance with IFRS 9, because they were concluded to hedge the risk of unfavourable movements in the exchange rates used to translate net investments in foreign operations, are treated as cash flow hedges, the effective portion of fair value gains or losses on the derivatives is recognised in other comprehensive income, thus offsetting changes in the foreign currency translation reserve for net investments in foreign operations. Accumulated fair value gains and losses, recognised in the net investment hedge reserve, are reclassified from comprehensive income to profit or loss on the disposal or partial disposal of the foreign operation.

Changes in the fair value of derivative instruments that do not qualify for hedge accounting under IFRS 9 are recognised in profit or loss.

Financial assets

The classification and related measurement are driven by both the business model in which the financial asset is held and the contractual cash flow characteristics of the asset.

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

a) the asset is held in conjunction with a business model whose objective is to hold assets in order to collect contractual cash flows; and
b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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 (an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Receivables measured at amortised cost are initially recognised at the fair value of the underlying asset, after any directly attributable transaction proceeds. The receivables are measured at amortised cost using the effective interest method, less provisions for impairment losses (recognised in profit or loss) for amounts considered uncollectible. The estimate for uncollectible amounts is based on the present value of expected cash-out flows. These cash flows take account of expected collection times, estimated realisable value, any guarantees received, 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.

Trade receivables subject to normal commercial terms and conditions, or that do not include significant financial components, are not discounted to present value.

The financial asset is measured at fair value through other comprehensive income if the objectives of the business model are to hold the financial asset to collect the contractual cash flows, or to sell it, and the contractual terms of the financial asset give rise, on specified dates, to cash flows that solely represent a return on the financial asset.

Finally, any remaining financial assets, other than those described above, are classified as held for trading and measured at fair value through profit or loss.

No financial instruments were reclassified from one of the above categories to another in 2018.

Financial liabilities

Financial liabilities are initially recognised at fair value, after any directly attributable transaction costs. After initial recognition, financial liabilities are measures at amortised cost using the effective interest method.

Trading liabilities subject to normal commercial terms and conditions, or that do not include significant financial components, are not discounted to present value.

If there is a modification of one or more terms of an existing financial liability (including as a result of its novation), it is necessary to conduct a qualitative and quantitative assessment in order to decide whether or not the modification is substantial with respect to the existing contractual terms. In the absence of substantial modifications, the difference between the present value of the modified cash flows (determined using the instrument's effective interest rate at the date of modification) and the carrying amount of the instruments is accounted for in profit or loss. As a result, the value of the financial liability is adjusted and the instrument's effective interest rate recalculated. If the modifications are substantial, the existing instrument is derecognised and the fair value of the new instrument is recognised, with the related difference recognised in profit or loss.

Derecognition of financial instruments

Financial instruments are derecognised in the statement of financial position when, following their sale or settlement, the Company is no longer involved in their management and has transferred all the related risks and rewards of ownership and, therefore, no longer has the right to receive cash flows from the financial asset.

Fair value measurement and fair value hierarchy

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

a) identification of the unit of account, defined as the level at which an asset or a liability is aggregated or disaggregated in an IFRS for recognition purposes;
b) identification of the principal market or, in the absence of such a market, the most advantageous market in which the particular asset or liability to be measured could be traded; unless otherwise indicated, it is assumed that the market currently used coincides with the principal market or, in the absence of such a market, the most advantageous market;
c) definition for non-financial assets of the highest and best use of the asset; unless otherwise indicated, highest and best use is the same as the asset's current use;
d) definition of valuation techniques that are appropriate for the measurement of fair value, maximising the use of relevant observable inputs that market participants would use when determining the price of an asset or liability;
e) determination of the fair value of assets, based on the price that would be received to sell an asset, and of liabilities and equity instruments, based on the price paid to transfer a liability in an orderly transaction between market participants at the measurement date;
f) inclusion of non-performance risk in the measurement of assets and liabilities and above all, in the case of financial instruments, determination of a valuation adjustment when measuring fair value to include, in addition to counterparty risk (CVA – credit valuation adjustment), the own credit risk (DVA - debit valuation adjustment).

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

a) level 1: includes quoted prices in active markets for identical assets or liabilities;
b) level 2: includes inputs other than quoted prices included within level 1 that are observable, such as the following: i) quoted prices for similar assets or liabilities in active markets; ii) quoted prices for similar or identical assets or liabilities in markets that are not active; iii) other observable inputs (interest rate and yield curves, implied volatilities and credit spreads);
c) level 3: unobservable inputs. These inputs are used to the extent that observable data is not available. The unobservable data used for fair value measurement should reflect the assumptions that market participants would use when pricing the asset or liability being measured.

Definitions of the fair value hierarchy level in which individual financial instruments measured at fair value have been classified, or for which the fair value is disclosed in the financial statements, are provided in the notes to individual components of the financial statements.
There are no assets or liabilities classifiable in level 3 of the fair value hierarchy.
No transfers between the various levels of the fair value hierarchy took place during the year.

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

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

Treasury shares

Treasury shares are recognised at cost and accounted for as a reduction in equity. The impact of any subsequent sales is recognised in equity.

Provisions

Provisions are made when: (i) the Company has a present (actual or constructive) obligation as a result of a past event; (ii) it is probable that an outflow of resources will be required to settle the obligation; and (iii) the related amount has been reliably estimated.
Provisions are measured on the basis of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. If the discount to present value is material, provisions are determined by discounting future expected cash flows to their present value using a discount rate used that reflects current market assessments of the time value of money. Subsequent to the computation of present value, the increase in provisions over time is recognised as a financial expense.

Employee benefits

Short-term employee benefits, provided during the period of employment, are accounted for at the accrued liability at the end of the reporting period.
Liabilities deriving from other medium/long-term employee benefits are recognised in the vesting period, less any plan assets and advance payments made. They are determined on the basis of actuarial assumptions, if material, and recognised on an accruals basis in line with the period of service necessary to obtain the benefit.
Post-employment benefits in the form of defined contribution plans are recognised at the amount accrued at the end of the reporting period.
Post-employment benefits in the form of defined benefit plans are recognised in the vesting period, less any plan assets and advance payments made. Such defined benefit plans primarily regard the obligation as determined on the basis of actuarial assumptions and recognised on an accruals basis in line with the period of service necessary to obtain the benefit. The obligation is calculated by independent actuaries. Any resulting actuarial gain or loss is recognised in full in other comprehensive income in the period to which it relates.

Non-current assets held for sale, assets and liabilities included in disposal groups or those for distribution to shareholders and/or related to discontinued operations

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

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

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

Revenue

Revenue is recognised when the fair value can be reliably measured and it is probable that the economic benefits associated with the transactions will flow to the Group. The amount recognised as revenue reflects the consideration to which the Group is entitled in exchange for goods transferred to the customer and services rendered. This revenue is recognised when the performance obligations under the contract have been satisfied.
Depending on the type of transaction, revenue is recognised on the basis of the following specific criteria:

a) to the extent, for sales of goods, that significant risks and rewards of ownership are transferred to the buyer;
b) the provision of services is prorated to percentage of completion of work. When the amount of the revenue cannot be reliably determined, revenue is recognised only to the extent that expenses are considered to be recoverable;
c) rental income or royalties, on an accruals basis, based on the agreed terms and conditions of the contract;
d) interest income (and interest expense) is accrued with reference to amount of the financial asset or liability, in accordance with the effective interest method;
e) dividend income is recognised when the right to receive payment is established.

Income taxes

Income taxes are recognised on the basis of a realistic estimate of tax expense to be paid, in compliance with the regulations in force.
Deferred tax assets and liabilities are determined on the basis of temporary differences between the carrying amounts of assets and liabilities as in the Company's books (resulting from application of the accounting policies described) and the corresponding tax bases (resulting from application of the tax regulations in force in the country relevant to each subsidiary), as follows:

a) deferred tax assets are only recognised to the extent that it is probable that future taxable profit will be available against which the asset can be utilised;
b) deferred tax liabilities are always recognised (unless the liability derives from the initial recognition of goodwill or as a result of temporary taxable differences relating to investments in subsidiaries, associates and joint ventures, when the Company has control over the timing of the reversal of the temporary differences and it is likely that the temporary difference will not reverse in the foreseeable future).

Based on Legislative Decree 344/2003 and articles 117 *et seq.* of Presidential Decree 917/1986, Atlantia has elected for group taxation for the purposes of IRES (tax consolidation arrangement), as the consolidating entity.
The current tax assets and liabilities for IRES of the companies included in the consolidation are reported as current tax assets and liabilities, with recognition of a matching receivable or payable due from or to the subsidiary, in connection with the transfer of funds to be carried out as a result of the tax consolidation.
Relations between the companies are regulated by a specific contract. This contract establishes that participation in the tax consolidation arrangement may not, under any circumstances, result in economic or financial disadvantages for the participating companies compared with the situation that would have arisen had they not participated in the arrangement. Should such disadvantages arise, they are to be offset by a corresponding indemnity to be paid to the participating companies concerned.

Share-based payment

The cost of services provided by directors and/or employees remunerated through share-based incentive plans, and settled through the award of financial instruments, where the Company has an obligation to

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

Impairment of assets and reversals (impairment testing)

At the end of the reporting period, the Company tests property, plant and equipment, intangible assets, financial assets and investments for impairment.
If there are indications that these assets have been impaired, the recoverable amounts of such assets are estimated in order to verify and eventually measure the amount of the impairment loss. Irrespective of whether there is an indication of impairment, intangible assets with indefinite lives and those which are not yet available for use are tested for impairment at least annually, or more frequently, if an event has occurred or there has been a change in circumstances that could cause an impairment.
If it is not possible to estimate the recoverable amounts of individual assets, the recoverable amount of the cash-generating unit to which a particular asset belongs is estimated (Cash Generating Unit – CGU).
This entails estimating the recoverable amount of the asset (represented by the higher of the asset's fair value less costs to sell and its value in use) and comparing it with the carrying amount. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount. In calculating value in use, expected future pre-tax cash flow is discounted using a pre-tax rate that reflects current market assessments of the cost of capital which embodies the time value of money and the risks specific to the business.
In contrast, in estimating the future cash flow of a CGU, the Company uses after-tax cash flows and discount rates that produce results that are substantially equivalent to those resulting from a pre-tax computation.
Impairments are recognised in profit or loss and classified in various ways depending on the nature of the impaired asset.
If there are indications, at the end of the reporting period, that an impairment loss recognised in previous years has been reduced, in full or in part, the recoverability of the carrying amount in the statement of financial position is tested and any reversal of the impairment loss through profit or loss determined. The reversal may under no circumstances exceed the amount of the impairment loss previously recognised. Impairments of goodwill may not be reversed.

Estimates and judgments

Preparation of financial statements in compliance with IFRS involves the use of estimates and judgements, which are reflected in the measurement of the carrying amounts of assets and liabilities and in the disclosures provided in the notes to the financial statements, including contingent assets and liabilities at the end of the reporting period. These estimates are primarily used in determining amortisation and

depreciation, impairment testing of assets (including the measurement of receivables), provisions, employee benefits, the fair value of financial assets and liabilities, and current and deferred tax assets and liabilities.
The amounts subsequently recognised may, therefore, differ from these estimates. Moreover, these estimates and judgements are periodically reviewed and updated, and the resulting effects of each change immediately recognised in the financial statements.

Translation of foreign currency items

Transactions in currencies other than the functional currency are recognised by application of the exchange rate at the transaction date. Assets and liabilities denominated in currencies other than the functional currency are, subsequently, remeasured by application of the exchange rate at the end of the reporting period. Any exchange differences on remeasurement are recognised in the income statement. Non-monetary assets and liabilities denominated in foreign currencies and recognised at historical cost or fair value are translated using the exchange rate at the date of initial recognition.

Earnings per share

Basic earnings per share is computed by dividing profit by the weighted average number of shares outstanding during the accounting period.
Diluted earnings per share is computed by dividing profit attributable to owners of the parent by the above weighted average, also taking into account the effects deriving from the subscription, exercise or conversion of all potential shares that may be issued as a result of the exercise of any outstanding rights.

New accounting standards adopted from 1 January 2018: IFRS 15 – Revenue from Contracts with Customers and IFRS 9 – Financial Instruments

IFRS 15 – Revenue from Contracts with Customers

IFRS 15 has replaced the previous IAS 18 and IAS 11 and the related interpretations, IFRIC 13, IFRIC 15, IFRIC 18 and SIC 31.
The new standard establishes the standards to follow in recognising revenue from contracts with customers, with the exception of contracts falling within the scope of application of standards governing leases, insurance contracts and financial instruments.
The standard provides an overall framework for identifying the timing and amount of revenue to be recognised in the financial statements.
Under IFRS 15, the entity must analyse the contract and the related accounting effects using the following steps:

a) identification of the contract;
b) identification of the performance obligations in the contract;
c) determination of the transaction price;
d) allocation of the transaction price to each identified performance obligation;
e) recognition of revenue when the performance obligation is satisfied.

The amount recognised as revenue by an entity must, therefore, reflect the consideration to which the entity is entitled in exchange for goods transferred to the customer and/or services rendered. This revenue is to be recognised when the entity has satisfied its performance obligations under the contract.
Following the assessment conducted, the adoption of IFRS 15 is not expected to have any impact on the Company.

IFRS 9 – Financial Instruments

IFRS 9, which has replaced IAS 39, has introduced new rules for the classification and measurement of financial instruments, a new impairment model for financial assets and a new hedge accounting model. The aspects most relevant to the Group, in terms of the impact of application of the new standard on the income statement and/or the financial position, primarily regard:

a) the reporting of changes in fair value in connection with the credit risk of certain financial assets and liabilities, which IFRS 9 requires to be recognised in other comprehensive income rather than in profit or loss;
b) recognition of the difference between the present value of the modified cash flows (determined using the instrument's effective interest rate at the date of modification) and the carrying amount of the instrument in profit or loss in the event of non-substantial modifications to the terms of a financial instrument. Previously in such cases, under IAS 39, the Atlantia Group continued to account for the instrument at the previously recognised amortised cost, redetermining the related effective interest rate on a prospective basis.

Following the assessment conducted, the adoption of IFRS 9 is not expected to have any impact on the Company.
To provide greater clarity, the following table provides an overview of the classification of the Company's financial assets and liabilities as at 1 January 2018, following the transition from the previous accounting standard, IAS 39, and the new IFRS 9.

Statement of financial position

€000	IAS 39 Portfolio	IAS 39 Measurement criteria	IAS 39 Balance as at 31 December 2017	IFRS 9 Portfolio	IFRS 9 Measurement criteria	IFRS 9 Balance as at 1 January 2018
NON-CURRENT FINANCIAL ASSETS						
Investments[1]	AFS	FVTOCI	-	HTC&S	FVTOCI	-
Non-current financial assets						
Non-current derivative assets	HEDGE ACCOUNTING	CASH FLOW HEDGE	53,321	HEDGE ACCOUNTING	CASH FLOW HEDGE	53,321
Other non-current financial assets	L&R	AMORTISED COST	564,183	HTC	AMORTISED COST	564,183
CURRENT FINANCIAL ASSETS						
Trading assets						
Trade receivables	L&R	AMORTISED COST	9,569	HTC	AMORTISED COST	9,569
Cash and cash equivalents						
Cash	L&R	AMORTISED COST	2,185,930	HTC	AMORTISED COST	2,185,930
Cash equivalents	L&R	AMORTISED COST	900,000	HTC	AMORTISED COST	900,000
Intercompany current account receivables due from related parties	L&R	AMORTISED COST	7,448	HTC	AMORTISED COST	7,448
Current financial assets						
Current portion of medium/long-term financial assets	L&R	AMORTISED COST	1,000,801	HTC	AMORTISED COST	1,000,801
Current derivative assets	FVTPL	FVTPL	528	FVTPL	FVTPL	528
Other current financial assets	L&R	AMORTISED COST	8,643	HTC	AMORTISED COST	8,643
LIABILITIES						
Non-current financial liabilities						
Bond issues	L&R	AMORTISED COST	1,732,021	HTC	AMORTISED COST	1,732,021
Trading liabilities						
Trade payables	L&R	AMORTISED COST	23,468	HTC	AMORTISED COST	23,468
Current financial liabilities						
Short-term borrowings	L&R	AMORTISED COST	100,000	HTC	AMORTISED COST	100,000
Current portion of medium/long-term financial liabilities	L&R	AMORTISED COST	1,020,424	HTC	AMORTISED COST	1,020,424
Rapporti di conto corrente con saldo negativo verso parti correlate						
Derivative liabilities	FVTPL	FVTPL	14,040	FVTPL	FVTPL	14,040
Other current financial liabilities	L&R	AMORTISED COST	530	HTC	AMORTISED COST	530

(1) This is a category applicable, under IFRS 9, to investments in other companies. Investments in subsidiaries, associates and joint ventures are accounted for in accordance with IAS 27.

New accounting standards and interpretations, or revisions and amendments of existing standards and interpretations, that have yet to come into effect

As required by IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", this section describes new accounting standards and interpretations, and amendments of existing standards and interpretations that are already applicable, that have yet to come into effect as at 31 December 2018 and that may in the future be applied in the Company's separate financial statements:

Name of document	Effective date of IASB document	Date of EU endorsement
New accounting standards and interpretations		
IFRS 16 - Leases	1 January 2019	October 2017
Amendments to existing standards and interpretations		
Annual improvements to IFRSs: 2015-2017	1 January 2019	Not endorsed
Amendments to IAS 1 – Presentation of Financial Statements	1 January 2020	Not endorsed
IAS 8 – Accounting Policies, Change in Accounting estimates and Errors	1 January 2020	Not endorsed
Amendments to IAS 19 – Employee Benefits	1 January 2020	Not endorsed
Amendments to IFRS 3 – Business Combinations	1 January 2020	Not endorsed

IFRS 16 – Leases

On 13 January 2016, the IASB published the final version of the new financial reporting standard on leases, which replaced IAS 17, IFRIC 4, SIC 15 and SIC27 and is due to take effect on 1 January 2019. The new standard provides a different definition of lease and introduces a criterion based on control of the asset, to distinguish a lease arrangement from a service contract, indicating as discriminating factors the identification of the asset, the right to replace the asset, the right to obtain substantially all the economic benefits deriving from the use of the asset and, lastly, the right to direct the use of the asset underlying the contract.
The new financial reporting standard removes the distinction between operating and finance leases for the lessee. In fact, IFRS 16 requires the lessee to recognise the at lease commencement in the statement of financial position a right-of-use asset (i.e. in the same item where the corresponding assets would be recognised if they were owned), to be depreciated over the term of the right-of-use. At lease commencement, the lessor also recognises, as a contra-entry to the above right-of-use, a liability arising from the contract, for an amount equal to the present value of the minimum lease payments due.
IFRS 16 clarifies that, within the context of the lease contract, a lessee must separate the components related to the lease (which are accounted for as per IFRS 16) from those related to other services, which are accounted for in accordance with other IFRS.
The lessee may elect not to apply the new standard lease contracts of up to 12 months and those concerning low-value assets, considering that they have little significance.
Regarding the lessor, instead, the distinction between finance lease and operating lease continues to apply, depending on the characteristics of the contract, as per IAS 17. Consequently, the lessor will recognise a financial receivable (if a finance lease) or a tangible asset (if an operating lease).
The possible effects of the introduction of IFRS 16 were analysed. The Company does not hold significant assets as a lessee, with the relevant contracts referring mainly to property leases.
The project for the preliminary identification of potential impacts took place in different stages, including one involving the mapping of contracts that might potentially include a lease arrangement and

the analysis of such contracts to understand the main provisions that would be relevant in relation to IFRS 16.
To that end, the Company intends to avail itself of the simplifications allowed by the standard:

a) a modified retrospective application, with recognition in the statement of financial position as at 1 January 2019 of the cumulative effects deriving from the adoption of the standard, without any change in the comparative income statement for 2018;
b) use of the information available at the transition date to determine the length of the lease arrangement, with special emphasis on the exercise of extension options and early termination;
c) exclusion of the new accounting method for lease contracts of little significance, with a residual term of up to 12 months (starting from 1 January 2019) or for low-value assets, relating essentially to computers, telephones and other electronic devices. For these assets, lease payments will continue to be recognised through profit or loss, for the duration of the relevant contracts;
d) exclusion of initial direct costs from the measurement of the right as of 1 January 2019;
e) exclusion of the application of the new standard for contracts containing a lease arrangement with underlying intangible assets.

With reference to lease contracts where the Company is a lessee, no significant impacts have so far been identified that might derive from the introduction of the standard.

Assessment of the impact of IFRS 16 on the financial statements with regard to lease arrangement in which the Company is the lessor is close to completion. Based on the information available, financial liabilities (for leases) in the Company's statement of financial position as at 1 January 2019 are expected to increase by approximately €8 million, reflecting an increase in right-of-use assets.
The impact on profit is, on the other hand, not expected to be significant over time, with recognition of the present value of financial expenses and depreciation of the assets, instead of the current recognition of lease payments.

Annual Improvements to IFRSs: 2015 – 2017

On 12 December 2017, the IASB published its "Annual Improvements to IFRSs: 2015 – 2017 cycle", introducing amendments to a number of standards as part of its annual improvements process.
The principal amendments that could be relevant to the Company regard:

a) IFRS 3 – Business Combinations, and IFRS 11 – Joint Arrangements. The amendment establishes that if an entity acquires control of a business that is a joint operation, it must measure any previous interests in the business at fair value. In contrast, this approach does not apply to acquisitions of joint control;
b) IAS 12 – Income Taxes. The amendment clarifies that an entity must account for the income tax consequences of dividend payments (including payments on financial instruments classified as equity) in the same way as the transaction that generated them. They will, therefore, be recognised in the income statement, in comprehensive income or in equity, as appropriate.

Amendments to IAS 1 – Presentation of Financial Statements and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

On 31 October 2018, the IASB published "Definition of Material (Amendments to IAS 1 and IAS 8)", which has introduced an amendment designed to make the definition of "material" more specific. The amendment also introduces the concept of "obscured information", in addition to the concepts of "omitted" and "misstated" information already present in the two amended standards. The amendment clarifies that information is "obscured" if it is provided in such a way as to produce for general users of financial statements an effect similar to that which would be produced if such information had been omitted or misstated.

Amendments to IAS 19 – Employee Benefits

On 7 February 2018 the IASB published "Plan Amendment, Curtailment or Settlement (Amendments to IAS 19)", amending IAS 19 to clarify how an entity should recognise an amendment (or a curtailment or a settlement) to a defined-benefit plan. The amendment requires the entity to review its assumptions and remeasure the liability or the net assets of the plan. After such occurrence, the entity must use the new assumptions to measure the service cost and net interest for the period after the remeasurement.

Amendments to IFRS 3 – Business Combinations

On 22 October 2018 the IASB published "Definition of a Business (Amendments to IFRS 3)", to amend IFRS 3 in such a way as to clarify the definition of a business.
In particular, the amendment clarifies that an output is not the necessary condition to identify a business in the presence of a set of activities/processes and assets. However, to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. To this end, the IASB has replaced "ability to create outputs" with "contribution to the ability to create outputs" to clarify that a business can exist also without all the inputs and processes necessary to create an output.
Moreover, the amendment has introduced an optional concentration test, to determine whether an acquired set of activities and assets is a business. To that end, the amendment added a large number of illustrative examples to IFRS 3, to allow comprehension of the practical application of the new definition of a business in specific cases. The amendments apply to all business combinations and acquisitions occurring after 1 January 2020, with early application permitted.

The Company is assessing the potential impact, which cannot currently be reasonably estimated, of future application of all the newly issued standards and revisions and amendments of existing standards, with the exception of IFRS 16, the expected impact of which is described above.

4. ACQUISITIONS AND CORPORATE ACTIONS DURING THE PERIOD

4.1 Acquisition of Aero I Global & International Sàrl

On 2 March 2018, Atlantia acquired a 100% interest in Aero 1 Global & International Sàrl (hereinafter "Aero 1") from a number of funds managed by Goldman Sachs Infrastructure Partners. The acquired company is a Luxembourg-registered investment vehicle that holds 85,170,758 shares in Getlink (formerly Groupe Eurotunnel SE), amounting to a 15.49% interest and representing 26.64% of the company's voting rights (quotas calculated on the basis of the total shares in issue, amounting to 550,000,000, and the total number of voting rights, amounting to 639,363,734 as at 31 December 2018, based on disclosures published by Getlink on 11 January 2019).
Getlink operates the undersea link connecting France with the UK (consisting of three tunnels and two terminals under a concession expiring in 2086), Europorte (a rail business not operated under concession) and the future electricity interconnection between France and the UK (ElecLink), which is being built inside the tunnel. Getlink is listed on the Euronext Paris and Euronext London exchanges and had a market capitalisation of approximately €5.7 billion at the acquisition date.
The cost of the acquisition to Atlantia totals €1,056 million. The cost incurred consists of €779 million in loans from Atlantia to Aero 1 (subsequently converted into equity in May 2018) and €277 million represented by the 100% interest in the company's capital.

4.2 Acquisition of Abertis Infraestructuras SA

On 29 October 2018, the Atlantia Group completed the transaction to obtain control of Abertis, the parent company of a group engaged in the operation of motorway concessions in Europe, the Americas and India. The transaction started in 2017 with Atlantia's launch of a voluntary public tender offer for cash and/or shares ("Atlantia's public tender offer") for the entire issued capital of Abertis Infraestructuras (regarding which reference is made the information previously provided in note 4.3, "Voluntary public tender offer, in cash and/or shares, for all the shares of Abertis Infraestructuras", in Atlantia's consolidated financial statements as at and for the year ended 31 December 2017), subsequently withdrawn on 12 April 2018, in implementation of the agreements reached with Hochtief and ACS regarding a joint investment in Abertis. As a result of the above agreements, Hochtief acquired a 98.7% interest in Abertis Infraestructuras SA, following this company's public tender offer for all the latter's issued capital and share purchases completed after the conclusion of the acceptance period for the offer (8 May 2018), as permitted by the existing regulations.

Pursuant to these agreements, Atlantia subscribed 50% plus one share of Abertis HoldCo SA, a company organised under the laws of Spain with the minority shareholders, ACS (which holds a 30% interest) and Hochtief (which holds 20% minus one share). Abertis HoldCo SA in turn established a wholly-owned Spanish subsidiary, Abertis Participaciones SA, which, on 29 October 2018, purchased from Hochtief 98.7% of Abertis's issued capital for €16,520 million.

Below, a description is provided of the main steps involved in the transaction in chronological order:

a) on 15 May 2017, Atlantia announced the decision to launch its public tender offer for all the shares outstanding of Abertis;
b) on 9 October 2017, the *Comisión Nacional del Mercado de Valores* ("CNMV") cleared the public tender offer and 10 October 2017 marked the start of the acceptance period for the tendering of shares. The competing public tender offer for cash and/or shares launched by Hochtief on 18 October 2017 interrupted Atlantia's offer period, which was expected to end on 24 October 2017;

c) on 21 February 2018, Atlantia's Extraordinary General Meeting of Shareholders approved a number of time-related amendments to the terms and conditions of the offer, whose effectiveness was subject to clearance from the CNMV;
d) on 13 March 2018, Atlantia, ACS and Hochtief signed a binding preliminary agreement (the "Term Sheet"), which was eventually finalised on 23 March 2018, for a joint investment in Abertis, subject to the approval of the respective boards of directors and the ability to obtain the funding necessary to carry out the transaction. In addition, the transaction was subject to the necessary amendment to Hochtief's public tender offer and the ensuing clearance by the CNMV;
e) on 12 April 2018, following the CNMV's approval of the amendments to Hochtief's offer, Atlantia withdrew its offer;
f) on 8 May 2018, at the end of the acceptance period for Hochtief's offer, Hochtief had acquired approximately 85.6% of Abertis, net of all the shares held in treasury by Abertis which were subsequently cancelled. Hochtief continued to buy Abertis's shares also after this date, reaching eventually a 97.75% interest in Abertis, enabling it to proceed with the delisting of the company. Further purchases in the market then enabled it to raise its final holding to 98.7% of Abertis;
g) on 6 July 2018, the European Commission authorised the new Abertis acquisition structure, following the agreement signed by Atlantia, ACS and Hochtief;
h) on 25 July 2018, Abertis's Extraordinary General Meeting of shareholders approved the delisting of the company from the stock exchanges of Barcelona, Madrid, Bilbao and Valencia, which was subsequently authorised by the CNMV, effective 6 August 2018. On the same date, Abertis's Extraordinary General Meeting of shareholders approved the cancellation of all of the company's treasury shares;
i) on 29 October 2018, Abertis Participaciones acquired from Hochtief 98.7% of Abertis's issued capital for a total of €16,520 million.

Regarding developments occurred in the course of the transaction, considering the investment agreement with ACS and Hochtief, as well as Atlantia's withdrawal of its public tender offer, on 13 April 2018, Atlantia cancelled the acquisition financing provided by its banks in May 2017, amounting to €14,700 million (previously reduced to €11,648 million in 2017, following both the issue of bonds in July 2017, and the sale of interests in a number of subsidiaries and associates, completed in the second half of 2017). The credit facilities cancelled by Atlantia were replaced by a combination of new facilities between May and July 2018 which, together with the loans obtained directly by Abertis HoldCo, made it possible to put together the funding package to complete the acquisition of Abertis's controlling interest. In particular, the funding package includes:
a) a Term Loan of up to €1,500 million, repayable in tranches maturing between the first quarter of 2022 and the first quarter of 2023;
b) a second Term Loan of up to €1,750 million, with a bullet repayment in the third quarter of 2023;
c) a Revolving facility of up to €1,250 million, with a bullet repayment in the third quarter of 2023.

The two Term Loans were disbursed in total in September 2018, together with a partial disbursement under the Revolving Line of €675 million.
As to the financial structure of the acquisition, to meet the borrowing requirements associated with the refinancing of the acquisition financing, in March 2018 the Company entered into further specific Forward-Starting Interest Rate Swaps with a notional value of €2,000 million to hedge against the risk of movements in interest rates, in addition to the swaps entered into in 2017 (having a notional value of €1,000 million).

The following table shows the acquisition's impact on the income statement and statement of financial position.

€m

Income statement	Note	2018	2017
Service costs	6.3	-44	-
Other operating costs	6.5	-10	-
Financial expenses	6.6	-92	-38
Tax benefits	6.7	35	9
Statement of financial position	**Note**	**31 December 2018**	**31 December 2017**
Investments	5.3	5,367	-
Non-current financial assets	5.4	-	23
Other non-current assets	5.6	-	32
Non-current financial liabilities	5.13	3,233	-
Current financial liabilities	5.13	672	-
Current derivative liabilities	5.13	74	14

"Service costs" and "Other costs" (which reflect costs for professional services and the relevant non-deductible VAT), totalling €54 million, consist of:

a) the operating costs incurred by the Company in 2017, amounting to €32 million in the statement of financial position as at 31 December 2017 and recognised in "Other non-current assets" (on the assumption that Atlantia's public tender offer would be successful);

b) further expenses (€22 million) accruing in 2018 with regard to both the previous and the new structure of the transaction, as described above.

"Borrowing costs" refer:

a) in 2018:
   1. to net borrowing costs (€13 million) deriving from Atlantia's public tender offer, including:
      - €15 million relating to the release to the income statement of part of the ancillary costs for the credit facilities following the definition of the new structure of the transaction. These ancillary costs had in fact been recognised as "Financial assets", amounting to a total of approximately €23 million at 31 December 2017 (on the assumption that Atlantia's public tender offer would be successful);
      - €7 million relating to the commitment fees accrued on the credit facilities related to Atlantia's public tender offer, until they were cancelled;
      - €9 million relating to financial income linked to the improvement in the fair value losses on the derivatives with a "deal contingent hedge" provision (unwound in October 2018) associated with Atlantia's public tender offer and not recognised as hedges as at 31 December 2017;
   2. to the borrowing costs (€37 million) incurred by Atlantia with reference to the new financial structure of the transaction as defined in the joint investment agreement with ACS and Hochtief, particularly:
      - the borrowing costs incurred by Hochtief to complete its public tender offer and charged in 2018 to Atlantia (€24 million) on the basis of the foregoing agreement;
      - commitment fees recognised upon disbursement of the credit facilities to Atlantia, which took place in September 2018, and borrowing costs (essentially interest and fees) accrued between that moment and the end of the year (a total of €13 million);
   3. to the borrowing costs (€39 million) for the rate differentials on the above-mentioned Forward-Starting Interest Rate Swaps (with fair value losses on these derivatives as at 31 December 2018 amounting to €74 million);

b) in 2017:
   1. commitment fees payable on the committed credit facilities to fund Atlantia's public tender offer (€13 million) and fees on the guarantees required by the applicable regulations (€11 million);
   2. €14 million relating to fair value losses on the above Forward-Starting Interest Rate Swap contracts with a deal contingent hedge provision.

"Tax income" recognised in 2018 and 2017 regards the effect of the deduction from tax, in each year, of the above operating and borrowing costs.

In addition to the above disclosures regarding financial liabilities, non-current financial assets, other non-current assets and derivatives with fair value losses, the statement of financial position also reflects, as described in note 5.3, "Investments", the interests in Abertis HoldCo and Hochtief, amounting to €3,383 million (including ancillary costs on the investment, totalling €4 million) and €1,984 million, respectively, as at 31 December 2018.

4.3 Acquisition of the investment in Hochtief Aktiengesellschaft

On 29 October 2018, in a separate transaction from that described in note 4.2, Atlantia acquired a 23.86% equity interest in Hochtief, following a new share issue by this company that was taken up entirely by its parent, ACS (at €143.04 per share). Subsequently, as agreed, ACS sold Hochtief's shares to Atlantia for a total of €2,411 million, that is at the same price as that paid for the newly-issued shares. Hochtief is a company organised under the laws of Germany that controls a large construction group and is listed on the Frankfurt Stock Exchange.
Based on the assessments made, Atlantia is not deemed to exercise a significant influence over Hochtief. This is because, despite the existence of an equity interest greater than the presumably material 20% threshold indicated by IAS 28, there is no effective circumstance suggesting significant influence either at the time of the acquisition or subsequently, also considering the lack of:

a) a member of the board of directors of Hochtief designated by Atlantia;
b) Atlantia's participation in Hochtief's decision-making processes;
c) transactions between the Atlantia Group and the Hochtief group;
d) mutual secondment of staff and exchange of technical information between the two companies;
e) governance rules requiring a quorum on significant matters in which Atlantia's equity interest might suggest participation in the decision-making process.

Based on the above, and considering that the equity interest purchased by Atlantia is not held for trading, such equity interest has been irrevocably designated, pursuant to IFRS 9, as a financial instrument to be recognised at fair value through other comprehensive income.
Further details of the balance as at 31 December 2018 are provided in note 5.3, "Investments".

5. NOTES TO THE STATEMENT OF FINANCIAL POSITION

The following notes provide information on items in the statement of financial position as at 31 December 2018. Comparative amounts as at 31 December 2017 are shown in brackets. Details of items in the consolidated statement of financial position deriving from related party transactions are provided in note 8.2, "Related party transactions".

5.1 Property, plant and equipment

€6,444 thousand (€6,762 thousand)

The following table shows amounts for the various categories of property, plant and equipment at the beginning and end of the period, and changes in the carrying amounts, showing the original cost and accumulated depreciation at the end of the period.

€000	31 December 2018			31 December 2017		
	Cost	Accumulated depreciation	Carrying amount	Cost	Accumulated depreciation	Carrying amount
Property, plant and equipment	5,798	-4,109	1,689	5,798	-4,026	1,772
Investment property	10,439	-5,684	4,755	10,439	-5,449	4,990
Total property, plant and equipment	**16,237**	**-9,793**	**6,444**	**16,237**	**-9,475**	**6,762**

The following table shows amounts for the various categories of property, plant and equipment at the beginning and end of the period, and changes in the carrying amounts.

€000	Carrying amount as at 31 December 2017	Depreciation	Carrying amount as at 31 December 2018
Property, plant and equipment			
Land	39	-	39
Buildings	1,636	-56	1,580
Industrial and business equipment	48	-13	35
Other assets	49	-14	35
Total	**1,772**	**-83**	**1,689**
Investment property			
Land	1,124	-	1,124
Buildings	3,866	-235	3,631
Total	**4,990**	**-235**	**4,755**
Total property, plant and equipment	**6,762**	**-318**	**6,444**

The balance is broadly in line with the figure for 31 December 2017.

"Investment property" essentially includes buildings and land owned by the Company and leased to other Atlantia Group companies. The total fair value of these assets is estimated total €12 million based on independent appraisals and information on property markets relevant to these types of investment property. This amount is higher than the related carrying amount.

There were no changes in the expected useful lives of these assets during 2018.

Property, plant and equipment as at 31 December 2018 is free of mortgages, liens or other collateral guarantees restricting use.

5.2 Intangible assets

€217 thousand (€220 thousand)

Intangible assets, whose carrying amount is in line with the figure for 31 December 2017, consist solely of building rights for land owned by the Municipality of Florence, which are amortised over the term of the rights.

5.3 Investments

€16,094,572 thousand (€9,698,937 thousand)

The following tables show:

a) amounts at the beginning and end of the period (showing the original cost and any accumulated revaluations and impairments) for the investment held by the Company, classified by category, and the related changes during the year;
b) details of investments, showing, as well as other information, percentage interest and the relevant carrying amount as at 31 December 2018 (net of any unpaid, called-up issued capital).

€000	31 December 2017			CHANGES DURING THE YEAR							31 December 2018		
				Cost						Impairments			
	Cost	Accumulated (impairments)	Carrying amount	New acquisitions and additions for consideration	Sales	Decrease due to distribution of reserves	(Decreases)/ Increases due to share-based payment plans	Currency translation differences	Other increases/ decreases	(Decreases)/ Increases due to changes in fair value recognised in other comprehensive income	Cost	Accumulated (impairments)	Carrying amount
Autostrade per l'Italia SpA	5,332,940	-	5,332,940	-	-	-	-191	-	-	-	5,332,749	-	5,332,749
Abertis HoldCo SA	-	-	-	3,458,939	-	-75,264	-	-	-	-	3,383,675	-	3,383,675
Aeroporti di Roma SpA	2,912,704	-	2,912,704	-	-	-	-197	-	-	-	2,912,507	-	2,912,507
Aero 1 Global & International Sà rl	-	-	-	1,056,129	-	-25,451	-	-	-	-	1,030,678	-	1,030,678
Autostrade dell'Atlantico Srl	754,584	-	754,584	-	-	-	-	-	-	-	754,584	-	754,584
Azzurra Aeroporti SpA	353,063	-	353,063	-	-	-	-	-	-	-	353,063	-	353,063
Stalexport Autostrady SA	104,843	-	104,843	-	-	-	-	-	-	-	104,843	-	104,843
Telepass SpA	26,630	-	26,630	-	-	-	-97	-	-	-	26,533	-	26,533
Pavimental SpA	28,798	-9,265	19,533	-	-	-	3	-	-	-	28,801	-9,265	19,536
Fiumicino Energia Srl	7,673	-	7,673	-	-	-	-	-	-	-	7,673	-	7,673
Spea Engineering SpA	3,734	-	3,734	-	-	-	-	-	-	-	3,734	-	3,734
Autostrade Indian Infrastructure Development Private Limited	486	-	486		-	-	-	-	-	-	486	-	486
Domino Srl	13	-	13	-	-	-	-	-	8	-	21	-	21
Gemina Fiduciary Service SA [1]	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments in subsidiaries (A)	**9,525,468**	**-9,265**	**9,516,203**	**4,515,068**	**-**	**-100,715**	**-482**	**-**	**8**	**-**	**13,939,347**	**-9,265**	**13,930,082**
Aeroporto Guglielmo Marconi di Bologna SpA	164,516	-	164,516	-	-	-	-	-	-	-	164,516	-	164,516
Investments in associates (B)	**164,516**	**-**	**164,516**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**164,516**	**-**	**164,516**
Pune Solapur Expressways Private Limited	16,364	-	16,364	-	-	-	-	13	-	-	16,377	-	16,377
Investments in joint ventures (C)	**16,364**	**-**	**16,364**	**-**	**-**	**-**	**-**	**13**	**-**	**-**	**16,377**	**-**	**16,377**
Hochtief Aktiengesellschaft	-	-	-	2,410,652	-	-	-	-	-	-427,055	2,410,652	-427,055	1,983,597
Compagnia Aerea Italiana SpA	175,867	-175,867	-	-	-	-	-	-	-	-	175,867	-175,867	-
Firenze Parcheggi SpA	2,582	-728	1,854	-	-1,854	-	-	-	-	-	728	-728	-
Emittente Titoli SpA (in liquidation) [2]	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments in other companies (D)	**178,449**	**-176,595**	**1,854**	**2,410,652**	**-1,854**	**-**	**-**	**-**	**-**	**-427,055**	**2,587,247**	**-603,650**	**1,983,597**
Total investments (A+B+C+D+)	**9,884,797**	**-185,860**	**9,698,937**	**6,925,720**	**-1,854**	**-100,715**	**-482**	**13**	**8**	**-427,055**	**16,707,487**	**-612,915**	**16,094,572**

Name	Registered office	Number of shares/units	Par value		Capital/Consortium fund		Interest (%)	Number of shares/units held	Profit/(Loss) for 2018 (€000) (1)	Equity as at 31 December 2018 (€000)(1)	Carrying amount as at 31 December 2018 (€000)
Autostrade per l'Italia SpA	Rome	622,027,000	euro	1.00	euro	622,027,000	88.06%	547,776,698	618,412	2,099,788	5,332,749
Abertis HoldCo SA	Madrid (Spain)	33,353,330	euro	3.00	euro	100,059,990	50% +1 azione	16,676,666	-28,304	6,730,491	3,383,675
Aeroporti di Roma SpA	Fiumicino	62,224,743	euro	1.00	euro	62,224,743	99.38%	61,841,539	245,164	1,098,459	2,912,507
Aero 1 Global & International Sà rl	Luxembourg	667,086,173	euro	0.01	euro	6,670,862	100.00%	667,086,173	25,459	674,761	1,030,678
Autostrade dell'Atlantico Srl	Rome	1,000,000	euro	1.00	euro	1,000,000	100.00%	1,000,000	62,830	181,336	754,584
Azzurra Aeroporti SpA	Rome	3,221,234	euro	1.00	euro	3,221,234	52.69%	1,697,408	43,790	706,579	353,063
Stalexport Autostrady SA	Myslowice (Poland)	247,262,023	zloty	0.75	zloty	185,446,517	61.20%	151,323,463	1,040	81,243	104,843
Telepass SpA	Rome	26,000,000	euro	1.00	euro	26,000,000	100.00%	26,000,000	68,220	118,726	26,533
Pavimental SpA	Rome	77,818,865	euro	0.13	euro	10,116,452	59.40%	46,223,290	-16,205	15,011	19,536
Fiumicino Energia Srl	Fiumicino	741,795	euro	1.00	euro	741,795	87.14%	646,387	309	11,962	7,673
Spea Engineering SpA	Rome	1,350,000	euro	5.16	euro	6,966,000	60.00%	810,000	-3,388	78,211	3,734
Autostrade Indian Infrastructure Development Private Limited	Mumbai (Maharashtra)	10,000	rupia	50.00	rupia	500,000	99.99%	9,999	-143 (2)	868 (2)	486
Domino Srl	Rome	1	euro	-	euro	10,000	100.00%	1	-2	8	21
Gemina Fiduciary Services SA	Luxembourg	17,647	euro	-	euro	150,000	99.99%	17,647	-43 (3)	-156 (3)	-
Investments in subsidiaries (A)											**13,930,082**
Aeroporto Guglielmo Marconi di Bologna SpA	Bologna	36,125,665	euro	2.50	euro	90,314,162	29.38%	10,613,628	14,909 (3)	167,220 (3)	164,516
Investments in associates (B)											**164,516**
Pune Solapur Expressways Private Ltd.	Patas - District Pune - Maharashtra (India)	10,000,000	rupia	10.00	rupia	100,000,000	50.00%	5,000,000	-2,663 (2)	6,900 (2)	16,377
Investments in joint ventures (C)											**16,377**
Hochtief Aktiengesellschaft	Ellen (Germany)	70,646,707	euro	2.56	euro	180,855,570	23.86%	16,852,995	351,821	2,754,778	1,983,597
Compagnia Aerea Italiana SpA	Fiumicino	82,769,810,125	euro	-	euro	3,526,846	6.52%	5,396,768,051	667 (3)	6,530 (3)	-
Investments in other companies (C)											**1,983,597**
Investments (A+B+C+D)											**16,094,572**

(1) The figures have been taken from the latest financial statements approved by the boards of directors of each company.

(2) These figures have been taken from the latest financial statements approved by the board of directors (as at 31 December 2018).

(3) The figures have been taken from the latest financial statements approved by shareholders (31 December 2017).

The balance of this item is up €6,395,635 thousand compared with 31 December 2017, broadly due to:

a) the subscription, as part of the transaction described in note 4.2, for shares representing 50% + 1 share of Abertis HoldCo for a total of €3,458,939 thousand (including directly attributable costs of €4,278 thousand), partially offset by this company's distribution of reserves, totalling €75,264 thousand, timed to coincide with completion of the transaction;
b) the acquisition, as described in note 4.3, of a 23.86% interest in Hochtief for a total consideration of €2,410,652 thousand, and the subsequent reduction of €427,055 thousand, linked to fair value measurement of the investment, with the resulting loss recognised in other comprehensive income. The fair value measurement of the investment in Hochtief was based on the closing price (€117.7) of the shares on the Frankfurt Stock Exchange on 28 December 2018;
c) the investment of €1,056,129 thousand, described above in note 4.1, linked to the acquisition of Aero 1. This company is an investment vehicle that holds a 15.49% interest (and 26.64% of the voting rights as at 31 December 2018) in Getlink, partially offset by Aero 1's distribution of reserves, totalling €25,451 thousand.

With regard to the investments in other companies held as at 1 January 2018, following the introduction of IFRS 9 and bearing in mind their specific nature (and the purposes for which Atlantia holds the investments), they have been irrevocably designated, pursuant to the standard, as financial instruments to be recognised at fair value through other comprehensive income.

Impairment tests have also been conducted on the carrying amounts of investments as at 31 December 2018:

a) that included goodwill, or
b) for which there is evidence of a potential impairment.

There was no evidence of potential reversals of impairment losses on investments recognised in previous years.

As regards point a), the carrying amounts of the investments in the following companies have been tested for impairment:

1) Autostrade per l'Italia;
2) Azzurra Aeroporti (which holds a 64% interest in Aéroports de la Côte d'Azur);
3) Abertis HoldCo (which holds a 100% in Abertis Participaciones, which in turn holds a 98.7% interest in Abertis Infraestructuras, as described in note 4.2).

In the case of the operators, Autostrade per l'Italia and Aéroports de la Côte d'Azur, value in use was determined by using the operators' long-term business plans, prepared by the respective companies, containing projections for traffic, investment, costs and revenues through to the end of the related concession terms. Use of long-term plans covering the entirety of the companies' concession terms is deemed more appropriate than the approach provisionally suggested by IAS 36 (a limited explicit projection period and the estimated terminal value), given the intrinsic nature of the concession arrangements, above all with regard to the regulations governing the sector and the predetermined duration of the arrangements.

In the case of Autostrade per l'Italia, the following key assumptions forming the basis of the company's long-term business plan were used in order to conduct the impairment test and estimate value in use, also bearing in mind the regulatory framework for the related concession:

a) an annual average rate of traffic growth (CAGR) of 1.19%;
b) an average annual toll increase of 2.75%, including an average annual toll increase of 1.44% to take account of the significant volume of capital expenditure to be carried out over the life of the long-term plan, in addition to the average annual toll increase linked to inflation, amounting to 1.31%;

c) a discount rate of 6.06% (determined on the basis of the requirements of IAS 36).

In terms of Aéroports de la Côte d'Azur, a discount rate of 4.57% was used to discount the operating cash flows indicated in the long-term plan, prepared on the basis of the regulatory framework for the related concession and based on expectations of moderate revenue growth.

Both the cash flows and the parameters used to determine the discount rate were primarily based on publicly available information from external sources, integrated, where appropriate, by estimates based also on historical data.
The impairment tests confirmed that the carrying amounts of the investments in Autostrade per l'Italia and in Azzurra Aeroporti are fully recoverable.

In addition to the above impairment tests, sensitivity analyses were conducted on the recoverable values, increasing the above discount rate by 1% and reducing the average annual rate of traffic growth by 1%. The results of these analyses have not, in Autostrade per l'Italia's case, resulted in any material differences with respect to the outcomes of the above tests. In Azzurra Aeroporti's case, instead, the analysis indicated:
a) a potential impairment loss on the investment of €73 million in the event of a 1% increase in the discount rate;
b) a potential impairment loss on the investment of €60 million in the event of a 1% reduction in Aéroports de la Côte d'Azur's average annual rate of air traffic growth.

Determination of the recoverable amount of the investment in Abertis HoldCo was based on an estimate of fair value using observable market inputs, as determined by a leading financial institution commissioned by Atlantia, involving the computation of market multiples for comparable companies and comparable transactions. The Company's chosen form of impairment test, based fair value measurement, is permitted by IAS 36 and has been confirmed, for this type of transaction, by a specific independent expert opinion.
The computation of market multiples for comparable companies and comparable transactions was carried out on the basis of the ratio of Enterprise Value to EBITDA. Specifically:
a) for the market multiples, reference was made to the EBITDA for 2018 and the Enterprise Value (as at 31 October 2018 and the average for the 6 months preceding 31 October 2018) of a peer group of companies engaged in the construction and/or operation of infrastructure under concession;
b) for the recent transaction multiples, reference was made to the ratio observed in transactions during the period 2008-2019, with targets engaged in the management of motorway concessions and in countries in which the Abertis group is present.
The resulting fair values are higher than the carrying amount of the investment in Abertis HoldCo.
The identified fair values qualify for level 2 of the fair value hierarchy established by IFRS 13.

Further confirmation of the result of the above tests is provided by the observance of fair values in level 1 during 2018, in line with the price of €18.36 per share paid by Abertis Participaciones on 29 October 2018 in order to acquire 98.7% of Abertis's shares:
1) at the time of the launch of Hochtief's public tender offer for Abertis (originally launched independently by Hochtief in 2017) concluded on 14 May 2018 (with the acquisition of 85.6% the issued capital at a price of €18.36 per share);
2) in subsequent purchases in the market between 15 May 2018 and 20 June 2018 by Hochtief at prices within a range of €18.285 and €18.36 per share (acquiring a further 8.63% of the issued capital);
3) in the subsequent delisting of Abertis at a price of €18.36 per share between 21 June 2018 and 27 July 2018 (acquiring a further 3.06% in the market); and, finally
4) in later purchases by Hochtief before 29 October 2018, making up the remaining 0.95% interest at a price of €18.36 per share.
As regards investments where there is evidence of potential impairment losses, the recoverable value of the carrying amounts of the following interests was computed:

a) Pavimental;
b) Aero 1;
c) Aeroporto Guglielmo Marconi.

In terms of the method used in carrying out the impairment test for Pavimental, which essentially provides support services to the Atlantia Group's operators (with regard to their construction and maintenance activities), it was also considered appropriate to estimate value in use on the basis of the same period covered by the long-term plans of the operators to which it provides its services or until 2044, without estimating the terminal value.
The projected after-tax cash flows for the subsidiary's long-term plan were discounted to present value using the discount rate of 6.73%, determined on the basis of the requirements of IAS 36.

The impairment test for Aero 1 was conducted using the Dividend Discount Model, based on the related long-term plans (including the estimated dividends to be paid by the investee, Getlink), applying a discount rate of 7.50%.

The impairment test for Aeroporto Guglielmo Marconi was conducted using the Dividend Discount Model, based on the related long-term plan and applying a discount rate of 6.23%.

The impairment tests confirmed that the carrying amounts of the investments in the above companies are fully recoverable.

In addition to the above tests, sensitivity analyses were conducted on the recoverable values, increasing the indicated discount rates by 1%.
The results of the analysis showed:
a) a potential impairment loss on the investment in Pavimental of €4 million;
b) a potential impairment loss on the investment in Aero 1 of €66 million;
c) a potential impairment loss on the investment in Aeroporto Guglielmo Marconi of €24 million.

With regard to the investment in Compagnia Aerea Italiana, the full value of the investment was written off in the consolidated financial statements as at and for the year ended 31 December 2017, in view of the entry into extraordinary administration, from 2 May 2017, of its subsidiary, Alitalia-Società Aerea Italiana SpA. This was due to the serious operating and financial difficulties faced by the company, the withdrawal of financial support by its shareholders and the impossibility of rapidly finding alternative solutions. Atlantia does not have a legal or constructive obligation to the investee.

With regard to the investments in Aeroporti di Roma, Autostrade dell'Atlantico, Stalexport Autostrady and Pune Solapur Expressways, the carrying amounts are higher than the matching share of equity. This difference does not represent an indication of a potential impairment of the value of the investments, which is fully recoverable, taking into account:
a) in the case of Aeroporti di Roma, Autostrade dell'Atlantico and Pune Solapur Expressways, the estimated present value of the net operating cash flows of the companies and their respective subsidiaries, if present;
b) in the case of Stalexport Autostrady, the market price of the shares on the Warsaw Stock Exchange, which is higher than the average price paid in order to acquire the investment.

5.4 Financial assets

(non-current) €604,214 thousand (€617,504 thousand)
(current) €19,712 thousand (€1,009,972 thousand)

Medium/long-term financial assets

(non-current) €604,214 thousand (€617,504 thousand)
(current) €1,097 thousand (€1,000,801 thousand)

The following tables provide details of medium/long-term financial assets, showing:

a) the composition of the balance (the current and non-current portions) and the corresponding face value and maturity, including details of loans to subsidiaries:

€000	MATURITY	31 December 2018						31 December 2017			
				OF WHICH		TERM				OF WHICH	
		FACE VALUE	CARRYING AMOUNT	CURRENT PORTION	NON-CURRENT PORTION	*BETWEEN 13 AND 60 MONTHS*	*AFTER 60 MONTHS*	FACE VALUE	CARRYING AMOUNT	CURRENT PORTION	NON-CURRENT PORTION
Autostrade per l'Italia loan issued 2012	2018	-	-	-	-	-		1,000,000	996,256	996,256	-
Autostrade dell'Atlantico loan issued 2017	2022	290,000	266,322	-	266,322	266,322	-	290,000	258,940	-	258,940
Loans to subsidiaries (1)		290,000	266,322	-	266,322	266,322	-	**1,290,000**	**1,255,196**	**996,256**	**258,940**
Bonds held (1)(2) A	2023	286,682	271,885	-	271,885	271,885	-	**286,682**	**281,263**	-	**281,263**
Derivative assets (3) B			56,185	-	56,185	56,185	-		**53,321**	-	**53,321**
Accrued income on medium/long-term financial assets (1) C			804	804	-	-	-		**4,254**	**4,254**	-
Other loans and receivables (1) D			1,503	217	1,286	1,286	-		**1,490**	**215**	**1,275**
Other medium/long-term financial assets (1) E			8,612	76	8,536	8,536	-		**22,781**	**76**	**22,705**
Medium/long-term financial assets (1) F=A+B+C+D+E		576,682	605,311	1,097	604,214	604,214	-	**1,576,682**	**1,618,305**	**1,000,801**	**617,504**

(1) These assets are classified as "financial assets measured at amortised cost" in accordance with IFRS 9.
(2) As at 31 December 2018, the Company has entered into interest rate and currency hedges with notional values and maturities matching those of the underlying instrument, and classified as cash flow hedges in accordance with IAS 39. These instruments are included in "Derivative
(3) These derivative financial instruments are accounted for in accordance with IFRS 9 and as cash flow hedges in level 2 of the fair value hierarchy.

b) the type of interest rate applied, the maturity date and fair value:

€000	31 December 2018		31 December 2017	
	CARRYING AMOUNT (1)	FAIR VALUE (2)	CARRYING AMOUNT (1)	FAIR VALUE (2)
Autostrade per l'Italia loan issued 2012	-	-	996,256	1,035,960
Autostrade dell'Atlantico loan issued 2017	266,322	290,659	258,940	287,962
Loans to subsidiaries (fixed rate)	**266,322**	**290,659**	**1,255,196**	**1,323,922**
Bonds held (fixed rate)	**271,885**	**267,588**	**281,263**	**279,507**
Non-current derivative assets	**56,185**	**56,185**	**53,321**	**53,321**
Accrued income on medium/long-term financial assets	**804**	**804**	**4,254**	**4,254**
Other loans and receivables	**1,503**	**1,503**	**1,490**	**1,490**
Other medium/long-term financial assets	**8,612**	**8,612**	**22,781**	**22,781**
Medium/long-term financial assets	**605,311**	**625,351**	**1,618,305**	**1,685,275**

(1) The value of medium/long-term financial assets shown in the table includes both the non-current and current portions.
(2) The fair value shown is classified in level 2 of the fair value hierarchy.

Details of the criteria applied in determining the fair values shown in the table are provided in note 3, "Accounting standards and policies applied".

c) a comparison of the face value and the related carrying amount of loans to subsidiaries and bonds held, indicating the related currency and showing the corresponding average and effective interest rates:

€000	31 December 2018				31 December 2017	
	FACE VALUE	CARRYING AMOUNT	AVERAGE INTEREST RATE APPLIED TO 31 DECEMBER 2018 (1)	EFFECTIVE INTEREST RATE AS AT 31 DECEMBER 2018	FACE VALUE	CARRYING AMOUNT
Loans to subsidiaries (€) - Autostrade per l'Italia	-	-	3.93%	4.30%	1,000,000	996,256
Loans to subsidiaries (€) - Autostrade dell'Atlantico	290,000	266,322	2.85%	2.85%	290,000	258,940
Loans to subsidiaries (€)	**290,000**	**266,322**			**1,290,000**	**1,255,196**
Bonds held (sterling)	**286,682**	**271,885**	**4.26%**	**1.52%**	**286,682**	**281,263**

d) changes in the carrying amounts of loans to subsidiaries and bonds held during the period:

€000	CARRYING AMOUNT AS AT 31 DECEMBER 2017 (1)	REPAYMENTS RECEIVED	CUREENCY TRANSLATION DIFFERENCES AND OTHER CHANGES	CARRYING AMOUNT AS AT 31 DECEMBER 2018 (1)
Loans to subsidiaries	1,255,196	-1,000,000	11,126	266,322
Bonds held	281,263	-	-9,378 (2)	271,885

(1) The loans shown in the table include both the non-current and current portions.
(2) This item includes the accrued portion of the premium paid in 2015 to the then bondholders of Romulus Finance, amounting to €7,403 thousand, and the negative effect of translation differences, amounting to €1,975 thousand.

Medium/long-term financial assets, totalling €605,311 thousand, are down €1,012,994 thousand compared with 31 December 2017, primarily reflecting Autostrade per l'Italia's repayment of the loan of €1,000,000 thousand granted by the company in 2012.

The following information regards the most significant items:

a) bonds held consist of the investment, in 2015, of liquidity in the sterling-denominated notes initially issued by the vehicle company, Romulus Finance (£214,725 thousand as at 31 December 2018) maturing in 2023, and transferred to Aeroporti di Roma in 2016;
b) non-current derivative assets entered into to hedge the interest rate and currency risks associated with the foreign currency loans and receivables referred to in point a).

More detailed information on financial risks and the manner in which they are managed, in addition to details of outstanding financial instruments held by the Company, is contained in note 7.2, "Financial risk management.

Short-term financial assets

€18,615 thousand (€9,171 thousand)

The following two tables include details of short-term financial assets, showing the composition of the balance.

€000	31 December 2018	31 December 2017
Other current financial assets (1)	16,934	8,643
Derivative assets (2)	1,681	528
Short-term financial assets	**18,615**	**9,171**

(1) These assets are classified as "financial assets measured at amortised cost" in accordance with IFRS 9.

(2) These derivative financial instruments are accounted for in accordance with IFRS 9 and are classified as non-hedging derivatives and in level 2 of the fair value hierarchy.

Other current financial assets are up €9,444 thousand, essentially due to:

a) the recognition of dividends declared by investees (€4,050 thousand) and not yet received as at 31 December 2018;
b) the recognition of amounts due from Autostrade dell'Atlantico as differentials on derivatives, yet to be settled as at 31 December 2018 (€4,213 thousand).

No evidence of impairment was found in 2018 for any of the financial assets reported in the financial statements.

5.13 Net deferred tax assets and net deferred tax liabilities

Net deferred tax assets - €9,046 thousand (-)
Net deferred tax liabilities - (€13,285 thousand)

The following tables show deferred tax assets, after offsetting against deferred tax liabilities.

€000	31 December 2018	31 December 2017
Deferred tax assets (IRES)	20,582	607
Deferred tax assets (IRAP)	3,394	2
Deferred tax assets	**23,976**	**609**
Deferred tax liabilities (IRES)	14,374	13,414
Deferred tax liabilities (IRAP)	556	480
Deferred tax liabilities	**14,930**	**13,894**
Deferred tax assets/ (Deferred tax liabilities), net	**9,046**	**-13,285**

The nature of the temporary differences giving rise to deferred tax assets and liabilities and changes during the year are summarised in the following table.

€000		CHANGES DURING THE YEAR				
	31 December 2017	Provisions	Releases	Provisions/ (releases) recognised in other comprehensive income	Change in estimates for previous years	31 December 2018
Derivative liabilities	-	-	-	18,007	-	18,007
Tax effect of (losses)/gains on fair value measurement of investments	-	-	-	5,124	-	5,124
Other temporary differences	609	435	-199	-	-	845
Deferred tax assets	**609**	**435**	**-199**	**23,131**	**-**	**23,976**
Derivative assets	2,558	-	-	265	-	2,823
Difference between carrying amounts and fair values of assets and liabilities acquired through business combinations (the merger with Gemina with effect from 1 December 2013)	11,001	-	-	-	-	11,001
Other temporary differences	335	772	-	-	-1	1,106
Deferred tax liabilities	**13,894**	**772**	**-**	**265**	**-1**	**14,930**
Deferred tax assets/ (Deferred tax liabilities), net	**-13,285**	**-337**	**-199**	**22,866**	**1**	**9,046**

The change compared with 31 December 2017 broadly reflects the recognition of fair value losses on outstanding hedges as at 31 December 2018.

5.6 Other non-current assets

€91 thousand (€31,913 thousand)

In 2017, this item primarily consisted of the cost of external consultants (€31,760 thousand) linked to Atlantia's public tender offer, announced in May 2017. These charges, deferred as at 31 December 2017 in other non-current assets on the assumption that the offer would be successful, were then recognised in the Company's income statement in 2018 following its withdrawal of the offer and the agreement regarding a joint investment with ACS and Hochtief. Further details are provided in note 4.2.

5.7 Trading assets

€13,715 thousand (€9,569 thousand)

This item, which primarily regards trade receivables due from Atlantia Group companies, is up €4,146 thousand compared with 31 December 2017. This primarily reflects an increase in the amount due from subsidiaries for seconded staff.

The carrying amount of trade receivables approximates to fair value.

5.8 Cash and cash equivalents

€281,267 thousand (€3,093,378 thousand)

This item includes:

a) bank deposits and cash equivalents of €218.069 thousand (€3,085,930 thousand as at 31 December 2017);
b) the balance receivable on intercompany current accounts with certain subsidiaries totals €63,198 thousand (€7,448 thousand as at 31 December 2017, solely attributable to Autostrade per l'Italia), including €60,000 thousand due from Autostrade dell'Atlantico.

The overall decrease in cash and cash equivalents substantially reflects outflows relating to the part of the cost of purchasing the investments in Abertis HoldCo, Hochtief and Aero I not funded with debt, as described in note 5.3.
Details of the cash flows resulting in the reduction in cash and cash equivalents during 2018 are provided in note 7.1, "Notes to the statement of cash flows".

5.9 Current tax assets and liabilities

Current tax assets €116,983 thousand (€120,225 thousand)
Current tax liabilities €46,065 thousand (€151,641 thousand)

Current tax assets and liabilities at the beginning and end of the period are detailed below.

€000	Current tax assets		Current tax liabilities	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
IRAP on taxable income	630	630	-	-
IRAP on taxable income for previous years	-	-	-	131
IRAP	**630**	**630**	**-**	**131**
Atlantia SpA's IRES on taxable income	58,791	-	-	40,130
Atlantia SpA's IRES on taxable income for previous years	2,598	-	-	684
Atlantia SpA's claims for IRES refunds	113	113	-	-
IRES attributable to Atlantia SpA	**61,502**	**113**	**-**	**40,814**
IRES on taxable income for companies participating in the tax consolidation arrangement	-21,287	-	-	58,982
Claims for IRES refunds for companies participating in the tax consolidation arrangement	23,321	23,321	-	-
Other refundable IRES for companies participating in the tax consolidation arrangement	44	64	-	-
IRES attributable to companies participating in the tax consolidation arrangement	**2,078**	**23,385**	**-**	**58,982**
Claims for IRES refunds for former Gemina companies (1)	7,625	7,625	-	-
Claims for IRES refunds for other companies	697	697	-	-
Other IRES credits	**8,322**	**8,322**	**-**	**-**
IRES	**71,902**	**31,820**	**-**	**99,796**
Relations with companies participating in tax consolidation arrangement for IRES on taxable income	43,987	87,311	22,700	28,329
Relations with companies participating in tax consolidation arrangement for claims for IRES refunds	-	-	23,321	23,321
Relations with companies participating in tax consolidation arrangement for other refundable IRES	-	-	44	64
Relations with companies participating in tax consolidation arrangement	**43,987**	**87,311**	**46,065**	**51,714**
Other taxation for previous years	**464**	**464**	**-**	**-**
Total	**116,983**	**120,225**	**46,065**	**151,641**

(1) This item regards the claim for an IRES refund transferred from Gemina, which merged with Atlantia on 1 December 2013. It derives from the claims of companies included in the former group's tax consolidation arrangement through to the effctive date of the merger (the matching payable due to these companies is recognised in other current liabilities).

Based on Legislative Decree 344/2003 and articles 117 *et seq.* of Presidential Decree 917/1986, Atlantia has elected for group taxation for the purposes of IRES (tax consolidation arrangement). The arrangement includes:

a) the direct subsidiaries Autostrade per l'Italia, Aeroporti di Roma, Telepass, Pavimental, Spea Engineering, Autostrade dell'Atlantico and Azzurra Aeroporti;
b) the indirect subsidiaries (through Autostrade per l'Italia), Tangenziale di Napoli, Società Autostrada Tirrenica, EsseDiEsse Società di Servizi, AD Moving, Autostrade Meridionali, Autostrade dell'Atlantico, Giove Clear and Autostrade Tech, and the indirect subsidiaries (through Aeroporti di Roma), ADR Assistance, ADR Tel, ADR Security and ADR Mobility, the indirect subsidiary (through Telepass) Telepass Pay, Telepass Broker and Infoblu, and the indirect subsidiary (through Autostrade dell'Atlantico), Autostrade Portugal.

As a result, Atlantia recognises the following items in its current tax assets and liabilities:

a) current tax assets and liabilities for IRES attributable to the companies included in the arrangement;
b) matching receivables or payables due from or to the subsidiaries, in connection with the transfer of funds as a result of the tax consolidation.

The increase in net current tax assets, compared with 31 December 2017, amounts to €102,334 thousand and essentially reflects the tax benefit resulting from the tax loss for the year (recoverable in 2019 within the tax consolidation arrangement), as well as settlement of the final amount due for 2017 and of the payment on account for 2018 (totalling €56,744 thousand).

5.10 Other current assets

€1,110 thousand (€1,135 thousand)

This item primarily consists of premiums paid in advance on insurance policies taken out by the Company and withholding tax paid. The figure is broadly in line with 2017.

5.11 Equity

€11,202,726 thousand (€11,502,862 thousand)

Atlantia SpA's issued capital as at 31 December 2018 is fully subscribed and paid-in and consists of 825,783,990 ordinary shares with a par value of €1 each, amounting to €825,784 thousand. The issued capital did not undergo any changes in 2018.

Details of the number of shares outstanding as at 31 December 2018, compared with 31 December 2017, are shown below.

	31/12/2018	31/12/2017
Numero di azioni emesse	825,783,990	825,783,990
Numero di azioni proprie in portafoglio	-7,819,488	-7,982,277
Numero di azioni in circolazione	**817,964,502**	**817,801,713**

The increase in the number of shares outstanding, and the accompanying reduction in treasury shares, reflects the impact of the conversion of share grants and the exercise of share options (in return for payment of an exercise price of €935 thousand) by the beneficiaries of share-based incentive plans (as described in note 8.3, "Disclosures regarding share-based payments").

Equity is down €300,136 thousand compared with 31 December 2017. The changes, which are shown in detail in the statement of changes in equity included in the financial statements, primarily reflect a combination of the following:

a) payment of the final dividend for 2017 (€531,607 thousand, equal to €0.65 per share);
b) comprehensive income for the year (€230,536 thousand) which, compared with the figure for profit for the year (€694,721 thousand), reflects fair value losses on the investment in Hochtief (€421,931 thousand, after the related taxation).

Atlantia manages its capital with a view to creating value for shareholders, ensuring the Group can function as a going concern, safeguarding the interests of stakeholders, and providing efficient access to external sources of financing to adequately support the growth of the Atlantia Group's businesses.

The table below shows an analysis of issued capital and equity reserves as at 31 December 2018, showing their permitted uses and distributable amounts.

Description	Equity as at 31 December 2018 (€000)		Permitted uses (A, B, C, D)*	Available portion (€000)	Uses between 1 January 2015 and 31 December 2017 (ex art. 2427, 7 bis, c.c.)	
					To cover losses	For other reasons
Issued capital	**825,784**	(1)	B	-	-	-
Share premium reserve	154		A, B, C	154	-	-
Legal reserve	261,410	(2)	A, B	96,253	-	-
Extraordinary reserve	5,022,976		A, B, C	5,022,976	-	-
Merger reserve	2,987,182	(3)	A, B, C	2,987,182	-	-
Cash flow hedge reserve	-36,159		-	-	-	-
Reserve for gains/(losses) on fair value measurement of investments	-421,931		-	-	-	-
Reserve for actuarial gains and losses on post-employment benefits	-500		-	-500	-	-
Restricted reserve for Contingent Value Rights	18,456		A, B, D	-	-	-
Other reserves	64,549	(4)	A, B, C	64,549	-	-
Retained earnings	1,952,930		A, B, C	1,952,930	-	-
Reserves and retained earnings	**9,849,067**			**10,123,544**	-	-
Treasury shares	**-166,846**	(5)		**-166,846**		
Total	**10,508,005**			**9,956,698**	-	-
of which:						
Non-distributable				-		
Distributable				*9,956,698*		

*** Key:**

A: capital increases

B: to cover losses

C: shareholder distributions

D: subject to other restrictions imposed by articles of association/shareholder resolutions

Notes

(1) Of which €730,643 thousand related to capital increases resulting from mergers of companies with and into the Company:

a) €566,687 thousand relating to the merger of Autostrade-Concessioni e Costruzioni Autostrade SpA with and into the former NewCo28 SpA (now Atlantia) 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:

i) revaluation reserve pursuant to Law 72/1983, amounting to €556,960 thousand;

ii) revaluation reserve pursuant to Law 413/1991, amounting to €6,807 thousand;

iii) revaluation reserve pursuant to Law 342/2000, amounting to €2,920 thousand.

b) €163,956 thousand relating to the merger of Gemina SpA in 2013.

(2) €96,253 thousand of which being the excess over one fifth of the issued capital.

(3) With reference to art. 172, paragraph 5 of the Consolidated Income Tax Act, the merger surplus of €448,999 thousand generated by the merger in 2003 described in note (1) is restricted to and accounted for in the following reserves that are taxable on distribution:

a) reserve for capital contributions, amounting to €8,113 thousand;

b) revaluation reserve pursuant to Law 72/1983, amounting to €368,840 thousand;

c) revaluation reserve pursuant to Law 413/1991, amounting to €50,416 thousand;

d) revaluation reserve pursuant to Law 342/2000, amounting to €21,630 thousand.

(4) This item includes:

a) €64,430 thousand recognised in equity following the sale of treasury shares in the market in 2015 and the exercise and conversion of a number of options and units granted under the Company's share-based incentive plans;

b) €127 thousand relating to the "Reserve for share-based incentive pans";

c) €8 thousand relating to the "IFRS transition reserve".

(5) Pursuant to art. 2357 of the Italian Civil Code, the Annual General Meeting of shareholders held on 20 April 2018 authorised the purchase of treasury share with a value of up to €2,100,000,000. If the Board of Directors decides to purchase own shares in order to reduce the issued capital by cancelling the shares purchased, the transactions will be funded from available equity reserves in the "Extraordinary reserve".

5.12 Provisions

(non-current) €627 thousand (€644 thousand)
(current) €1,583 thousand (€1,624 thousand)

Provisions for employee benefits

(non-current) €627 thousand (€644 thousand)
(current) €178 thousand (€157 thousand)

As at both 31 December 2018 and 31 December 2017, this item refers solely to provisions for post-employment benefits.
The most important actuarial assumptions used to measure the provision for post-employment benefits at 31 December 2018 are summarised below.

Ipotesi finanziarie	
Tasso annuo di attualizzazione (1)	1,13%
Tasso annuo di inflazione	1,50%
Tasso annuo incremento TFR	2,63%
Tasso annuo incremento salariale reale	0,65%
Tasso annuo di turnover	5,00%
Tasso annuo di erogazione anticipazioni	3,50%
Duration (anni)	6,7

(1) Si segnala che il tasso di annuo di attualizzazione utilizzato per la determinazione del valore attuale dell'obbligazione è stato determinato, coerentemente con il par. 83 dello IAS 19, con riferimento alla curva dei rendimenti medi che scaturisce dall'indice IBOXX Eurozone Corporates AA 7-10 con duration commisurata alla permanenza media del collettivo oggetto di valutazione al 31 dicembre 2018.

Ipotesi demografiche	
Mortalità	Tabella di mortalità RG48 pubblicate dalla Ragioneria Generale dello Stato
Inabilità	Tavole INPS distinte per età e sesso
Età pensionamento	Raggiungimento requisiti Assicurazione Generale Obbligatoria

The following table shows a sensitivity analysis for each actuarial assumption at the end of 2018, showing the impact on the defined benefit obligation of assumed changes in the individual rates used in the actuarial assumptions.

€000	Sensitivity analysis as at 31 December 2018					
	Change in assumption					
	turover rate		inflation rate		discount rate	
	+1%	-1%	+ 0,25%	-0,25%	+ 0,25%	-0,25%
Balance of provisions for employee benefits	803	808	813	798	794	818

Other provisions

(current) €1,405 thousand (€1,467 thousand)

This item, the balance of which is broadly in line with 31 December 2017, consists of provisions reflecting estimates of the liabilities expected to be incurred in connection with pending litigation and tax disputes at the end of the year.

5.13 Financial liabilities

(non-current) €5,042,097 thousand (€1,732,021 thousand)
(current) €801,981 thousand (€1,134,994 thousand)

Medium/long-term borrowings

(non-current) €5,042,097 thousand (€1,732,021 thousand)
(current) €718,382 thousand (€1,020,424 thousand)

The following tables provide an analysis of outstanding medium to long-term financial liabilities with respect to:

a) the composition of the carrying amount (current and non-current), the related face value and terms to maturity:

€000		MATURITY	31 December 2018						31 December 2017			
					OF WHICH		TERM				OF WHICH	
			FACE VALUE	CARRYING AMOUNT	CURRENT PORTION	NON-CURRENT PORTION	*BETWEEN 13 AND 60 MONTHS*	*AFTER 60 MONTHS*	FACE VALUE	CARRYING AMOUNT	CURRENT PORTION	NON-CURRENT PORTION
Bond issue (retail) 2012		2018	-	-	-	-	-	-	1,000,000	994,749	994,749	-
Bond issue 2017		2025	750,000	747,827	-	747,827	-	747,827	750,000	747,491	-	747,491
Bond issue 2017		2027	1,000,000	986,016	-	986,016	-	986,016	1,000,000	984,530	-	984,530
Bond issues	**(A)**		**1,750,000**	**1,733,843**	-	**1,733,843**	-	**1,733,843**	**2,750,000**	**2,726,770**	**994,749**	**1,732,021**
Borrowing (Term Loan 1) disbursed 2018		2022	1,500,000	1,490,666	-	1,490,666	1,490,666	-	-	-	-	-
Borrowing (Term Loan 2) disbursed 2018		2023	1,750,000	1,742,693	-	1,742,693	1,742,693	-	-	-	-	-
Borrowing (RCF) disbursed 2018		2019	675,000	671,834	671,834	-	-	-	-	-	-	-
Bank borrowings	**(B)**		**3,925,000**	**3,905,193**	671,834	**3,233,359**	**3,233,359**	-	-	-	-	-
Total bond issues and borrowings[(1)]	**(A+B)**		**5,675,000**	**5,639,036**	**671,834**	**4,967,202**	**3,233,359**	**1,733,843**	**2,750,000**	**2,726,770**	**994,749**	**1,732,021**
Derivative liabilities[(2)]	**(C)**			**74,895**	-	**74,895**	-	**74,895**		-	-	-
Accrued expenses on medium/long-term financial liabilities[(1)]	**(D)**			**46,548**	**46,548**	-	-	-		**25,675**	**25,675**	-
Medium/long-term financial liabilities	**(A+B+C+D)**		**5,675,000**	**5,760,479**	**718,382**	**5,042,097**	**3,233,359**	**1,808,738**	**2,750,000**	**2,752,445**	**1,020,424**	**1,732,021**

(1) These financial instruments are classified as financial liabilities measured at amortised cost, in accordance with IFRS 9.

(2) These derivative financial instruments are accounted for in accordance with IFRS 9 and as cash flow hedges in level 2 of the fair value hierarchy.

b) type of interest rate, maturity and fair value:

€000		31 December 2018		31 December 2017	
		CARRYING AMOUNT (1)	FAIR VALUE (2)	CARRYING AMOUNT (1)	FAIR VALUE (2)
Bond issue (retail) 2012		-	-	994,749	1,034,780
Bond issue 2017		747,827	658,395	747,491	769,373
Bond issue 2017		986,016	841,910	984,530	1,021,570
Bond issues	**(A)**	**1,733,843**	**1,500,305**	**2,726,770**	**2,825,723**
Borrowing (Term Loan 1) disbursed 2018		1,490,666	1,391,666	-	-
Borrowing (Term Loan 2) disbursed 2018		1,742,693	1,598,019	-	-
Borrowing (RCF) disbursed 2018		671,834	660,679	-	-
Bank borrowings (floating rate)	**(B)**	**3,905,193**	**3,650,364**	**-**	**-**
Total bond issues and borrowings(1)	**(A+B)**	**5,639,036**	**5,150,669**	**2,726,770**	**2,825,723**
Derivative liabilities	**(C)**	**74,895**	**74,895**	**-**	**-**
Accrued expenses on medium/long-term financial liabilities	**(D)**	**46,548**	**46,548**	**25,675**	**25,675**
Medium/long-term financial liabilities	**(A+B+C+D)**	**5,760,479**	**5,272,112**	**2,752,445**	**2,851,398**

(1) The medium/long-term financial liabilities shown in the table include both current and non-current portions.

(2) The fair value shown is classified in level 2 of the fair value hierarchy.

The methods of fair value measurement used are dealt with in note 3, "Accounting standards and policies applied";

c) a comparison of the par value of the liabilities and the carrying amount of bond issues and bank borrowings, showing the currency of issue, and the corresponding average and effective interest rates:

	31 December 2018				31 December 2017			
	FACE VALUE (1)	CARRYING AMOUNT (1)	AVERAGE INTEREST RATE APPLIED TO 31 DECEMBER 2018	EFFECTIVE INTEREST RATE AS AT 31 DECEMBER 2018	FACE VALUE (1)	CARRYING AMOUNT (1)	AVERAGE INTEREST RATE APPLIED TO 31 DECEMBER 2017	EFFECTIVE INTEREST RATE AS AT 31 DECEMBER 2017
(€)	1,750,000	1,733,843	2.30%	2.54%	2,750,000	2,726,770	2.67%	2.94%
Bond issues	**1,750,000**	**1,733,843**	**2.30%**	**2.54%**	**2,750,000**	**2,726,770**	**2.67%**	**2.94%**
(€)	3,925,000	3,905,193	0.51%	0.73%	-	-	-	-
Bank borrowings (€)	**3,925,000**	**3,905,193**	**0.51%**	**0.73%**	**-**	**-**	**0.00%**	**0.00%**

(1) Amounts in the table include both current and non-current portions.

d) movements during the period in the carrying amounts of outstanding bond issues and bank borrowings:

€000	CARRYING AMOUNT AS AT 31 DECEMBER 2017 (1)	ADDITIONS	REPAYMENTS	CUREENCY TRANSLATION DIFFERENCES AND OTHER CHANGES	CARRYING AMOUNT AS AT 31 DECEMBER 2018 (1)
Bond issues	2,726,770	-	1,000,000	7,073	1,733,843
Bank borrowings	-	3,903,136	-	2,057	3,905,193

(1) Amounts in the table include both the non-current and current portions.

The increase in medium/long-term financial liabilities, compared with 31 December 2017, amounting to €3,008,034 thousand, is primarily due to:

a) new Term Loans obtained in September 2018 (with a total face value of €3,250,000 thousand) and a Revolving Credit Facility (with a face value of €675,000 thousand) used to fund completion of the acquisition of control of Abertis, described in note 4.2;
b) redemption, at the end of November 2018, of the retail bonds issued in 2012 under the same terms and conditions applicable to the loan to Autostrade per l'Italia (€1,000,000 thousand).

The principal characteristics of the above borrowings are as follows:
a) Term Loan 1 with a face value of €1,500 million, repayable in tranches maturing between the first quarter of 2022 and the first quarter of 2023;
b) Term Loan 2 with a face value of €1,750 million, with a bullet repayment in the third quarter of 2023;
c) the Revolving Credit Facility of up to €1,250 million with a bullet repayment in the third quarter of 2023; this was agreed in July 2018 and with a partial drawdown in September 2018 of €675 million.

Atlantia's Euro Medium Term Note (EMTN) Programme launched in October 2016, and the terms and conditions of the bonds originally issued by Atlantia, with guarantees provided by Autostrade per l'Italia (for which the latter is the sole debtor as a result of the issuer substitution that took place on 22 December 2016), and which will continue to be guaranteed by Atlantia through to September 2025, include negative pledge provisions, in line with international practice. Under these provisions, it is not possible to create or maintain (unless required to do so by law) collateral guarantees on all or a part of any proprietary assets, with the exception of project debt. The method of determining the variables to use in computing the ratios is specified in detail in the relevant loan agreements. Breach of these covenants, at the relevant measurement dates, could constitute a default event and result in the lenders calling in the loans, requiring the early repayment of principal, interest and of further sums provided for in the agreements The two Term Loans, obtained specifically to cover the costs associated with the investment in Abertis, and the revolving credit facilities, obtained in July and October 2018 for general corporate purposes, require compliance, at consolidated level, with a number of financial covenants in line with market practice. These regard a minimum threshold for:
i) the ratio of Funds from Operations (FFO) to Total Net Debt;
ii) the debt service coverage ratio; and
ii) equity.
With regard to the financial commitments of the foreign project companies, the related debt does not envisage recourse to direct or indirect parents and is subject to covenants typical of international practice. The main commitments provide for a pledge on all the companies' assets and receivables in favour of their creditors.

"Non-current derivative liabilities" essentially include the measurement of the Forward-Starting Interest Rate Swaps entered into in June 2017 and March 2018 as at 31 December 2018. Further details are provided in note 7.2, "Financial risk management".

Short-term financial liabilities

€83,599 thousand (€114,570 thousand)

The composition of short-term financial liabilities is shown below.

€000	31 December 2018	31 December 2017
Balance payable on intercompany current accounts with related parties	1,574	-
Short-term borrowings	-	100,000
Other current financial liabilities	80,344	530
Current derivative liabilities	1,681	14,040
Short-term financial liabilities	**83,599**	**114,570**

This item is down €30,971 thousand compared with 31 December 2017, substantially due to a combination of the following:

a) the repayment of short-term bank borrowings obtained in 2017 (amounting to €100,000 thousand);
b) the unwinding, in October 2018, of fair value losses of €4,362 thousand (after the reduction of €9,149 thousand in losses in 2018) on Forward-Starting Interest Rate Swaps with a deal contingent hedge provision, connected with Atlantia's public tender offer. These swaps were entered into in June 2017 and recognised on a non-hedge accounting basis as at 31 December 2017 (fair value losses of €13,511 thousand);
c) the receipt of a deposit (maturing within twelve months) from the subsidiary, Telepass, amounting to €80,000 thousand.

The balance of "Current derivative liabilities" essentially refers to derivative financial instruments classified as non-hedge accounting. Further details are provided in note 7.2, "Financial risk management".

NET DEBT IN COMPLIANCE WITH ESMA RECOMMENDATION OF 20 MARCH 2013

An analysis of total net debt is shown below with amounts payable to and receivable from related parties, as required by CONSOB Ruling DEM/6064293 of 28 July 2006, in accordance with European Securities and Markets Authority - ESMA Recommendation of 20 March 2013 (which does not entail the deduction of non-current financial assets from net debt).

(€000)	NOTE	31 December 2018	*of which related party transactions*	31 December 2017	*of which related party transactions*
Cash		-218,069		-2,185,930	
Cash equivalents and intercompany current account receivables due from related parties		-63,198	*-63,198*	-907,448	*-507,448*
Cash and cash equivalents (A)	**5.8**	**-281,267**		**-3,093,378**	
Current financial assets (B)	**5.4**	**-19,712**	***-16,913***	**-1,009,972**	***-1,008,659***
Intercompany current account payables due to related parties		1,574	*1,574*	-	-
Short-term borrowings		-		100,000	
Current portion of medium/long-term financial liabilities		718,382		1,020,424	
Current derivative liabilities		1,681	*1,524*	-	-
Other financial liabilities		80,344	*80,092*	14,570	*528*
Current financial liabilities (C)	**5.13**	**801,981**		**1,134,994**	
Current net debt/(net funds) (D=A+B+C)		**501,002**		**-2,968,356**	
Medium/long-term borrowings		3,233,359		-	
Bond issues		1,733,843		1,732,021	
Non-current derivative liabilities		74,895		-	
Non-current financial liabilities (E)	**5.13**	**5,042,097**		**1,732,021**	
Net debt/(net funds) as defined by ESMA recommendation F= (D+E)		**5,543,099**		**-1,236,335**	
Non-current financial assets (G)	**5.4**	**-604,214**	***-538,207***	**-617,504**	***-540,203***
Net debt/(net funds) (H=F+G)		**4,938,885**		**-1,853,839**	

5.14 Other non-current liabilities

€2,583 thousand (€5,715 thousand)

Other non-current liabilities essentially regard the accrued amount payable in 2019 under staff incentive plans.

5.15 Trading liabilities

€23,906 thousand (€23,468 thousand)

Trade payables primarily regard amounts due to suppliers (€15,463 thousand) and amounts due to Atlantia Group companies (€8,443 thousand).

The carrying amount of trade payables approximates to fair value.

5.16 Other current liabilities

€25,803 thousand (€23,361 thousand)

Other current liabilities are up €2,442 thousand compared with 31 December 2017, primarily as a result of an increase in amounts payable to staff (including social security contributions) of €1,168 thousand, and increases in sundry taxes other than current income tax and in the other remaining payables, totalling €1,147 thousand.

6. NOTES TO THE INCOME STATEMENT

This section contains analyses income statement items. Negative components of the income statement are indicated with a minus sign in the headings and tables in the notes, whilst amounts for 2017 are shown in brackets.
Details of amounts in the income statement deriving from related party transactions are provided in note 8.2, "Related party transactions".

6.1 Operating revenue

€3,219 thousand (€2,876 thousand)

Operating revenue primarily regards rental income and cost recoveries received from subsidiaries. The item is up €343 thousand, primarily due to an increase (€661 thousand) in rental income and revenue from intra-group services.

6.2 Raw and consumable materials

-€119 thousand (-€51 thousand)

These costs relate primarily to purchases of office materials.

6.3 Service costs

-€62,489 thousand (-€22,414 thousand)

An analysis of service costs is provided below.

€000	2018	2017	INCREASE/ (DECREASE)
Professional services	-57,620	-18,505	-39,115
Advertising and promotions	-1,636	-1,347	-289
Remuneration of Statutory Auditors	-348	-323	-25
Insurance	-407	-252	-155
Other services	-2,478	-1,987	-491
Service costs	**-62,489**	**-22,414**	**-40,075**

The increase in this item primarily reflects the cost of external consultants, essentially connected with accrued expenses relating to the acquisition of control of Abertis (€44,162 thousand, including €26,117 thousand recognised in the Company's statement of financial position as at 31 December 2017 on the assumption that Atlantia's public tender offer would be successful, before its later withdrawal), as described in note 4.2. In 2017, the Company recognised the cost of external consultants engaged in the sale of a non-controlling interest in Autostrade per l'Italia (€12,223 thousand).

6.4 Staff costs

-€20,237 thousand (-€24,451 thousand)

An analysis of staff costs is provided below.

€000	2018	2017	INCREASE/ (DECREASE)
Wages and salaries	-16,589	-15,186	-1,403
Social security contributions	-4,169	-3,740	-429
Cost of share-based incentive plans	-517	-4,660	4,143
Post-employment benefits (including payments to supplementary pension funds or to INPS)	-1,104	-1,670	566
Directors' remuneration	-898	-730	-168
Recovery of cost of seconded staff	5,011	4,003	1,008
Other staff costs	-1,971	-2,468	497
Staff costs	**-20,237**	**-24,451**	**4,214**

The reduction in this item reflects a decrease, compared with 2017, in the fair value of the options and units awarded under staff incentive plans for the Company's employees and management. Details of share-based incentive plans or those payable in shares or cash, involving a number of the Company's Directors and employees, are provided in note 8.3, "Disclosures regarding share-based payments".

The following table presents the average workforce broken down by category.

Workforce	2018	2017	INCREASE/ (DECREASE)
Senior managers	37	33	4
Middle managers and administrative staff	85	63	22
Average workforce	**122**	**96**	**26**

6.5 Other operating costs

-€17,632 thousand (-€7,768 thousand)

The composition of this item and details of changes between the two comparative periods are shown in the following table.

€000	2018	2017	INCREASE/ (DECREASE)
Lease expense	**-1,126**	**-1,127**	**1**
Indirect taxes and duties	-15,672	-5,466	-10,206
Grants and donations	-214	-298	84
Other	-620	-877	257
Other costs	**-16,506**	**-6,641**	**-9,865**
Other operating costs	**-17,632**	**-7,768**	**-9,864**

The increase in this item primarily reflects the greater amount of non-deductible VAT (€9,914 thousand) on the fees paid to external consultants engaged in the acquisition of control of Abertis, referred to previously in note 6.3.

6.6 Financial income/(expenses)
€750,818 thousand (€2,824,182 thousand)

Financial income €959,879 thousand (€2,955,851 thousand)
Financial expenses -€208,724 thousand (-€131,115 thousand)
Foreign exchange gains/(losses) -€337 thousand (-€554 thousand)

An analysis of financial income and expenses and details of changes between the two comparative periods are shown below.

€000		2018	2017	INCREASE/ (DECREASE)
Dividends received from investees		861,300	1,799,809	-938,509
Gains from sale of investments		38	1,052,052	-1,052,014
Reversals of impairment losses on financial assets and investments		-	11,824	-11,824
Interest income		49,552	53,839	-4,287
Income from derivative financial instruments		30,291	16,564	13,727
Income from measurement of financial instruments at amortised cost		3,744	3,935	-191
Financial income accounted for as an increase in financial assets		7,382	8,469	-1,087
Other		7,572	9,359	-1,787
Other financial income		98,541	92,166	6,375
Total financial income (a)	(A)	959,879	2,955,851	-1,995,972
Financial expenses from discounting of provisions		-7	-6	-1
Impairment losses on financial assets and investments		-	-3,966	3,966
Interest expense		-72,288	-58,329	-13,959
Losses on derivative financial instruments		-61,437	-29,985	-31,452
Losses on measurement of financial instruments at amortised cost		-14,820	-12,568	-2,252
Other		-60,172	-26,231	-33,941
Other financial expenses		-208,717	-127,113	-81,604
Total financial expenses (b)	(B)	-208,724	-131,115	-77,609
Foreign exchange gains/(losses)(c)	(C)	-337	-554	217
Financial income/(expenses) (a+b+c)	(A+B+C)	750,818	2,824,182	-2,073,364

Net financial income is down, primarily due to a combination of the following:

a) recognition, in 2017, of gains on the sale of non-controlling interests in Autostrade per l'Italia (€1,010,484 thousand) and Azzurra Aeroporti (€1,464 thousand), and on the sale of the entire investment in SAVE (€40,104 thousand);
b) a reduction of €1,010,034 thousand in dividends declared by Autostrade per l'Italia, taking into account:
    1. that the balance for the previous year essentially benefitted from Autostrade per l'Italia's distribution, in January 2017, of a special dividend in kind via the transfer, based on the related carrying amounts, of its entire interests in Autostrade dell'Atlantico and Autostrade Indian Infrastructure Development (€754,584 thousand and €486 thousand, respectively);
    2. the company did not declare an interim dividend for 2018;
c) the distribution of reserves approved, in December 2018, by Autostrade dell'Atlantico (€60,000 thousand).

In addition to the above, and considering the impact of the change in net financial expenses (€55,208 thousand, indicated in note 4.2), relating to the acquisition of control of Abertis, the performance also reflects:

a) increased interest expense linked to the bonds issued in 2017 (€11,534 thousand);
b) the fact that the balance for 2017 included "Reversals of impairment losses on financial assets and investments" (€11,824 thousand, relating to the partial reversal of the impairment loss on the carrying amount of the investment in Pavimental) and "Impairments of financial assets and

investments" (€3,996 thousand, relate to the write-off of the residual carrying amount of the investment in Compagnia Aerea Italiana).

6.7 Income tax (expense)/benefit
€41,420 thousand (-€49,710 thousand)

A comparison of the income tax expense and benefit for 2018 and the comparative period is shown in the following table.

€000		2018	2017	INCREASE/ (DECREASE)
IRES		39,636	-48,884	88,520
IRAP		-	-	-
Current tax expense (a)		**39,636**	**-48,884**	**88,520**
Recovery of previous years' income taxes		2,319	1,361	958
Previous years' income taxes		-	-2,254	2,254
Differences on current tax expense for previous years (b)	**(B)**	**2,319**	**-893**	**3,212**
Provisions		435	524	-89
Releases		-199	-450	251
Deferred tax income		**236**	**74**	**162**
Provisions		-772	-7	-765
Releases		-	-	-
Changes in prior year estimates		1	-	1
Deferred tax expense		**-771**	**-7**	**-764**
Deferred tax income/(expense) (c)	**(C)**	**-535**	**67**	**-602**
Income tax (expense)/benefit (a+b+c)	**(A+B+C)**	**41,420**	**-49,710**	**91,130**

Current tax benefits amount to €41,420 thousand for 2018, reflecting the benefit resulting from the tax loss for the year which, in view of the Company's participation in a tax consolidation arrangement, is fully recoverable. Tax expense for 2017 essentially regarded current tax expense linked to Autostrade per l'Italia's distribution of available reserves and payment of the special dividend in kind (resulting in tax expense for Atlantia of €33,804 thousand) and the gain on the sale of interests in Autostrade per l'Italia (€19,393 thousand).

With regard to the tax benefit of €35,103 thousand linked to the costs relating to the acquisition of control of Abertis, previously described in note 4.2, it should be noted that, with regard to the treatment, for the purposes of IRES, of certain expenses (operating and financial) incurred as a result of Atlantia's public tender offer and the later structure of the transaction, involving the joint investment agreement with ACS and Hochtief, in February 2019, the Company applied to the tax authorities for a ruling (pursuant to art. 2, paragraph 1 of Legislative Decree 147 of 14 September 2015, the so-called "Application for a ruling on new investment"). The application seeks to obtain confirmation of the Company's approach to computing the tax benefit for 2018, a part of which the above expenses were considered to be deductible in full. At the date of this document, the Company is awaiting a response to its application.

The following table shows a reconciliation of the statutory rates of taxation and the effective charge for the year.

€000		2018			2017		
		Taxable income	Tax expense		Taxable income	Tax expense	
			Tax	Tax rate		Tax	Tax rate
Profit/(Loss) before tax from continuing operations		**653,301**			**2,772,020**		
IRES tax expense/(benefit) at statutory rate			**156,792**	**24.00%**		**665,285**	**24.00%**
Temporary differences deductible in future years		1,813	435	0.07%	2,183	524	0.02%
Temporary differences taxable in future years		-3,217	-772	-0.12%	-267	-64	-
Reversal of temporary differences arising in previous years		-829	-199	-0.03%	-1,633	-392	-0.01%
Tax free dividends		-757,387	-181,773	-27.82%	-1,709,819	-410,357	-14.80%
Dividends not collected		-60,848	-14,603	-2.24%	-	-	-
Distribution of reserves by Aero 1 Global & International		1,273	306	0.05%	-	-	-
Non-taxable gains on investments		-	-	-	-966,533	-231,968	-8.37%
Reversals of impairment losses/(Impairment losses) on financial assets and investments		-	-	-	-7,828	-1,879	-0.07%
Permanent differences for dividends in kind and the distribution of reserves by Autostrade per l'Italia		-	-	-	103,097	24,743	0.89%
Other permanent differences		740	178	0.03%	12,462	2,992	0.11%
Taxable income assessable to IRES		**-165,154**			**203,682**		
Current IRES charge for the year	**(a)**		**-39,636**	**-6.07%**		**48,884**	**1.76%**
Current IRAP charge for the year	**(b)**		-	-		-	-
Current tax expense	**(a+b)**		**-39,636**	**-6.07%**		**48,884**	**1.76%**

6.8 Earnings per share

The following table shows the calculation of basic and diluted earnings per share with comparative amounts.

	2018	2017
Weighted average number of shares outstanding	825,783,990	825,783,990
Weighted average number of treasury shares in portfolio	-7,914,925	-8,265,777
Weighted average of number of shares outstanding for the calculation of basic earnings per share	**817,869,065**	**817,518,213**
Weighted average number of diluted shares held under share-based incentive plans	105,409	549,692
Weighted average number of all shares outstanding for the calculation of diluted earnings per share	**817,974,474**	**818,067,905**
Profit for the year (€000)	694,721	2,722,310
Basic earnings per share (€)	**0.85**	**3.33**
Diluted earnings per share (€)	**0.85**	**3.33**
Profit from continuing operations	694,721	2,722,310
Basic earnings per share from continuing operations (€)	**0.85**	**3.33**
Diluted earnings per share from continuing operations (€)	**0.85**	**3.33**
Profit from discontinued operations (€000)	-	-
Basic earnings per share from discontinued operations (€)	-	-
Diluted earnings per share from discontinued operations (€)	-	-

7. OTHER FINANCIAL INFORMATION

7.1 Notes to the statement of cash flows

Cash flows during 2018 resulted in a reduction in cash and cash equivalents of €2,813,685 thousand, compared with an increase of €2,873,880 thousand in 2017.

Cash generated from operating activities amounts to €572,714 thousand, down €385,863 thousand on 2017 (€958,577 thousand). This primarily reflects a reduction in cash dividends distributed by investees (€183,439 thousand), an increase operating costs and financial expenses (€132,848 thousand), mainly due to the purchase of investments during the year, and the outflows relating to taxation in 2018 (€102,334 thousand, including €56,744 thousand as the payment on account for 2018 and the final balance payable for 2017), compared with the inflow of 2017 linked primarily to recognition of current taxation (€49,710 thousand).

Cash from investing activities, totalling €5,779,472 thousand, primarily reflects:

a) outflows relating to the subscription for shares issued by Abertis HoldCo (€3,458,939 thousand) and the acquisition of shares in Hochtief (€2,410,652 thousand) and a 100% interest in Aero 1 (€1,056,129 thousand);
b) the collection of repayment of the remaining amount due on the loan granted to Autostrade per l'Italia in 2012 (€1,000,000 thousand);
c) the collection of the amounts resulting from the distribution from reserves by Abertis HoldCo (€75,264 thousand) and Aero 1 (€25,451 thousand).

In contrast, net cash from investing activities in 2017, amounting to €2,624,554 thousand, benefitted primarily from the proceeds from Autostrade per l'Italia's distribution of a portion of its available reserves (€1,101,312 thousand), and proceeds from the sale of interests in the same subsidiary (€1,733,228 thousand) and in Azzurra Aeroporti (€136,434 thousand) and of the entire investment in SAVE (€220,645 thousand).

Cash from financing activities, totalling €2,393,073 thousand, essentially reflects a combination of the following:

a) receipt of the proceeds from the medium/long-term facilities, Term Loan 1 and Term Loan 2 (a face value of €3,250,000 thousand) and the Revolving Credit Facility (a face value of €675,000 thousand);
b) redemption of the retail bonds issued in 2012 (€1,000,000 thousand);
c) payment to shareholders of the final dividend for 2017 (€531,607 thousand).

Cash used in financing activities in 2017, totalling €709,251 thousand, essentially reflected a combination of the following:

a) the repayment of short-term bank borrowings obtained in December 2016, totalling €1,600,000 thousand;
b) payment to shareholders of the final dividend for 2016 (€433,012 thousand) and the interim dividend for 2017 (€466,119 thousand);
c) the issue of bonds (€1,750,000 thousand).

7.2 Financial risk management

Financial risk management objectives and policies

In the normal course of business, the Company is exposed to:

a) market risk, principally linked to the effect of movements in interest and foreign exchange rates on financial assets acquired and financial liabilities assumed;
b) liquidity risk, with regard to ensuring the availability of sufficient financial resources to fund the Group's operating activities and repayment of the financial 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, within the scope of medium- to long-term projections reviewed annually.

Market risk

The adopted strategy for each type of risk aims, wherever possible, to eliminate interest rate and currency risks and minimise borrowing costs, whilst taking account of stakeholders' interests, as defined in the Financial Policy as approved by the Board of Directors.

Management of these risks is based on prudence and best market practice.
The main objectives set out in this Financial Policy are as follows:

a) to protect the scenario in the Company's long-term plan from the effects 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 Atlantia 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.

As at 31 December 2018, the Company's derivatives described below are classified, in application of IFRS 9, as:

a) cash flow hedges, consisting of Cross Currency Swaps ("CCSs") and Forward-Starting Interest Rate Swaps ("IRSs");
b) non-hedges, consisting of back-to-back transactions entered into by the Company with financial institutions and Autostrade dell'Atlantico (in the form of FX Forwards), with the aim of hedging Autostrade dell'Atlantico's currency risk (relating to dividends declared by Grupo Costanera in 2018 and payable to the company, and to the loan tranches disbursed by Autostrade dell'Atlantico to Electronic Transaction Consultants).

The residual average term to maturity of debt as at 31 December 2018 is five years and one month. The average cost of medium to long-term debt in 2018 was 1.7%.
The monitoring of market risk 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, including those that are highly likely, with cash flows indexed to a market interest rate. In order to reduce the amount of floating rate debt, the Company has entered into Forward-Starting IRSs, classified as non-hedge accounting.
In 2017 and 2018, in fact, Atlantia entered into Forward-Starting IRSs (to hedge highly likely future financial liabilities linked to refinancing of the borrowings obtained to finance the joint investment in Abertis, as described in note 4.2), with a total notional value totalling €3,000,000 thousand (including €2,250,000 thousand having a duration of 10 years and subject to a weighted average fixed rate of approximately 0.995% and €750,000 thousand with a duration of 12 years at a fixed rate of 1.22%). Fair value losses on these instruments as at 31 December 2018 amount to €74,895 thousand (as at 31 December 2017, fair value gains on the derivatives entered into in 2017 amounted to €1,523 thousand).
The derivative financial instruments (with a deal contingent hedge provision) linked to Atlantia's public tender offer, entered into in June 2017 and already recognised on a non-hedge accounting basis as at 31 December 2017 (fair value losses of €13,511 thousand), as described in notes 4.2 and 5.13, were unwound in October 2018;
b) fair value risk: this represents the risk of losses deriving from an unexpected change in the value a financial asset or liability following an unfavourable shift in interest and market rates. As at 31 December 2018, the Company has not entered into derivatives classified as fair value hedges.

In terms of type of interest rate, based on the face value of total bond issues and borrowings, as shown in note 5.3, 30.8% of the Company's debt is fixed rate. In addition, after taking into account hedges, fixed rate debt accounts for 83.7% of the total.

Currency risk

Currency risk is mainly incurred through the assumption of financial liabilities denominated in a currency other than the Company's currency of account.

Following the Company's repurchase of 99.87% of the sterling-denominated notes issued by Romulus Finance in 2015 (settled in October 2017) and transferred to Aeroporti di Roma in 2016 8as described in note 5.4, "Financial assets"), the Company entered into CCSs with notional values and maturities matching those of the underlying asset. This was done to hedge the currency and interest rate risk associated with the underlying in foreign currency.
The CCSs qualify as cash flow hedges and the related fair value gains, as at 31 December 2018, amount to €56,185 thousand (fair value gains of €51,798 thousand as at 31 December 2017).

In addition, with regard to the non-hedge accounting transactions referred to above, in December 2018, Grupo Costanera ("GCS") paid a dividend (totalling €52,560 million Chilean pesos, equal to €68,149 thousand as at 10 December 2018, being the date on which GCS's shareholders approved the dividend) to Autostrade dell'Atlantico. In order to reduce the risk linked to fluctuations in the euro-peso exchange rate, Autostrade dell'Atlantico entered into an FX Forward contract with the Company (with a notional value of as at 31 December 2018 of €61,791 thousand), expiring on 31 January 2019. The Company in turn then entered into a mirror transaction with financial institutions in order to eliminate any remaining risk. As these contracts are classified as non-hedge accounting, the related changes in fair value are recognised in profit or loss for the year (the fair value of the derivative financial instruments entered into by the Company resulted in a loss on those entered into with Autostrade dell'Atlantico and a gain on those entered into with the financial institutions, and amounts to €1,524 thousand as at 31 December 2018).

With regard to the loan tranches disbursed by Autostrade dell'Atlantico to Electronic Transaction consultants between 2014 and 2018 (the principal amounts to US$46,370 thousand as at 31 December 2018, equal to €40,498 thousand), in order to reduce the risk of fluctuations in the dollar-euro exchange rate, Autostrade dell'Atlantico entered into an FX Forward with the Company, having a three-month term, renewable. The Company in turn then entered into a mirror transaction with financial institutions in order to eliminate any remaining risk. As these contracts are classified as non-hedge accounting, the related changes in fair value are recognised in profit or loss for the year (the fair value of the derivative financial instruments entered into by the Company resulted in a gain on those entered into with Autostrade dell'Atlantico and a loss on those entered into with the financial institutions, and amounts to €157 thousand as at 31 December 2018, compared with €528 thousand as at 31 December 2017).

The following table summarises outstanding derivative financial instruments at 31 December 2018 (compared with 31 December 2017) and shows the corresponding market value.

€000		31 December 2018		31 December 2017	
Type	Purpose of hedge	Fair value asset/(liability)	Notional amount	Fair value asset/(liability)	Notional amount
Cash flow hedges[(1)]					
Cross Currency Swaps	Currency and interest rate risk	56,185	286,682	51,798	286,682
Interest Rate Swaps	Interest rate risk	-74,895	3,000,000	1,523	1,000,000
Cash flow hedges(1)		**-18,710**	**3,286,682**	**53,321**	**1,286,682**
Non-hedge accounting derivatives					
Interest Rate Swaps	Interest rate risk	-	-	-13,511	2,500,000
FX Forwards	Currency risk	1,681	102,289	528	37,308
FX Forwards	Currency risk	-1,681	-102,289	-528	-37,308
Non-hedge accounting derivatives		**-**	**-**	**-13,511**	**2,500,000**
Total derivatives		**-18,710**	**3,286,682**	**39,810**	**3,786,682**
	of which				
	fair value (asset)	**57,866**		**53,849**	
	fair value (liability)	**-76,576**		**-14,040**	

(1) The fair value of derivatives excludes accruals at the measurement date.

Sensitivity analysis

Sensitivity analysis describes the impact that the interest rate and foreign exchange movements to which the Company is exposed would have had on the income statement for 2018 and on equity as at 31 December 2018.
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:
    i) the income statement, totalling €3,319;
    ii) other comprehensive income, totalling €29,761 thousand, before the related taxation.

b) in terms of currency risk, an unexpected and unfavourable 10 bps shift in the exchange rate would have had no impact on the income statement or on other comprehensive income.

Liquidity risk

Liquidity risk relates to the risk that cash resources may be insufficient to fund the payment of liabilities as they fall due. The Company believes that its ability to generate cash, the ample diversification of its sources of funding and the availability of unused revolving credit facilities provides access to sufficient sources of finance to meet its projected financial needs.
As at 31 December 2018, the Company has cash reserves of €2,854,693 thousand, consisting of:

a) cash and cash equivalents, amounting to €281,267 thousand as at 31 December 2018 (before the balance payable on intercompany current accounts with related parties, totalling €1,574 thousand as at 31 December 2018);
b) revolving credit facilities for general corporate purposes (with an average residual term of 3 years and 2 months), being Revolving Facility A agreed on 4 July 2018, amounting to €1,250 million, with the sum of €575,000 thousand available as at 31 December 2018 and an average residual term of 4 years and 6 months, and the Revolving Backstop Facility agreed on 12 October 2018, with the sum of €2,000,000 thousand available as at 31 December 2018 and an average residual term of 2 years and 9 months, as shown below:

€000			31 DECEMBER 2018		
LINE OF CREDIT	DRAWDOWN PERIOD EXPIRES	FINAL MATURITY	AVAILABLE	*DRAWN*	*UNDRAWN*
Revolving Facility A	4 June 2023	4 July 2023	**1,250,000**	*675,000*	*575,000*
Revolving Backstop Facility	12 Sept 2021	12 Oct 2021	**2,000,000**	-	*2,000,000*
		Total	**3,250,000**	***675,000***	***2,575,000***

The following tables show the time distributions of medium/long-term financial liabilities by term to maturity as at 31 December 2018 and comparable figures as at 31 December 2017, excluding accrued expenses at these dates.

€000	31 DECEMBER 2018					
	CARRYING AMOUNT	TOTAL CONTRACTUAL FLOWS	WITHIN ONE YEAR	BETWEEN 1 AND 2 YEARS	BETWEEN 3 AND 5 YEARS	OVER 5 YEARS
Bond issue (retail) 2012	-	-	-	-	-	-
Bond issue 2017	747,827	-835,312	-12,188	-12,188	-36,563	-774,373
Bond issue 2017	986,016	-1,168,750	-18,750	-18,750	-56,250	-1,075,000
Bond issues	**1,733,843**	**-2,004,062**	**-30,938**	**-30,938**	**-92,813**	**-1,849,373**
Borrowing (Term Loan 1) disbursed 2018	1,490,666	-1,528,385	-7,893	-7,893	-1,512,599	-
Borrowing (Term Loan 2) disbursed 2018	1,742,693	-1,815,493	-13,644	-13,607	-1,788,242	-
Borrowing (RCF) disbursed 2018	671,834	-679,325	-679,325	-	-	-
Bank borrowings	**3,905,193**	**-4,023,203**	**-700,862**	**-21,500**	**-3,300,841**	**-**
Total bond issues and borrowings	**5,639,036**	**-6,027,265**	**-731,800**	**-52,438**	**-3,393,654**	**-1,849,373**

€000	31 DECEMBER 2017					
	CARRYING AMOUNT	TOTAL CONTRACTUAL FLOWS	WITHIN ONE YEAR	BETWEEN 1 AND 2 YEARS	BETWEEN 3 AND 5 YEARS	OVER 5 YEARS
Bond issue (retail) 2012	994,749	-1,036,250	-1,036,250	-	-	-
Bond issue 2017	747,491	-847,502	-12,188	-12,188	-36,563	-786,563
Bond issue 2017	984,530	-1,187,500	-18,750	-18,750	-56,250	-1,093,750
Bond issues	**2,726,770**	**-3,071,252**	**-1,067,188**	**-30,938**	**-92,813**	**-1,880,313**

The amounts in the above tables include interest payments and exclude the impact of any offset agreements.

The time distribution of terms to maturity is based on the residual contract term or on the earliest date on which repayment of the liability may be required, unless a better estimate is available.
The distribution for transactions with amortisation schedules is based on the date on which each instalment falls due.

The following table shows the time distribution of expected cash flows from cash flow hedges, and the periods in which they will be recognised in profit or loss.

€000	31 December 2018						31 December 2017					
	Carrying amount	Expected cash flows	Within 12 months	Between 1 and 2	Between 3 and 5	After 5 years	Carrying amount	Expected cash flows (1)	Within 12 months	Between 1 and 2	Between 3 and 5	After 5 years
Interest rate swaps												
Derivative assets							1,523	1,523	-1,362	-10,576	-11,530	24,991
Derivative liabilities	-74,895	-96,149	-35,257	-69,110	-40,641	48,859						
Cross currency swaps												
Derivative assets	56,185	56,127	-1,130	-2,043	59,301	-	51,798	51,738	-951	-870	-2,254	55,813
Total cash flow hedges	**-18,710**	**-40,022**	**-36,387**	**-71,153**	**18,660**	**48,859**	**53,321**	**53,261**	**-2,313**	**-11,446**	**-13,784**	**80,804**
Accrued expenses on cash flow hedges	-21,685						-433					
Accrued income on cash flow hedges	373						373					
Total cash flow hedge derivative assets/liabilities	**-40,022**	**-40,022**	**-36,387**	**-71,153**	**18,660**	**48,859**	**53,261**	**53,261**	**-2,313**	**-11,446**	**-13,784**	**80,804**

€000	31 December 2018					31 December 2017				
	Expected cash flows	Within 12 months	Between 1 and 2	Between 3 and 5	After 5 years	Expected cash flows (1)	Within 12 months	Between 1 and 2	Between 3 and 5	After 5 years
Interest rate swaps										
Income from cash flow hedges	240,200	-	3,501	66,868	169,832	28,729	-	-	-	28,729
Losses on cash flow hedges	-315,095	-37,222	-66,831	-93,567	-117,475	-27,206	-2,612	-17,125	-7,469	-
Cross currency swaps										
Income from cash flow hedges	334,440	11,798	23,246	299,396	-	344,296	12,136	12,091	85,776	234,293
Losses on cash flow hedges	-278,255	-12,906	-25,288	-240,061	-	-292,498	-13,056	-12,956	-78,104	-188,382
Total income (losses) from cash flow hedges	**-18,710**	**-38,330**	**-65,372**	**32,636**	**52,357**	**53,321**	**-3,532**	**-17,990**	**203**	**74,640**

(1) Expected cash flows from swap differentials are calculated on the basis of market curves at the measurement date.

Credit risk

Credit risk represents the Company's exposure to potential losses resulting from a counterparty's failure to discharge an obligation.

This risk may result from factors that are strictly technical, commercial, administrative or legal in nature, or from those of a typically financial nature, relating to the counterparty's credit standing.
The Company manages credit risk essentially through recourse to counterparties that are for the most part Atlantia Group companies with high credit ratings and does not report significant credit risk concentrations as defined in the Financial Policy.
Credit risk deriving from derivative financial instruments can also be considered marginal in that the counterparties involved are major financial institutions.
Specific provisions for impairment losses on material items are established when there is objective evidence that the Group will not be able to collect all or any of the amount due. The amount of the provisions takes account of estimated future cash flows and the date of collection, any future recovery costs and expenses, and the value of any security and guarantee deposits received from customers. General provisions, based on the available historical and statistical data, are established for items for which specific provisions have not been made.

8. OTHER INFORMATION

8.1 Guarantees

The Company has certain personal guarantees in issue. As at 31 December 2018, these include, in terms of importance:

a) the guarantee (€5,440,572 thousand, equal to 120% of the underlying liability) issued in favour of bondholders and on behalf of Autostrade per l'Italia, following the issuer substitution of December 2016, valid through to maturity for the public bonds and until September 2025 for the private bonds;
b) guarantees issued on behalf of Autostrade per l'Italia in favour of the European Investment Bank, as security for loans granted to the subsidiary (€1,781,624 thousand, equal to 120% of the underlying liability). In December 2018, Autostrade per l'Italia entered into an agreement with the EIB that provides for the suspension, until March 2020, of the application of certain provisions allowing the bank to withdraw from the loan agreement and request early repayment. This follows the reduction in the Company's ratings to below BBB and/or the Grantor's launch of formal proceedings that may result in early termination of the Single Concession Arrangement;
c) counter-indemnities issued on behalf of the subsidiary, Electronic Transaction Consultants Corporation, to the insurance companies (a "surety") that have issued performance bonds totalling €59,244 thousand (at the euro/US dollar exchange rate as at 31 December 2018), for free-flow tolling projects being carried out by the subsidiary;
d) the guarantee issued in favour of banks on behalf of Strada dei Parchi as a safeguard against the impact on the company's cash flow hedges of movements in interest rates. The amount of the guarantee, based on the fair value of the hedges, has been capped at €40,000 thousand, which corresponds to the value as at 31 December 2018. This guarantee was renewed for a further 12 months in February 2019. The guarantee can only be enforced if the concession held by Strada dei Parchi is terminated, whilst Atlantia has received a counter-indemnity from Toto Holding (the company's majority shareholder);
e) the guarantee issued on behalf of Aeroporti di Roma in favour of the tax authorities (€11,365 thousand) as part of the procedure for settling Group VAT for the 2015 tax year (pursuant to art. 6 of the Ministerial Decree of 13 December 1979), following the transfer of refundable VAT from Aeroporti di Roma to Atlantia;
f) the Debt Service Guarantee issued in favour of a syndicate of banks and on behalf of Azzurra Aeroporti, guaranteeing fulfilment of the subsidiary's payment obligations resulting from the acquisition financing provided and the Interest Rate Swaps entered into, up to a maximum of six months of borrowing costs. The maximum amount guaranteed by the Company is €7,126 thousand.

In addition, the company has also pledged:

a) a portion (25.5%) of its holding of shares in Pune Solapur Expressways to banks;
b) its entire shareholding (52.69%) in Azzurra Aeroporti to banks.

8.2 Related party transactions

The principal related party transactions between the Company and its related parties are described below. The transactions have been identified based on the criteria set out in the Procedure for Related Party Transactions adopted by the Company in implementation of the provisions of art. 2391-*bis* of the Italian Civil Code, the Regulations adopted by the *Commissione Nazionale per le Società e la Borsa* (the CONSOB) in Resolution 17221 of 12 March 2010, as amended. This procedure, published in the section, "Articles of Association, codes and procedures" on the Company's website at www.atlantia.it, establishes the criteria to be used in identifying related parties, in distinguishing between transactions of greater and lesser significance and in applying the rules governing the above transactions of greater and lesser significance, and in fulfilling the related reporting requirements.

The following table shows amounts in the income statement and statement of financial position generated by related party transactions, including those with Directors, Statutory Auditors and the Company's key management personnel.

€000	Principal trading and other transactions with related parties															
	Assets				Liabilities					Income		Expenses					
	Trading and other assets				Trading and other liabilities					Trading and other income		Trading and other expenses					
	Trade receivables	Current tax assets	Other current assets	Total	Other non-current liabilities	Trade payables	Current tax liabilities	Other current liabilities	Total	Operating revenue (2)	Total	Raw and consumable materials	Service costs	Staff costs (2)	Lease expense	Sundry expenses	Total
	31 December 2018									2018							
Sintonia	-	-	-	-	-	3,533	-	-	3,533	-	-	-	-	-	-		-
Edizione	-	-	-	-	-	1	-	-	1	-	-	-	9	197	-	-	206
Total parents	-	-	-	-	-	3,534	-	-	3,534	-	-	-	9	197	-	-	206
Atlantia Bertin Participacoes	509	-	-	509	-	-	-	366	366	-	-	-	-	-111	-	-	-111
Autostrade dell'Atlantico	2,951	-	21	2,972	-	606	3,172	-	3,778	752	752	-	497	-2,669	-	109	-2,063
Autostrade Indian Infrastructure	-	-	32	32	-	1,013	-	-	1,013	-	0	-	830	-	-	183	1,013
Autostrade Meridionali	114	-	-	114	-	-	3,633	-	3,633	29	29	-	-	-48	-	-	-48
Autostrade per l'Italia	5,295	22,301	-	27,596	-	2,663	18,639	-	21,302	670	670	18	1,525	-1,934	681	114	404
Autostrade Tech	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Azzurra Aeroporti	106	-	-	106	-	-	4,459	-	4,459	176	176	-	-	-	-	-	-
Electronic Transaction Consultants	12	-	25	37	-	-	-	-	-	-	-	-	-	-	-	-	-
EsseDiEsse Società di Servizi	-	-	-	-	-	137	441	-	578	-	-	-	954	36	-	17	1,007
Gruppo Aeroporti di Roma	1,927	17,735	-	19,662	54	380	-	7,470	7,904	-42	-42	-	-	-1,193	18	-	-1,175
Pavimental	40	-	-	40	-	-	8,712	-	8,712	559	559	-	-	-50	-	-	-50
Spea Engineering	20	-	-	20	-	-	2,655	155	2,810	-	-	-	-	-25	-	-	-25
Tangenziale di Napoli	9	1,650	-	1,659	-	-	1,098	-	1,098	-	-	-	-	-24	-	-	-24
Telepass	645	2,298	-	2,943	-	-	67	-	67	318	318	-	-	-538	-	-	-538
Telepass Pay	248	-	-	248	-	-	1,918	-	1,918	245	245	-	-	-34	-	-	-34
Autostrada Tirrenica	-	-	-	-	-	31	546	-	577	-	-	-	-	26	-	-	26
Other subsidiaries (1)	228	3	108	339	-	79	725	4	808	348	348	-	79	-233	-	-	-154
Total subsidiaries (3)	12,104	43,987	186	56,277	54	4,909	46,065	7,995	59,023	3,055	3,055	18	3,885	-6,797	699	423	-1,772
Associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-23	-	-	-23
Total associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-23	-	-	-23
ASTRI pension fund	-	-	-	-	-	-	-	111	111	-	-	-	-	289	-	-	289
CAPIDI pension fund	-	-	-	-	-	-	-	576	576	-	-	-	-	1,702	-	-	1,702
Total pension funds	-	-	-	-	-	-	-	687	687	-	-	-	-	1,991	-	-	1,991
Key management personnel (4)	-	-	-	-	3,518	-	-	2,480	5,999	-	-	-	-	3,948	-	-	3,948
Total Key management personnel	-	-	-	-	3,518	-	-	2,480	5,999	-	-	-	-	3,948	-	-	3,948
TOTAL (5)	12,104	43,987	186	56,277	3,572	8,443	46,065	11,163	69,243	3,055	3,055	18	3,894	-684	699	423	4,350
	31 December 2017									2017							
Edizione	-	-	-	-	-	1	-	-	1	-	-	-	-	195	-	-	195
Total parents	-	-	-	-	-	1	-	-	1	-	-	-	-	195	-	-	195
Autostrade dell'Atlantico	1,645	-	21	1,666	-	-	2,363	-	2,363	380	380	-	-	-1,852	-	-	-1,852
Autostrade Meridionali	86	-	-	86	-	-	2,091	-	2,091	58	58	-	-	-61	-	-	-61
Autostrade per l'Italia	3,658	87,142	-	90,800	-	4,396	18,661	-	23,057	700	700	23	1,715	-2,063	697	7	379
Autostrade Tech	-	-	-	-	-	365	492	-	857	-	-	-	-	-3	-	-	-3
Azzurra Aeroporti	263	-	-	263	-	-	5,029	-	5,029	216	216	-	-	-	-	-	-
Electronic Transaction Consultants	-	-	17	17	-	-	-	-	-	-	-	-	-	-	-	-	-
EsseDiEsse Società di Servizi	-	-	-	-	-	844	530	-	1,374	-	-	-	844	-3	-	-	841
Gruppo Aeroporti di Roma	1,794	-	-	1,794	92	164	10,470	7,470	18,196	105	105	-	-	-1,056	19	-	-1,037
Pavimental	23	-	-	23	-	-	3,888	-	3,888	556	556	-	-	-33	-	-	-33
Spea Engineering	20	-	-	20	-	12	3,877	155	4,044	-	-	-	-	-24	-	-	-24
Tangenziale di Napoli	9	-	-	9	-	-	2,330	-	2,330	-	-	-	-	-28	-	-	-28
Telepass Pay	3	-	-	3	-	-	1,007		1,007	-	-	-	-	-3			-3
Autostrada Tirrenica	-	-	-	-	-	-	550	-	550	-	-	-	-	-4	-	-	-4
Other subsidiaries (1)	652	169	102	923	-	-	426	243	669	102	102	-	365	-879	-	-	-514
Total subsidiaries (3)	8,153	87,311	140	95,604	92	5,781	51,714	7,868	65,455	2,117	2,117	23	2,924	-6,009	716	7	-2,339
Associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ASTRI pension fund	-	-	-	-	-	-	-	80	80	-	-	-	-	214	-	-	214
CAPIDI pension fund	-	-	-	-	-	-	-	1,008	1,008	-	-	-	-	2,562	-	-	2,562
Total pension funds	-	-	-	-	-	-	-	1,088	1,088	-	-	-	-	2,776	-	-	2,776
Key management personnel (4)	-	-	-	-	1,350	-	-	3,097	4,447	-	-	-	-	5,775	-	-	5,775
Total Key management personnel	-	-	-	-	1,350	-	-	3,097	4,447	-	-	-	-	5,775	-	-	5,775
TOTAL	8,153	87,311	140	95,604	1,442	5,782	51,714	12,053	70,991	2,117	2,117	23	2,924	2,737	716	7	6,407

(1) This item includes balances for companies where the relevant amount is not material.
(2) "Staff costs" include cost recoveries.
(3) The total also includes the balances for indirect subsidiaries.
(4) Atlantia's "key management personnel" means the Company's Directors, Statutory Auditors and other key management personnel as a whole.
The expenses shown for each period include the accrued amount payable as emoluments, salaries, benefits in kind, bonuses and other incentives (including the fair value of share-based incentive plans based on the shares of Atlantia).
In addition to the information shown in the table, the financial statements also include contributions of €2,297 thousand paid on behalf of Directors, Statutory Auditors and other key management personnel for 2018 (€2,569 thousand in 2017) and the related liabilities of €1,900 thousand as at 31 December 2018 (€1,618
(5) The overall amount for individual line items in the income statement is presented in the statutory income statement and statement of financial position, in the column "of which related party transactions", if above €500 thousand.

€000	Principal financial transactions with related parties															
	Assets								Liabilities				Income		Expenses	
	Financial assets								Financial liabilities				Financial income		Financial expenses	
	Other non-current financial assets	Non-current derivative assets	Cash equivalents	Intercompany current account receivables due from related parties	Current portion of other medium/long-term financial assets	Current derivative assets	Current financial assets	Total	Derivative liabilities	Intercompany current account payables due to related parties	Current financial liabilities	Total	Other financial income (1)	Total	Other financial expenses (1)	Total
	31 December 2018												2018			
Sintonia	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,533	3,533
Total parents	-	-	-	-	-		-	-	-	-	-	-	-	-	3,533	3,533
Autostrade dell'Atlantico	266,322	-	-	60,004	-	157	4,212	330,695	1,524	-	-	1,524	12,711	12,711	3,596	3,596
Autostrade per l'Italia	-	-	-	2,014	-	-	653	2,667	-	1,572	-	1,572	45,883	45,883	1,373	1,373
Electronic Transaction Consultants Co	-	-	-	-	-	-	7,820	7,820	-	-	-	-	470	470	-	-
Aeroporti di Roma group	271,885	-	-	-	431	-	-	272,316	-	-	-	-	13,154	13,154	-	-
Pavimental	-	-	-	820	-	-	-	820	-	-	-	-	-	-	-	-
Spea Engineering	-	-	-	27	-	-	4,050	4,077	-	-	-	-	-	-	-	-
Telepass	-	-	-	333	-	-	-	333	-	-	80,092	80,092	-	-	92	92
Other subsidiaries (2)	-	-	-	-	-	-	178	178	-	2	-	2	29	29	-	-
Total subsidiaries (3)(4)	538,207		-	63,198	431	157	16,913	618,906	1,524	1,574	80,092	83,190	72,247	72,247	5,061	5,061
TOTAL	538,207		-	63,198	431	157	16,913	618,906	1,524	1,574	80,092	83,190	72,247	72,247	8,594	8,594
	31 December 2017												2017			
Autostrade dell'Atlantico	258,940	-	-	-	-	-	-	258,940	528	-	-	528	8,469	8,469	3,223	3,223
Autostrade per l'Italia	-	-	500,000	7,448	999,703	-	707	1,507,858	-	-	-	-	50,488	50,488	1,541	1,541
Electronic Transaction Consultants Co	-	-	-	-	-	-	7,656	7,656	-	-	-	-	1,060	1,060	-	-
Aeroporti di Roma group	281,263	-	-	-	434	-	21	281,718	-	-	-	-	13,293	13,293	-	-
Other subsidiaries (2)	-	-	-	-	-	-	138	138	-	-	-	-	31	31	-	-
Total subsidiaries	540,203	-	500,000	7,448	1,000,137	-	8,522	2,056,310	528	-	-	528	73,341	73,341	4,764	4,764

(1) The table does not include dividends from investees, reversals of impairment losses on financial assets and investments or impairment losses on financial assets and investments.
(2) This item includes balances for companies where the relevant amount is not material.
(3) The total also includes amounts for indirect subsidiaries.
(4) The overall amount for individual financial line items is presented in the statutory income statement and statement of financial position, in the column "of which related party transactions", if above €500 thousand.

In 2018, as in 2017, no non-recurring, atypical or unusual transactions, having a material impact on the Company's income statement and statement of financial position, were entered into with related parties.

The principal transactions entered into with related parties are described below.

Atlantia SpA's relations with its subsidiaries

Transactions of a trading nature primarily regard the provision of administrative services (training, welfare, procurement, IT, general services, property services, etc.).

The Company has entered into service agreements with a number of direct and indirect subsidiaries, including Autostrade per l'Italia, EssediEsse, Telepass, Telepass Pay, Azzurra Aeroporti, Autostrade dell'Atlantico and Autostrade Meridionali.

With regard to tax management, as a result of the tax consolidation arrangement headed by the Company, the statement of financial position as at 31 December 2018 includes amounts receivable from and payable to Atlantia Group companies, amounting to €43,987 thousand and €46,065 thousand respectively. These amounts are recognised by the Company in order to mirror matching amounts due to and from the tax authorities. The arrangement is described in note 5.9.

With regard, on the other hand, to other current liabilities, the Company owes the sum of €7,470 thousand to Aeroporti di Roma and its subsidiaries, essentially in relation to the tax consolidation arrangement in force between these companies and Gemina prior to this company's merger with the Company at the end of 2013. As stated in note 5.9, Atlantia has recognised an equal amount due from the tax authorities.

In terms of financial liabilities, as described in note 5.13, in 2018, the Company received a deposit (maturing within twelve months) from the subsidiary, Telepass, amounting to €80,000 thousand.

In terms of financial assets, it should be noted that:

a) as described in note 5.4, as at 31 December 2018, the Company has recognised an amount receivable in the form bonds issued by Aeroporti di Roma totals €271,885 thousand, and the loan granted to Autostrade dell'Atlantico in January 2017 amounts to €266,322 thousand;
b) in December 2018, the subsidiary, Autostrade dell'Atlantico, declared its intention to distribute available reserves totalling €60,000 thousand to Atlantia, as described in note 6.6 (this amount is recognised in the statement of financial position in the balance receivable on intercompany
c) current accounts with related parties).

With specific regard to transactions of a financial nature with Autostrade per l'Italia, described in note 5.4, it should be noted that, in 2018, Atlantia collected repayment of the loan (with a face value of €1,000,000 thousand) granted to the subsidiary in 2012, and of the cash deposit of €500,000 thousand, included in "Cash equivalents" as at 31 December 2017.

As at 31 December 2018, the Company has issued a number of guarantees in favour of direct or indirect subsidiaries, as described in note 8.1, "Guarantees".

8.3 Disclosures regarding share-based payments

In order to incentivise and foster the loyalty of directors and employees holding key positions and responsibilities within Atlantia or in Atlantia Group companies, and to promote and disseminate a value creation culture in all strategic and operational decision-making processes, driving the Atlantia Group's growth and boosting management efficiency, a number of share incentive plans based on Atlantia's shares have been introduced in previous years. The plans entail payment in the form of shares or cash and are linked to the achievement of predetermined corporate objectives.

With the exception of the "Supplementary Incentive Plan 2017 – Phantom Share Options" described below, there were no changes, during 2018, in the share-based incentive plans already adopted by the Atlantia Group as at 31 December 2017.

Details of each plan are contained in specific information circulars prepared pursuant to art. 84-bis of CONSOB Regulation 11971/1999, as amended, and in the Remuneration Report prepared pursuant to art. 123 *ter* of the Consolidated Finance Act. These documents, to which reference should be made, are published in the "Remuneration" section of the Company's website at www.atlantia.it.

The following table shows the main aspects of existing incentive plans as at 31 December 2018, including the options and units awarded to directors and employees of the Atlantia Group and changes during 2018 (in terms of new awards and the exercise, conversion or lapse of rights). The table also shows the fair value (at the grant date) of each option or unit awarded, as determined by a specially appointed expert, using the Monte Carlo model and other assumptions. The amounts have been adjusted for the amendments to the plans originally approved by Atlantia's shareholders, which were required to ensure plan benefits remained substantially unchanged despite the dilution caused by the bonus issues approved by Atlantia's shareholders on 20 April 2011 and 24 April 2012.

	Number of options/units awarded	Vesting date	Exercise/grant date	Exercise price (€)	Fair value of each option or unit at grant date (€)	Expected expiration at grant date (years)	Risk free interest rate used	Expected volatility (based on historic mean)	Expected dividends at grant date
2011 SHARE OPTION PLAN									
Options outstanding as at 1 January 2018									
- 13 May 2011 grant	279,860	13 May 2014	14 May 2017	14.78	3.48	6.0	2.60%	25.2%	4.09%
- 14 October 2011 grant	13,991	13 May 2014	14 May 2017	14.78	(*)	(*)	(*)	(*)	(*)
- 14 June 2012 grant	14,692	13 May 2014	14 May 2017	14.78	(*)	(*)	(*)	(*)	(*)
	345,887	14 June 2015	14 June 2018	9.66	2.21	6.0	1.39%	28.0%	5.05%
- 8 November 2013 grant	1,592,367	8 Nov 2016	9 Nov 2019	16.02	2.65	6.0	0.86%	29.5%	5.62%
- 13 May 2014 grant	173,762	N/A (**)	14 May 2017	N/A	(**)	(**)	(**)	(**)	(**)
- 15 June 2015 grant	52,359	N/A (**)	14 June 2018	N/A	(**)	(**)	(**)	(**)	(**)
- 8 November 2016 grant	526,965	N/A (**)	9 Nov 2019	N/A	(**)	(**)	(**)	(**)	(**)
- options exercised	-2,442,675								
- options lapsed	-329,832								
Total	**227,376**								
Changes in options in 2018									
- options exercised	-130,669								
- options lapsed	-5,189								
Options outstanding as at 31 December 2018	**91,518**								
2011 SHARE GRANT PLAN									
Units outstanding as at 1 January 2018									
- 13 May 2011 grant	192,376	13 May 2014	14 May 2016	N/A	12.9	4,0 - 5,0	2.45%	26.3%	4.09%
- 14 October 2011 grant	9,618	13 May 2014	14 May 2016	N/A	(*)	(*)	(*)	(*)	(*)
- 14 June 2012 grant	10,106	13 May 2014	14 May 2016	N/A	(*)	(*)	(*)	(*)	(*)
	348,394	14 June 2015	15 June 2017	N/A	7.12	4,0 - 5,0	1.12%	29.9%	5.05%
- 8 November 2013 grant	209,420	8 Nov 2016	9 Nov 2018	N/A	11.87	4,0 - 5,0	0.69%	28.5%	5.62%
- units converted into shares on 15 May 2015	-97,439								
- units converted into shares on 16 May 2016	-103,197								
- units converted into shares on 16 June 2016	-98,582								
- units converted into shares on 15 June 2017	-136,572								
- units converted into shares on 13 November 2017	-77,159								
- units lapsed	-159,629								
Total	**97,336**								
Changes in options in 2018									
- units converted into shares on 14 November 2018	**-97,336**								
Units outstanding as at 31 December 2018	-								

(*) Options and units awarded as a result of Atlantia's bonus issues which, therefore, do not represent the award of new benefits.
(**) These are phantom share options granted in place of certain conditional rights included in the grants of 2011 and 2012, and which, therefore, do not represent the award of new benefits.

2011 Share Option Plan

Description

As approved by the Annual General Meeting of shareholders on 20 April 2011, and amended by the Annual General Meeting of shareholders on 30 April 2013 and 16 April 2014, the 2011 Share Option Plan entails the award of up to 2,500,000 options free of charge in three annual award cycles (2011, 2012 and 2013). Each option will grant beneficiaries the right to purchase one ordinary Atlantia share held in treasury, with settlement involving either physical delivery or, at the beneficiary's option, a cash payment equivalent to the proceeds from the sale of the shares on the stock exchange organised and managed by Borsa Italiana SpA, after deduction of the full exercise price. The exercise price is equivalent to the average of the official prices of Atlantia's ordinary shares in the month prior to the date on which Atlantia's Board of Directors announces the beneficiary and the number of options to be awarded.
The options granted will vest in accordance with the Plan terms and conditions and, in particular, only if, on expiration of the vesting period (three years from the date of award of the options to beneficiaries by the Board of Directors), cumulative FFO for the three annual reporting periods preceding expiration of the vesting period, adjusted for a number of specific items (total operating cash flow of the Atlantia Group or of certain of its subsidiaries – depending on the role held by the various beneficiaries of the Plan), is higher than a pre-established target, unless otherwise decided by the Board of Directors, which has the authority to assign beneficiaries further targets. Vested options may be exercised, in part, from the first day following expiration of the vesting period and, in part, from the end of the first year following expiration of the vesting period and, in any event, in the three years following expiration of the vesting period (subject to the clause in the Plan terms and conditions requiring executive Directors and key management personnel to retain a minimum holding). The maximum number of exercisable options will be calculated on the basis of a mathematical algorithm that takes account, among other things, of the current value and the exercise price, plus any dividends paid, so as to cap the realisable gain.

Changes in options in 2018

During 2018, with regard to the second and third award cycles (the vesting periods for both of which have expired), a number of beneficiaries exercised vested options and paid the established exercise price; this entailed the allocation to them of Atlantia's ordinary shares held by the Company as treasury shares. This resulted in the transfer of:

a) 17,862 of Atlantia's ordinary shares to beneficiaries in connection with the second cycle; moreover, 6,946 phantom options awarded in 2015 were exercised (following the exercise of these options, the options awarded as part of the second cycle have lapsed);
b) 47,591 of Atlantia's ordinary shares to beneficiaries in connection with the third cycle; moreover, 58,270 phantom options awarded in 2016 were exercised.

Thus, as at 31 December 2018, taking into account lapsed options at that date, the remaining options outstanding total 91,518, including 44,722 phantom options awarded under the third cycle (the unit fair values of which, as at 31 December 2018, was measured as €2.93, in place of the unit fair values at the grant date).

2011 Share Grant Plan

Description

As approved by the Annual General Meeting of shareholders on 20 April 2011, and amended by the Annual General Meeting of shareholders on 30 April 2013, the 2011 Share Grant Plan entails the grant of up to 920,000 units free of charge in three annual award cycles (2011, 2012 and 2013). Each unit will grant beneficiaries the right to receive one Atlantia ordinary share held in treasury, with settlement involving either physical delivery or, at the beneficiary's option, a cash payment equivalent to the proceeds from the sale of the shares on the stock exchange organised and managed by Borsa Italiana SpA.

The units granted will vest in accordance with the Plan terms and conditions and, in particular, only if, on expiration of the vesting period (three years from the date the units are granted to beneficiaries by the Board of Directors), cumulative FFO for the three annual reporting periods preceding expiration of the vesting period, adjusted for a number of specific items (total operating cash flow of the Atlantia Group or of certain of its subsidiaries – depending on the role held by the various beneficiaries of the Plan) is higher than a pre-established target, unless otherwise decided by the Board of Directors. Vested units may be converted into shares, in part, after one year from the date of expiration of the vesting period and, in part, after two years from the date of expiration of the vesting period (subject to the clause in the Plan terms and conditions requiring executive Directors and key management personnel to maintain a minimum holding). The number of convertible units will be calculated on the basis of a mathematical algorithm that takes account, among other things, of the current value and initial value of the shares so as to cap the realisable gain.

Changes in units in 2018

On 14 November 2018, the units awarded during the third award cycle (the vesting period for which expired on 9 November 2018) were converted, in accordance with the Plan Terms and Conditions, into Atlantia's ordinary shares. As a result, Plan beneficiaries received 97,336 shares held by the Company as treasury shares.
As at 31 December 2018, all the units awarded under this plan have thus lapsed.

The following table shows the main aspects of the cash-settled incentive plans. The table shows the options awarded to directors and employees of the Company and changes (in terms of new awards and the exercise, conversion or lapse of rights, and transfers or secondments to other Atlantia Group companies) during 2018. The table also shows the fair value (at the grant date) of each option awarded, as determined by a specially appointed expert, using the Monte Carlo model and other assumptions.

	Number of options/units awarded	Vesting date	Exercise/grant date	Exercise price (€)	Fair value of each option or unit at grant date (€)	Expected expiration at grant date (years)	Risk free interest rate used	Expected volatility (based on historic mean)	Expected dividends at grant date
2014 PHANTOM SHARE OPTION PLAN									
Options outstanding as at 1 January 2018									
- 9 May 2014 grant	385,435	9 May 2017	9 May 2020	N/A (*)	2.88	6.0	1.10%	28.9%	5.47%
- 8 May 2015 grant	642,541	8 May 2018	8 May 2021	N/A (*)	2.59	6.0	1.01%	25.8%	5.32%
- 10 June 2016 grant	659,762	10 June 2019	10 June 2022	N/A (*)	1.89	3,0 - 6,0	0.61%	25.3%	4.94%
- transfers/secondments	138,134								
- options exercised	-175,165								
- options lapsed	-12,120								
	1,638,587								
Changes in options in 2018									
- options exercised	-411,222								
- transfers/secondments	72,241								
- options lapsed	-271,691								
Options outstanding as at 31 December 2018	**1,027,915**								
2017 PHANTOM SHARE OPTION PLAN									
Options outstanding as at 1 January 2018									
- 12 May 2017 grant	585,324	15 June 2020	1 July 2023	N/A (*)	2.37	3,13 - 6,13	1.31%	25.6%	4.40%
- options lapsed	-7,411								
	577,913								
Changes in options in 2018									
- 3 August 2018 grant	493,247	15 June 2021	1 July 2024	N/A (*)	2.91	5.9	2.35%	21.9%	4.12%
- transfers/secondments	97,048								
- options lapsed	-115,949								
Options outstanding as at 31 December 2018	**1,052,260**								
SUPPLEMENTARY INCENTIVE PLAN 2017 - PHANTOM SHARE OPTIONS									
Options outstanding as at 1 January 2018	-								
- 29 October 2018 grant	4,134,833	29 Oct 2021	29 Oct 2024	N/A (*)	1.79	6.0	2.59%	24.6%	4.12%
Options outstanding as at 31 December 2018	**4,134,833**								
2017 PHANTOM SHARE GRANT PLAN									
Units outstanding as at 1 January 2018									
- 12 May 2017 grant	53,007	15 June 2020	1 July 2023	N/A	23.18	3,13 - 6,13	1.31%	25.6%	4.40%
- units lapsed	-738								
	52,269								
Changes in options in 2018									
- 3 August 2018 grant	49,624	15 June 2021	1 July 2024	N/A	24.5	5.9	2.35%	21.9%	4.12%
- transfers/secondments	10,208								
- units lapsed	-12,129								
Units outstanding as at 31 December 2018	**99,973**								

(*) Given that these are cash bonus plans, involving payment of a gross amount in cash, the 2014 Phantom Share Option Plan, the 2017 Phantom Share Option Plan and the Supplementary Incentive Plan 2017 – Phantom Share Options do not require an exercise price. However, the Terms and Conditions of the plans indicate an "Exercise price" (equal to the arithmetic mean of Atlantia's share price in a determinate period) as the basis on which to calculate the gross amount to be paid to beneficiaries.

2014 Phantom Share Option Plan

Description

On 16 April 2014, the Annual General Meeting of Atlantia's shareholders approved the new incentive plan named the "2014 Phantom Share Option Plan", subsequently approved, within the scope of their responsibilities, by the boards of directors of the subsidiaries employing the beneficiaries. The plan entails the award of phantom share options free of charge in three annual award cycles (2014, 2015 and 2016), being options that give beneficiaries the right to payment of a gross amount in cash, computed on the basis of the increase in the value of Atlantia's ordinary shares in the relevant three-year period.

In accordance with the Terms and Conditions of the plan, the options granted will only vest if, at the end of the vesting period (equal to three years from the date on which the options were awarded to the beneficiaries by the Board of Directors), a minimum operating/financial performance target for (alternatively) the Atlantia Group, the Company or for one or more of Atlantia's subsidiaries, as indicated for each Plan beneficiary (the "hurdle"), has been met or exceeded. The vested options may be exercised from, in part, the first day immediately following the vesting period, with the remaining part exercisable from the end of the first year after the end of the vesting period and, in any event, in the three years after the end of the vesting period (without prejudice to the Terms and Conditions of the plan as regards minimum holding requirements for executive directors and key management personnel). The number of exercisable options is to be computed in application of a mathematical algorithm, taking into account, among other things, the current value, the target value and the exercise price, in order to cap the realisable gain.

Changes in options in 2018

The vesting period for the second cycle of the Plan expired on 8 May 2018. A total of 411,222 vested options awarded under the second award cycle and the first cycle were exercised in 2018.
Thus, as at 31 December 2018, after taking into account lapsed options and transfers at that date, the remaining options outstanding amount to 1,027,915. The unit fair values of the options awarded under the first, second and third award cycles were remeasured as at 31 December 2018 as €6.01, €1.20 and €1.34, respectively, in place of the unit fair values at the grant date.

2017 Phantom Share Option Plan

Description

On 21 April 2017, the Annual General Meeting of Atlantia's shareholders approved the new incentive plan named the "2017 Phantom Share Option Plan", subsequently also approved, within the scope of their responsibilities, by the boards of directors of the subsidiaries employing the beneficiaries. The Plan entails the award of phantom share options free of charge in three annual award cycles (2017, 2018 and 2019), to be awarded to directors and employees with key roles within the Atlantia Group. The options grant beneficiaries the right to payment of a gross amount in cash, computed on the basis of the increase in the value of Atlantia's ordinary shares in the relevant period.
In accordance with the Terms and Conditions of the Plan, the options granted will only vest if, at the end of the vesting period (15 June 2020 for options awarded in 2017, 15 June 2021 for options awarded in 2018 and 15 June 2022 for options awarded in 2019), one or more minimum operating/financial performance targets for (alternatively) the Atlantia Group, the Company or one or more of Atlantia's subsidiaries, as indicated for each Plan beneficiary (the "hurdle"), have been met or exceeded. A portion of the vested options may be exercised from the 1 July immediately following the end of the vesting period, with the remaining options exercisable from the end of the first year after the end of the vesting period and, in any event, in the three years from 1 July of the year in which the vesting period ends (without prejudice to the Terms and Conditions of the Plan as regards minimum holding requirements for executive directors and key management personnel). The number of exercisable options is to be computed in application of a mathematical algorithm, taking into account, among other things, the current value, the target value and the exercise price, in order to cap the realisable gain.

Changes in options in 2018

On 3 August 2018, Atlantia's Board of Directors selected the beneficiaries for the second cycle of the Plan in question. This resulted in the award of a total of 493,247 phantom options with a vesting period from 3 August 2018 – 15 June 2021 and an exercise period from 1 July 2021 to 1 July 2024.
As at 31 December 2018, after taking into account lapsed options at that date, the remaining options outstanding amount to 1,052,260. The unit fair value of the options of the first and second cycle at that date were remeasured as €1.83 and €1.67, respectively, in place of the unit fair value at the grant date.

Supplementary Incentive Plan 2017 - Phantom Share Options

Description

This plan, approved by the General Meeting of Atlantia's shareholders on 2 August 2017, was designed to provide incentives for a limited number of core people particularly involved in the process of building and creating value at the new Atlantia Group that would have been formed following the acquisition of control of Abertis, had Atlantia's public tender offer been successful. No options were granted in 2017 whilst awaiting the outcome of Atlantia's public tender offer.

In view of the fact that the structure of the transaction changed in 2018, following the agreements reached with ACS and Hochtief regarding the acquisition of Abertis, and the resulting withdrawal of Atlantia's public tender offer, Atlantia's Annual General Meeting, held on 20 April 2018, voted to modify certain definitions in the plan and reduce the maximum number of options (as defined below) from 7.5 million to 5 million.
Following the changes made by the above Annual General Meeting, therefore, the plan entails the award of up to 5 million phantom share options free of charge, in a single cycle and within 3 months of the date of the acquisition of control of Abertis (being options that give beneficiaries the right to payment of a gross amount in cash). The options are to be awarded to the Chairman, Chief Executive Officer and employees of the Company and its subsidiaries, limited to core people involved the integration process and the creation of value for the Atlantia Group.
The options awarded will vest in accordance with the specified Terms and Conditions and may in part be exercised from the first day immediately after the vesting period, with the remaining options exercisable at the end of the first year following the end of the vesting period, and in any event in the three years following the expiry of this period (without prejudice to the provisions of the Plan Terms and Conditions as regards minimum holding requirements for executive directors and key management personnel). The number of exercisable options is to be computed in application of a mathematical algorithm, taking into account, among other things, the current value, the target value and the exercise price, in order to cap the realisable gain.

Changes in options in 2018

Following completion of the acquisition of control of Abertis, on 29 October 2018, the conditions for award of the options to the Chairman and Chief Executive Officer had been met. The remaining beneficiaries were then approved in a later resolution of Atlantia's Board of Directors at a meeting held on 18 January 2019, which awarded a total of 4,134,833 phantom options, vesting between 29 October 2018 and 29 October 2021, and exercisable between 30 October 2021 and 29 October 2024.
The unit fair value of the options as at 31 December 2018 was remeasured as €1.80 in place of the unit fair value at the grant date.

2017 Phantom Share Option Plan

Description

On 21 April 2017, the Annual General Meeting of Atlantia's shareholders approved the new incentive plan named the "2017 Phantom Share Option Plan", subsequently also approved, within the scope of their responsibilities, by the boards of directors of the subsidiaries employing the beneficiaries. The Plan entails the award of phantom share options free of charge in three annual award cycles (2017, 2018 and 2019), to be awarded to directors and employees with key roles within the Atlantia Group. The options grant beneficiaries the right to payment of a gross amount in cash, computed on the basis of the increase in the value of Atlantia's ordinary shares in the relevant period.
In accordance with the Terms and Conditions of the Plan, the options granted will only vest if, at the end of the vesting period (15 June 2020 for options awarded in 2017, 15 June 2021 for options awarded in 2018 and 15 June 2022 for options awarded in 2019), one or more minimum operating/financial performance targets for (alternatively) the Atlantia Group, the Company or one or more of Atlantia's subsidiaries, as indicated for each Plan beneficiary (the "hurdle"), have been met or exceeded. A portion of the vested options may be exercised from the 1 July immediately following the end of the vesting period, with the remaining options exercisable from the end of the first year after the end of the vesting period and, in any event, in the three years from 1 July of the year in which the vesting period ends (without prejudice to the Terms and Conditions of the Plan as regards minimum holding requirements for executive directors and key management personnel). The number of exercisable options is to be computed in application of a mathematical algorithm, taking into account, among other things, the current value, the target value and the exercise price, in order to cap the realisable gain.

Changes in options in 2018

On 3 August 2018, Atlantia's Board of Directors selected the beneficiaries for the second cycle of the Plan in question. This resulted in the award of a total of 49,624 phantom options with a vesting period from 3 August 2018 to 15 June 2021 and an exercise period from 1 July 2021 to 30 June 2024.
As at 31 December 2018, after taking into account lapsed options at that date, the remaining options outstanding amount to 99,973. The unit fair values of the options from the first and second award cycles at that date were remeasured as €19.29 and 18.06, in place of the unit fair value at the grant date.

The official prices of Atlantia's ordinary shares in the various periods covered by the above plans are shown below:

a) price as at 31 December 2018: €18.03;
b) price as at 3 August and 29 October 2018 (the grant dates for new options or units, as described): €24.86 and €17.79, respectively;
c) the weighted average price for the period 2018: €22.34;
d) the weighted average price for the period 3 August 2018 – 31 December 2018: €18.54;
e) the weighted average price for the period 29 October 2018 – 31 December 2018: €18.05.

In accordance with the requirements of IFRS 2, as a result of existing plans, in 2018 the Company has recognised staff costs of €517 thousand, based on the accrued fair value of the options and units awarded at that date. In contrast, the liabilities represented by phantom share options outstanding as at 31 December 2018 have been recognised in other current and non-current liabilities, based on the assumed exercise date.

8.4 Events after 31 December 2018

There are no material events occurring after 31 December 2018 to report.

PROPOSALS FOR ATLANTIA SPA'S ANNUAL GENERAL MEETING

Dear Shareholders,

In conclusion, we invite you:

a) to approve the financial statements as at and for the year ended 31 December 2017, which report profit of €694,721,201, having taken note of the accompanying documents;
b) to appropriate profit for the year of €694,721,201, as follows, based on the number of shares outstanding as at 28 February 2019, amounting to 817,964,502:
    1) to pay shareholders a dividend of €0.84 per share, amounting to an estimated €687,090,182;
    2) to take the remaining profit for the year, estimated as €7,631,019, to retained earnings;
c) to also distribute to shareholders a portion of the available reserves in retained earnings (which, as at 31 December 2018, amount to €1,952,929,865), in the amount of €0.06 per share, amounting to an estimated €49,077,870;
d) to, as a result, approve payment of a total dividend of €0.90 per share, amounting to an estimated €736,168,052;
e) to establish the dividend payment date as 22 May 2019, the ex-dividend date for coupon 33 as 20 May 2019 and the record date as 21 May 2019.

For the Board of Directors

The Chairman

ANNEXES TO THE FINANCIAL STATEMENTS

ANNEX 1

DISCLOSURES PURSUANT TO ART. 149-*DUODECIES* OF THE CONSOB REGULATIONS FOR ISSUERS 11971/1999

The above annex has not been audited.

Annex 1

Disclosures pursuant to art. 149-*duodecies* of the CONSOB Regulations for Issuers 11971/1999

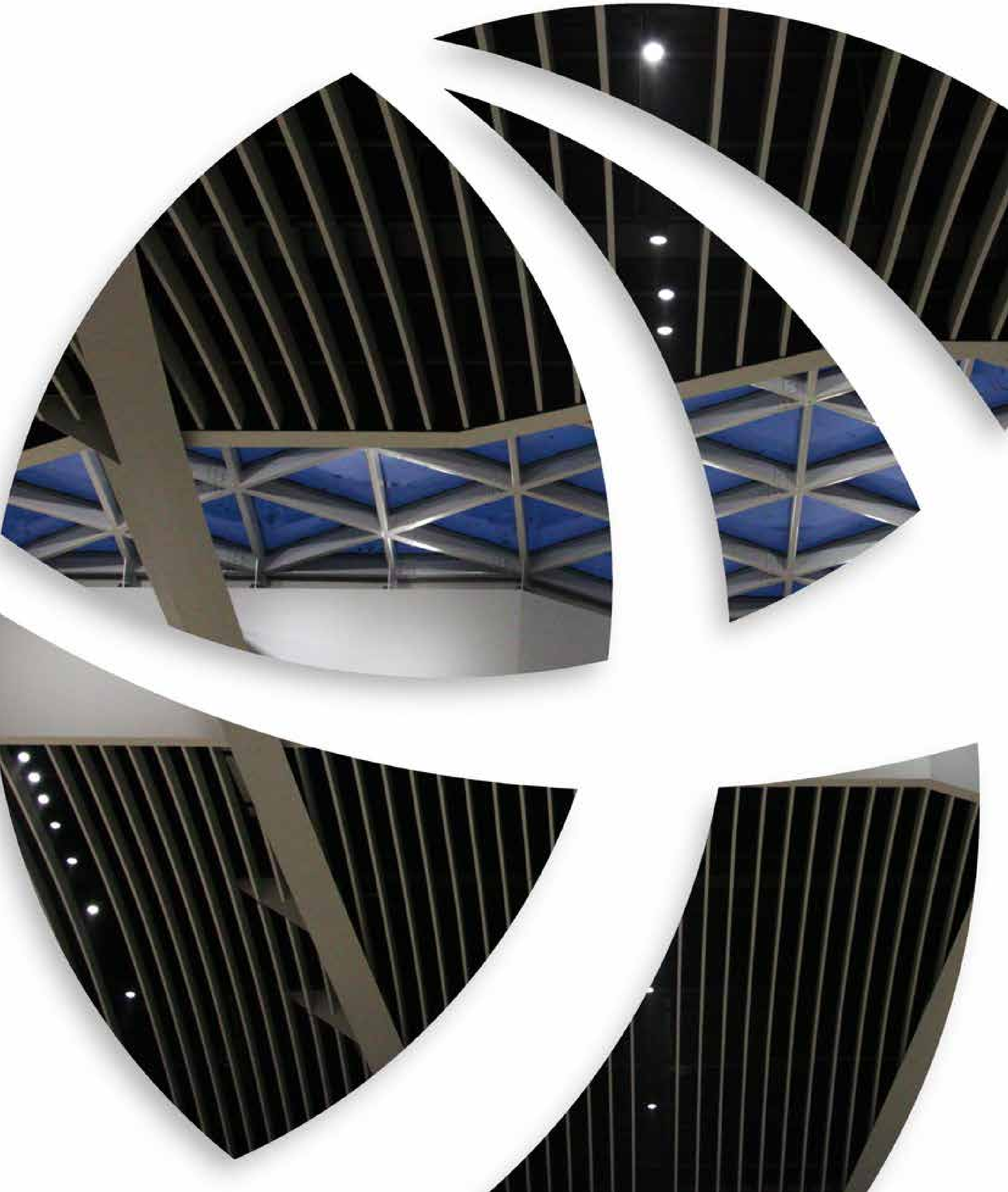
Atlantia SpA

Type of service	Provider of service	Note	Fees (€000)
Audit	Parent Company's auditor		58
Certification	Parent Company's auditor	(1)	23
Other services	Parent Company's auditor	(2)	134
Other services	Associate of Parent Company's auditor	(3)	60
Parent Company's auditor			**275**

(1) Opinion on payment of interim dividends.

(2) Signature of consolidated and 770 tax forms, review of Sustainability Report, agreed upon procedures on data and accounting information, comfort letters on bond issues, checks carried out to meet the requirements for tenders in which the Group has taken part and additional audit of pro forma financial information.

(3) Audit of the internal control system on data protection and the 231 corporate liability guidelines prepared for overseas Group companies.



REPORTS

Attestations of the consolidated and separate financial statements

Attestation of the consolidated financial statements pursuant to art. 81-ter of CONSOB Regulation 11971 of 14 May 1999, as amended

1. We, the undersigned, Giovanni Castellucci and Giancarlo Guenzi, as Chief Executive Officer and as the manager responsible for Atlantia SpA's financial reporting, having taken account of the provisions of art. 154-*bis*, paragraphs 3 and 4 of Legislative Decree 58 of 24 February 1998, attest to:
   - the adequacy with regard to the nature of the Company and
   - the effective application of the administrative and accounting procedures adopted in preparation of the consolidated financial statements during 2018.

2. The administrative and accounting procedures adopted in preparation of the consolidated financial statements as at and for the year ended 31 December 2018 were drawn up, and their adequacy assessed, on the basis of the regulations and methods adopted 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. With regard to the Abertis group, acquired on 29 October 2018, as at the date of this document, the implementation of a system of procedures and controls, consistent with the system already applied to the other companies in the Atlantia Group, is in the process of being implemented. This is expected to be completed by the end of 2019.

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.

7 March 2019

Giovanni Castellucci
Chief Executive Officer

Giancarlo Guenzi
Manager responsible for financial reporting

Attestation of the separate financial statements pursuant to art. 81-ter of CONSOB Regulation 11971 of 14 May 1999, as amended

1. We, the undersigned, Giovanni Castellucci and Giancarlo Guenzi, as Chief Executive Officer and as the manager responsible for Atlantia SpA's financial reporting, having taken account of the provisions of art. 154-*bis*, paragraphs 3 and 4 of Legislative Decree 58 of 24 February 1998, attest to:
   - the adequacy with regard to the nature of the Company and
   - the effective application of the administrative and accounting procedures adopted in preparation of the separate financial statements during 2018.

2. The administrative and accounting procedures adopted in preparation of the separate financial statements as at and for the year ended 31 December 2018 were drawn up, and their adequacy assessed, on the basis of the regulations and methods adopted by Atlantia SpA in accordance with the Internal Control–Integrated Framework model issued by the Committee of Sponsoring Organizations of the Treadway Commission. This Commission has established a body of general principles providing a standard for internal control systems that is generally accepted at international level.

3. We also attest that
   3.1 the separate financial statements:
      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.

7 March 2019

Giovanni Castellucci	Giancarlo Guenzi
Chief Executive Officer	Manager responsible for financial reporting

Report of the Board of Statutory Auditors to the Annual General Meeting

(pursuant to art. 153 of Legislative Decree 58/1998)

Dear Shareholders,

The Board of Statutory Auditors of Atlantia SpA ("Atlantia" or the "Company"), pursuant to art. 153 of Legislative Decree 58/1998 (the "Consolidated Finance Act" or "CFA"), is required to report to the Annual General Meeting, called to approve the financial statements, on the audit activities conducted during the financial year within the scope of our responsibilities, on any omissions and irregularities observed and on the results for the Company's financial year. The Board of Statutory Auditors is also required to make proposals regarding the financial statements and their approval and on any other matters falling within the scope of our responsibilities.

This report regards the Atlantia Board of Statutory Auditors' activities during the year ended 31 December 2018.

Preamble and relevant legislation, regulations and ethical guidelines

The Board of Statutory Auditors in office at the date of this report was elected by the Annual General Meeting of 20 April 2018 and its members are Corrado Gatti (Chairman), Alberto di Nigro (standing Auditor), Sonia Ferrero (standing Auditor), Lelio Fornabaio (standing Auditor) and Livia Salvini (standing Auditor).

During the annual reporting period ended 31 December 2018, the Board of Statutory Auditors performed the audit procedures required by law (and, in particular by art. 149 of the CFA and art. 19 of Legislative Decree 39/2010), adopting the Standards recommended by the Italian accounting profession and in compliance with CONSOB requirements regarding corporate controls, and the recommendations in the Corporate Governance Code.

Audit procedures required by art. 149 of the CFA

In accordance with the provisions of art. 149 of the CFA, the Board of Statutory Auditors is required to oversee:

- compliance with the law and the articles of association;
- compliance with the principles of corporate governance;
- the adequacy of the Company's organisational structure, as regards the aspects falling within the scope of our responsibilities, of the internal control system and of the administrative/accounting system and its ability to correctly represent operating activities;
- effective implementation of the corporate governance rules contained in the codes of conduct drawn up stock market regulators or by trade bodies, and with which the Company, in its public announcements, has declared that it is compliant;
- the adequacy of the guidelines communicated by the Company to its subsidiaries pursuant to article 114, paragraph 2 of the CFA.

<u>Audit of compliance with the law and the articles of association</u>

The Board of Statutory Auditors obtained the information needed in order to conduct its assigned audit activities by participating in meetings of the Board of Directors and of the various board committees, during discussions with the management of the Company and the Group, during meetings with the independent auditors and with the boards of statutory auditors of Group companies, through examination of the information obtained by the relevant company departments and through further audit activities.

The above audit procedures were carried out during 23 meetings of the Board of Statutory Auditors (including 8 held by the Board of Statutory Auditors in office until approval of the financial statements for 2017, and 15 by the new Board), by taking part in 16 meetings of the Board of Directors, and through the participation of the Chairman of the Board of Statutory Auditors, or another Auditor, in meetings of the Internal Control, Risk and Corporate Governance Committee and the Human Resources and Remuneration Committee, and the Board's participation in the General Meetings of shareholders held on 21 February 2018 and 20 April 2018. In addition, as a result of the audit procedures carried out and on the basis of the information obtained from the independent auditors, we are not aware of any negligence, fraud, irregularities or any other material events, that would require a report to be made to regulatory bodies.

Moreover, the Board of Statutory Auditors:

- pursuant to art. 150, paragraphs 1 and 3 of the CFA:
  - (i) obtained reports from the Directors, on at least a quarterly basis, providing adequate information on the Company's activities and on transactions carried out by the Company and its subsidiaries with a major impact on the Company's results of operations, financial position and cash flow, ensuring that the actions decided on and carried out were in compliance with the law and the articles of association, were not subject to any potential conflict of interest or contrary to the resolutions adopted by the General Meeting, and were not clearly imprudent or risky or such as to compromise the value of the Company. Particularly significant transactions in 2018 are described in full in the notes to Atlantia SpA's financial statements in the section "Acquisitions and corporate actions during the period" (the acquisition of a 100% interest in Aero I Global & International Sàrl, a Luxembourg-registered investment vehicle that holds a 15.49% interest in Getlink SE, formerly Groupe Eurotunnel SE; the acquisition of control of Abertis Infraestructuras SA - 50% plus one share of Abertis HoldCo SA, which owns 100% of 100% of Abertis Participaciones SA, which holds 98.7% of the issued capital of Abertis Infraestructuras SA - the parent company of a group engaged in the operation of motorway concessions in Europe, the Americas and India; the acquisition of a 23.86% interest in Hochtief AG, a company that controls a large construction group and is listed on the Frankfurt Stock Exchange);
  - (ii) held meetings with representatives of the independent auditors and no significant information that should be included in this report has come to light;
- pursuant to art. 151, paragraphs 1 and 2 of the CFA, exchanged information with the boards of statutory auditors of Atlantia's direct subsidiaries, being Autostrade per l'Italia SpA ("Autostrade per l'Italia" or "ASPI"), Aeroporti di Roma SpA ("Aeroporti di Roma" or "ADR"), Telepass SpA, Autostrade dell'Atlantico Srl, Pavimental SpA, Spea Engineering SpA, Azzurra Aeroporti SpA and Fiumicino Energia Srl) regarding activities carried out during the year;
- received information from the Supervisory Board, set up in accordance with Legislative Decree 231/2001, on its activities, which did not find any problems or significant irregularities;
- oversaw compliance with the requirements relating to "Market abuse" and "Protections for savers", as they relate to financial reporting, and those relating to "Internal dealing", with particular regard to the processing of confidential information and the procedure for publishing news releases and announcements. The Board of Statutory Auditors monitored compliance with the provisions of art. 115-bis of the CFA and the statutory requirements governing updates of the register of persons with access to confidential information.

<u>Audit of compliance with the principles of corporate governance and of the adequacy of the organisational structure</u>

The Board of Statutory Auditors:

- within the scope of our responsibilities, obtained information on and checked the adequacy of the Company's organisational structure and on observance of the principles of good governance, by means of direct observation, the gathering of information from the heads of the various departments and through meetings with the independent auditors with a view to exchanging the relevant data and information; in this regard we have no particular observations to make;
- assessed and verified the adequacy of the administrative/accounting system and its ability to correctly represent operating activities, by gathering information from the respective heads of department, examining corporate documents and analysing the results of the work carried out by the independent; in this regard we have no particular observations to make.

The Board of Statutory Auditors observed that adequate supporting documentation on matters to be discussed at Board of Directors' meetings was made available to the Directors and Statutory Auditors with reasonably in advance by publication in a specific internal database. In addition, during the year, the Company organised induction sessions for Directors and Statutory Auditors (3 were held in 2018), focusing on issues relating to Atlantia's operations, its business and the strategies of its key subsidiaries.
Based on the information obtained, the Board of Statutory Auditors notes that strategic decisions are correctly informed and reasonable and that Directors are aware of the risks involved and the impact of the transactions carried out.
The Board of Statutory Auditors did not find evidence of material atypical and/or unusual transactions, including intra-group or intra-group and other related party transactions.
The Board has also assessed the adequacy of the information provided in the management report on operations, regarding the absence of atypical and/or unusual transactions, including intra-group or intra-group and other related party transactions.

<u>Oversight of effective implementation of corporate governance rules</u>
With regard to the provisions of art. 149, paragraph 1.c-*bis* of the CFA relating to the Board of Statutory Auditors' supervision "*of the methods of actually implementing the corporate governance rules laid down in the corporate governance codes prepared by stock exchange companies and the related trade associations, with which the Company has publicly declared it will comply*", the Board of Statutory Auditors reports that:

- we oversaw the methods for implementing the governance rules laid down in Atlantia's Corporate Governance Code, the latest version of which was approved by the Board of Directors at its meeting on 18 January 2019;
- notes that the Annual Report on Corporate Governance and the Ownership Structure, in compliance with the related legal and regulatory obligations, contains information on the ownership structure, application of the codes of conduct and fulfilment of the resulting commitments, highlighting the choices made by the Company in applying corporate governance standards;
- with regard to the periodic assessment to be conducted in accordance with the Corporate Governance Code, the Directors issued the necessary representations confirming their compliance with the relevant independence requirements, as established by art. 148, paragraph 3 of the CFA (referred to in art. 147-*ter*, paragraph 4 of the CFA) and art. 3.1 of Atlantia's Corporate Governance Code;
- with regard to the periodic assessment to be carried out pursuant to art. 15, paragraph 2 of the Corporate Governance Code, we have established that all the Statutory Auditors meet the related independence requirements, notifying the outcome of our assessment to the Board of Directors, which has reported the outcome in the Company's corporate governance report.

<u>Audit of relations with subsidiaries and parents and related party transactions</u>
The Board of Statutory Auditors has verified ordinary or recurring related party and/or intra-group transactions, with regard to which we report the following:

- intra-group transactions, whether of a trading or financial nature, between subsidiaries and parents are conducted on an arm's length basis. Such transactions are adequately described in the Annual Report. In particular, note 10.5 to the consolidated financial statements, "Related party transactions", provides details of the impact on the income statement and financial position of trading and financial transactions between the Atlantia Group and related parties, including Atlantia's Directors, Statutory Auditors and key management personnel. Related party transactions did not include exceptional and/or unusual transactions and, during 2018, the Atlantia Group did not engage in material trading or financial relations with Atlantia's direct or indirect parents;

- with reference to the Atlantia Group's transactions with other related parties, note 10.5 to the consolidated financial statements, "Related party transactions", states that, for the purposes of the CONSOB Regulations adopted in Resolution 17221 of 12 March 2010, as amended, on 11 November 2010 Atlantia's Board of Directors, with the prior agreement of the Committee of Independent Directors with responsibility for Related Party Transactions, approved the Procedure for Related Party Transactions entered into directly by the Company and/or indirectly through one of its subsidiaries. The Procedure (which is revised at least every three years by the Board of Directors, in consultation with the Committee of Independent Directors with responsibility for Related Party Transactions) was last revised by the Board of Directors on 15 December 2017, with the prior agreement of the Committee of Independent Directors with responsibility for Related Party Transactions communicated on 22 November 2017, in order to reflect organisational changes within Atlantia and the Group and to ensure correct flows of information between the various parties involved in the process;
- with reference to Atlantia's related party transactions, note 8.2 to the separate financial statements, "Related party transactions", are provided details of the impact on the income statement and financial position of trading and financial transactions between Atlantia and related parties, including the Company's Directors, Statutory Auditors and key management personnel;
- the "Remuneration Report 2018", prepared pursuant to art. 123-*ter* of the CFA, provides details of the remuneration paid to Directors, Statutory Auditors and key management personnel for 2018. Disclosures regarding the remuneration policy are included in the Remuneration Report, the basis of preparation of which was examined by the Board of Statutory Auditors and agreed on with the Human Resources and Remuneration Committee and the Internal Control, Risk and Corporate Governance Committee.

Audit procedures required by Legislative Decree 39/2010

Pursuant to art. 19 of Legislative Decree 39/2010, as amended by Legislative Decree 135/2016, the committee responsible for the internal and statutory audits of an entity, whose role, in entities of public interest (which include listed companies) that have adopted a traditional governance system, is fulfilled by the board of statutory auditors, is responsible for:

a) informing the management body of the audited entity of the outcome of the statutory audit and submitting to this body the additional report required by article 11 of the European Regulation (EU) 537/2014, accompanied any eventual observations;
b) monitoring the financial reporting process and submitting recommendations or suggestions designed to safeguard its integrity;
c) controlling the effectiveness of the entity's internal quality control and risk management systems and, where applicable, its internal audit systems, in relation to the audited entity's financial reporting, without impinging on its independence;
d) overseeing the statutory audit of the separate and consolidated financial statements, also taking into account the results and conclusions of the quality controls conducted by the CONSOB in accordance with article 26, paragraph 6 of the European Regulation, where available;
e) verifying and monitoring the independence of the statutory auditors or the independent auditors in accordance with articles 10, 10-*bis*, 10-*ter*, 10-*quater* and 17 of the above decree and article 6 of the European Regulation, above all with regard to the appropriateness of any non-audit services provided to the audited entity, in compliance with article 5 of the Regulation;
f) the procedure for selecting statutory or independent auditors and recommending the statutory or independent auditors to be engaged pursuant to article 16 of the European Regulation.

The Board of Statutory Auditors interacted with the Internal Control, Risk and Corporate Governance

Committee, a Board committee, with the aim of coordinating expertise, exchanging information, engaging in ongoing consultation and avoiding any overlap between their activities.

* * *

With specific reference to Legislative Decree 39/2010, the following should be noted.

A) <u>Reporting to the Board of Directors on the outcome of the statutory audit and on the additional report required by art. 11 of the European Regulation (EU) 537/2014</u>

The Board states that the independent auditors, Deloitte & Touche SpA ("Deloitte & Touche") issued the additional report required by art. 11 of the European Regulation on 27 March 2019, describing the results of its statutory audit of the accounts and including the written confirmation of independence required by art. 6, paragraph 2.a) of the Regulation, in addition to the disclosures required by art. 11 of the Regulation, without noting any significant shortcomings. The Board of Statutory Auditors will inform the Company's Board of Directors of the outcome of the statutory audit, submitting to Directors the additional report, accompanied by any eventual observations pursuant to art. 19 of Legislative Decree 39/2010. With regard to the previous financial year, the Board of Statutory Auditors informed the Board of Directors of the outcome of the statutory audit at the meeting held on 11 May 2018.

B) <u>Oversight of the financial reporting process</u>

The Board of Statutory Auditors has verified the existence of regulations and procedures governing the process of preparing and publishing financial information. In this regard, the Annual Report on Corporate Governance and the Ownership Structure defines guidelines for the establishment and management of administrative and accounting procedures. The Board of Statutory Auditors, with the assistance of the manager responsible for financial reporting, examined the procedures involved in preparing the Company's financial statements and the consolidated financial statements, in addition to periodic financial reports. The Board of Statutory Auditors also received information on the process that enabled the manager responsible for financial reporting and the Chief Executive Officer to issue the attestations required by art. 154-*bis* of the CFA on the occasion of publication of the separate and consolidated annual financial statements and of the interim half-year report.

With reference to the oversight required by art. 19 of Legi slative Decree 39/2010, relating to financial reporting, the Board of Statutory Auditors has verified that the administrative and accounting aspects of the internal control system, as they relate to the attestations to be issued by the Chief Executive Officer and the manager responsible for financial reporting, were revised in 2018. The process entailed Group-level analyses of significant entities and the related significant processes, through the mapping of activities carried out to verify the existence of controls (at entity and process level) designed to oversee compliance risk in respect of the law and accounting regulations and standards relating to periodic financial reporting. Effective application of the administrative and accounting procedures was verified by the manager responsible for financial reporting, with the assistance of the relevant internal departments (including the Internal Audit department) and leading firms of consultants.

The Board of Statutory Auditors also verified the adequacy of the guidelines communicated by the Company to its subsidiaries pursuant to article 114, paragraph 2 of the CFA and, with regard to art. 15 of the CONSOB Regulation on markets, adopted with CONSOB Resolution 20249 of 28 December 2017 (which has introduced requirements for subsidiaries incorporated under, or regulated by, the laws of non-EU states and of material significance for the purposes of the consolidated financial statements), verified that the Group companies to which the regulations are applicable have adopted procedures enabling them to submit reporting packages, for use during preparation of the consolidated financial statements, on a regular basis to the Company's management and the Parent Company's independent auditors.

On 7 March 2019, 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 CONSOB Regulation 11971 of 14 May 1999, as amended.

The Board of Statutory Auditors thus believes the financial reporting process to be adequate and deems that there is nothing to report to the General Meeting.

C) Oversight of the effectiveness of the internal control, internal audit and risk management systems

The Board of Statutory Auditors has overseen the adequacy and efficiency of the internal control and risk management systems. It is recalled that, in order to assess the correct functioning of the internal control system, in 2018 the Board of Directors made use of the Internal Control, Risk and Corporate Governance Committee, the Head of the Group's Internal Audit department (operating with an adequate level of independence and suitably equipped to carry out the assigned role), who reported on her activities to the Chairman, Chief Executive Officer, the Internal Control, Risk and Corporate Governance Committee, the Board of Statutory Auditors, the Group Control and Risk Management department, the Head of Anti-corruption for Atlantia and the Group, the Supervisory Board and the Ethics Officer.

In particular, during its periodic meetings with the Head of Internal Audit and the Head of Group Control and Risk Management, the Board of Statutory Auditors was kept fully informed regarding internal auditing activities (with a view to assessing the adequacy and functionality of the internal control system, and compliance with the law and with internal procedures and regulations), and Risk Management activities, which is responsible for overseeing the management of risk via correct implementation and development of the COSO Enterprise Risk Management (ERM), a methodological framework that Atlantia has adopted to identify, measure, manage and monitor the risks inherent in the Company's current Business Risk Model (compliance, regulatory and operational risks).

It should be recalled that, on 11 December 2014, the Board of Directors, at the recommendation of the Director Responsible for the Internal Control and Risk Management System, with the prior agreement of the Internal Control, Risk and Corporate Governance Committee and having consulted with the Board of Statutory Auditors, established an Internal Audit department (later named "Group Internal Audit"), effective from 1 January 2015, and appointed, with effect from the same date, the Group's Head of Internal Audit. In accordance with art. 11.3 of Atlantia's Corporate Governance Code, "*the Head of Internal Audit is responsible for verifying that the internal control and risk management system is properly functioning and fit for purpose*". The same person is required to prepare "*periodic reports containing sufficient information on audit activities, the method of risk management and compliance with plans developed for risk mitigation. The periodic reports must contain an assessment of the internal control and risk management system*". On 15 February 2018, the Head of Group Internal Audit issued its report on the fitness of the internal control and risk management system, which supplements the reports prepared periodically and submitted to the Internal Control, Risk and Corporate Governance Committee and the Board of Statutory Auditors, and contains an assessment of whether or not the internal control and risk management system is fit for purpose (to the extent of her responsibilities). This assessment then forms the basis for the overall assessment of the internal control system that Atlantia's Internal Control, Risk and Corporate Governance Committee submits annually to the Company's Board of Directors. The report for 2018, issued on 14 February 2019, states that the internal control and risk management system is fit to ensure that the Company is managed in a way that is sound, proper and consistent with pre-established objectives.

Art. 1.3 of Atlantia's Corporate Governance Code requires the Board of Directors to define the nature and degree of risk compatible with the issuer's strategic goals, including an assessment of all the risks that may affect the medium/long-term sustainability of the Company's operations.

On the recommendation of the Director Responsible for the Internal Control and Risk Management System, with the agreement of the Internal Control, Risk and Corporate Governance Committee and in consultation with the Board of Statutory Auditors, at its meeting of 2 March 2018, the Board of Directors set out the guidelines for the internal control and risk management system and gave a positive assessment of Atlantia's internal control and risk management system.

At its meeting of 8 June 2018, the Board of Directors established the nature and degree of risk compatible with the strategic goals of Atlantia and the Group.

At its meeting of 14 December 2018, the updated catalogue of risks was presented to the Board of Directors. On this occasion, the meeting was provided with a description of the guidelines to be followed

in the event of an emergency situation involving Atlantia, as well as the information that subsidiaries should provide to the Parent Company and the information that Atlantia should provide to its stakeholders. These guidelines form the structure and the content of a Group procedure for managing emergencies, to be implemented alongside the existing procedures used by Autostrade per l'Italia and Aeroporti di Roma.
Finally, at the meeting of 7 March 2019, after noting the conclusions of the analysis by the Control, Risk and Corporate Governance Committee of the information provided by staff responsible for the internal control and risk management system, the Board of Directors concluded that the internal control and risk management system can be deemed adequate, efficacious and in good working order.
In addition, the Board of Statutory Auditors also notes that, during 2018, Atlantia's Supervisory Board (set up in compliance with Legislative Decree 231/2001) continued its review of the organisational, management and control model ("OMCM") adopted by Atlantia, pursuant to Legislative Decree 231/2001, in order to ensure that the model had kept pace with changes in legislation and in the Company's organisational structure during the year.
The latest revision of the OMCM was approved by Atlantia's Board of Directors on 15 December 2017. The Supervisory Board, assisted by the relevant departments within the Company, is preparing to revise the OMCM, based on recent changes in legislation and in the Company's operating environmental and organisation. This will be submitted for approval by the Board of Directors.
The Supervisory Board also implemented the plan of action for monitoring and assessing the adequacy and effective implementation of the OMCM.
The Board of Statutory Auditors has examined the Supervisory Board's reports on their activities in the first and second halves of 2018 and we do not have anything to mention in this regard in this report.
With regard to the tragic collapse of the Morandi road bridge, Atlantia's Board of Statutory Auditors has, in the course of carrying out its duties, received continuous, in-depth updates on matters relating to the subsidiary, Autostrade per l'Italia. The information was provided during meetings of the Board of Directors and Board Committees, and during meetings with management, the board of statutory auditors of the subsidiary, Autostrade per l'Italia and with the subsidiary's consultants and advisors. The information provided also regarded the extraordinary infrastructure monitoring programme carried out by the subsidiary's area offices, the steps taken by the Group's Internal Audit department to conduct an independent, objective and fact-based reconstruction of the activity carried out by ASPI in relation to the Polcevera road bridge in the last ten years, insurance cover, the resources needed to compensate the victims' families, to support people forced to abandon their homes, to provide financial assistance for businesses affected by the collapse and for the demolition and reconstruction of the road bridge, the correspondence between ASPI and the ministry of Infrastructure and Transport and with the Special commissioner, Marco Bucci, in addition to the actions taken to protect the Company's interests.

D) <u>Oversight of the statutory audit of the separate and consolidated financial statements</u>
We declare that:

- the accounts have been subjected to the required controls by the independent auditors, Deloitte & Touche, appointed by the Annual General Meeting of 24 April 2012 for the annual reporting periods 2012-2020. During their periodic meetings with the Board of Statutory Auditors, the independent auditors had nothing to report on this matter;
- the Board of Statutory Auditors: (i) has analysed the activities of the independent auditors and, in particular, the methods adopted, the audit approach used for significant aspects of the financial statements and the audit planning process; (ii) discussed issues relating to the Company's risks with the independent auditors, enabling us to establish the appropriateness of the auditors' plans in terms of their approach in view of the structural and risk profiles of the Company and the Group;
- on 27 March 2019, Deloitte & Touche issued the additional report required by art. 11 of the above European Regulation;
- on 27 March 2019, Deloitte & Touche issued their audit reports on the separate and consolidated financial statements as at and for the year ended 31 December 2018. In this regard, the following should be noted:

- both the reports contain: (i) the auditors' opinion on the fact that the financial statements provide a true and fair view of the financial position of Atlantia SpA and of the Group as at 31 December 2018, and of financial performance and cash flows for the year then ended, in compliance with the International Financial Reporting Standards adopted by the European Union and the measures introduced in application of art. 9 of Legislative Decree 38/2005; (ii) the description of the key aspects of the audit and the audit procedures performed in response to those key aspects; (iii) the auditors' opinion on the consistency of the report on operations and of certain specific disclosures in the report on corporate governance and the ownership structure with the separate and consolidated financial statements as at and for the year ended 31 December 2018 and the reports' compliance with statutory requirements; (iv) confirmation that the opinions on the separate and consolidated financial statements expressed in the two reports are in line with the opinion expressed in the additional report sent to the Board of Statutory Auditors, in its role as the committee responsible for internal and statutory audits, prepared pursuant to art. 11 of the European Regulation (Reg. EU 537/2014);
- neither of the above reports contains a qualification or emphasis of matter;
- in their report on the consolidated financial statements, Deloitte & Touche state that they have verified that the Directors have approved the non-financial statement.

E) Independence of the independent auditors, above all with regard to non-audit services

The Board of Statutory Auditors verified, also with reference to the provisions of art. 19 of Legislative Decree 39/2010, the independence of the independent auditors, Deloitte & Touche, checking the nature and entity of any non-audit services provided to Atlantia, its subsidiaries and entities under common control by the auditors and by their associates. The fees paid by the Atlantia Group to the independent auditors, Deloitte & Touche or associates of Deloitte & Touche, are as follows:

€000	
Audit	2,008
Certification (audit-related)	40
Other services	409
Total	2,457

It should be noted that the category "Other services" (those other than audit or certification) includes €239 thousand regarding the services relating to signature of the Company's tax return and Form 770, a review of the sustainability report, agreed-upon procedures on accounting data and information, comfort letters on loans and bond issues, checks relating to tenders in which the Group participated and additional audits of pro forma financial information. A further €60 thousand regards checks on the internal control system, data protection and the 231 corporate liability guidelines drawn up by the Group for its overseas companies (services provided by associates of the independent auditors), whilst €110 thousand regards checks on the internal control system, agreed-upon procedures on accounting data and information and comfort letters on loans (services provided by associates of the independent auditors).
"Other Services" accounted for 19.97% of the total fees paid for "Audit" and "Certification (audit-related)" services.
In the light of the above, the Board therefore believes that the independent auditors, Deloitte & Touche, meet the requirements for independence. Deloitte & Touche provided their annual confirmation of independence on 27 March 2019.
Finally, it should be noted that, pursuant to art. 13, paragraph 1 of Legislative Decree 39/2010, on 5 March 2019, the Board of Statutory Auditors submitted its reasoned proposal, to be put to shareholders, in relation to Deloitte & Touche's request for the payment of additional fees, received by the Company on 4 March 2019. The request follows the enlargement of the scope of consolidation following Atlantia's acquisition of the Abertis Infraestructuras group, which will result in an increase, of a recurring nature, in the workload relating to the audit of the separate and consolidated annual financial statements and the

six-monthly interim report from 2018 and in the remaining two years of the independent auditors' engagement (2019 and 2020).

Negligence, irregularities, other opinions provided, initiatives undertaken

The Board of Statutory Auditors states that:

- we issued a favourable opinion, pursuant to art. 2389, paragraph 3 of the Italian Civil Code, regarding the remuneration of executive Directors;
- we did not issue further opinions during the year, other than those referred to above.

Complaints lodged under art. 2408 of the Italian Civil Code

Four complaints under art. 2408 of the Italian Civil Code were received during the year, three from the shareholder, Marco Bava (the owner of 1 share in the Company) and one from the shareholder, Tommaso Marino (the owner of 2 shares in the Company), the latter addressed however to the board of statutory auditors of the subsidiary, Autostrade per l'Italia.

In particular, at 10.57pm on 15 August 2018, a certified email was received from the shareholder, Marco Bava, notifying the Board of Statutory Auditors, in the person of Corrado Gatti (Chairman), of a complaint pursuant to art. 2408 of the Italian Civil Code, and relating to the collapse of the Morandi road bridge, planned work on the infrastructure, the potential damage to shareholder were ASPI's concession to be terminated and the subsidiary's criminal liability.

At 1.29am on 21 August 2018, a certified email was received from the shareholder, Marco Bava, notifying the Board of Statutory Auditors, in the person of Corrado Gatti (Chairman), of a further complaint pursuant to art. 2408 of the Italian Civil Code, also addressed to the Italian President, the Prime Minister and, for their information, the Minister of Internal Affairs and the Minister for Economic Development, relating to demolition of the part of the Morandi road bridge that has not collapsed, the design for the reconstruction, an alleged attempt to soften the Italian government's response to the incident and a request for the resignation or immediate dismissal of the Chairman of Atlantia, Fabio Cerchiai, and its chief Executive Officer, Giovanni Castellucci.

At 1.06am on 24 August 2018, a certified email was received from the shareholder, Marco Bava, requesting the Board of Statutory Auditors, in the person of Corrado Gatti (Chairman), to call a general meeting of shareholders to elect new a management team and approve a new business plan taking into account the costs to be incurred by the operator as a result of the events. This email was also addressed to the Italian President, the Prime Minister, the Minister of Internal Affairs and the Minister for Economic Development and all the members of the CONSOB.

The Board of Statutory Auditors examined the complaints received and, pursuant to art. 2408 of the Italian Civil Code, states the following in response to the concerns raised by the shareholder, Marco Bava.

- With regard to the collapse and any eventual criminal liability on the part of the personnel of Autostrade per l'Italia and the company itself pursuant to Legislative Decree 231/2001, Autostrade per l'Italia, convinced that it has complied with its concession obligations, is awaiting the outcome of the ongoing investigation into the causes of the collapse.
- With regard to the complaints received from the Ministry of Infrastructure and Transport in respect of Autostrade per l'Italia, the company has, over the months following the incident, provided timely and detailed responses to the issues raised, as described in the Directors' report on operations.
- In relation to demolition and reconstruction of the road bridge, the law has assigned the Special Commissioner, Marco Bucci, sole responsibility in this regard, requiring Autostrade per l'Italia to provide the Commissioner with the funds necessary to cover: the cost of demolition, removal and dismantling of the road bridge, and the design and reconstruction of the new bridge and the return of the surrounding road system to normal; the purchase or expropriation, by the Commissioner, of civil buildings in the affected areas; the purchase or expropriation, by the Commissioner, of buildings in the affected areas from which businesses operated, and the payment of compensation to the firms involved to cover the cost of any equipment, machinery and materials lost or the transfer of their businesses to another location.

- With regard to communication, specific steps have been taken to put in place both external and internal communication initiatives, designed to provide information on developments as they occur in the most transparent possible. The content of the press releases published is continuously shared with the Board of Statutory Auditors, and specific weekly updates are prepared for the Board of Directors and the Statutory Auditors regarding external communication and on initiatives taken to help the people of Genoa who have been affected by the tragedy. A special section of the subsidiary's website has also been created ("*Autostrade per Genova*").
- No request for the resignations of the Chairman, Fabio Cerchiai, or the Chief executive Officer, Giovanni Castellucci, have been received and neither has tendered their resignation from their positions at Atlantia, which are in any event due to expire with approval of the financial statements as at and for the year ended 31 December 2018.
- As regards calling a general meeting of shareholders, the Board of Statutory Auditors has assessed whether or not there are sufficient grounds for doing so. In particular, given that the shareholder, Marco Bava, is the owner of 1 share and considering that, in conducting its activities, the Board of Statutory Auditors has not identified any irregularities of a serious nature nor any urgent need to take such action, the Board does not believe that the legal requirements for calling such a general meeting have been met, with particular regard to articles 2367, 2406 and 2408 of the Italian Civil Code.
- Finally, in relation to the impact on the Company's operating results, the annual report for 2018 submitted for approval by shareholders includes a full description. The report also provides information on ASPI's investment programme (and capital expenditure at the Atlantia Group's other main companies), and on the extraordinary monitoring programme for the infrastructure on the Group's motorway network, carried out by ASPI's local area offices.

For complete disclosure, the Board of Statutory Auditors also notes that, at 2.30pm on 15 August 2018, an email was mistakenly sent to ASPI's Board of Statutory Auditors by Atlantia's shareholder, Tommaso Marino, requesting an investigation into alleged irregularities, negligence and incompetence on the part of management and personnel, censuring the relevant conduct. In this regard, the Board notes that Autostrade per l'Italia has stated that it is convinced that it has complied with its concession obligations and, whilst awaiting the outcome of the ongoing investigation into the causes of the collapse, Atlantia has prepared its consolidated financial statements as at and for the year ended 31 December 2018 taking into account the latest estimates of the costs directly linked to the collapse, without prejudicing any determination of liability.

Separate and consolidated financial statements and the report on operations

With specific regard to our examination of the financial statements as at and for the year ended 31 December 2018, the consolidated financial statements (prepared in accordance with the IAS/IFRS issued by the International Accounting Standards Board (IASB) and endorsed by the European Union, and in compliance with the measures introduced by the CONSOB in application of paragraph 3 of art. 9 of Legislative Decree 38/2005) and the report on operations, the Board of Statutory Auditors states the following:

- the Annual Report was delivered to the Board of Statutory Auditors in sufficient time to ensure that it will be filed at the Company's registered office accompanied by this report;
- it has been checked the overall basis of presentation of the separate and consolidated financial statements and their general compliance with the laws relating to their preparation and structure, and that they are accompanied by the documents required by the civil code and the CFA;
- it has been checked the reasonableness of the valuation procedures applied and their compliance with the requirements of IFRS; Atlantia's Board of Directors, in keeping with the recommendations in the joint document issued by the Bank of Italy/CONSOB/ISVAP on 3 March 2010, has approved the impairment testing procedure and results independently and prior to approval of the financial statements;

- it has been verified that the financial statements are consistent with the information in our possession, as a result of carrying out our duties, and have no particular observations to make in this regard;
- to the best of the Board of Statutory Auditors' knowledge, in preparing the financial statements, the Directors did not elect to apply any of the exemptions permitted by art. 2423, paragraph 4 of the Italian Civil Code;
- it has been verified compliance with the laws governing preparation of the management report on operations and have no particular observations to make in this regard;
- it has been noted that, as described in the Introduction to the section "Financial review for the Atlantia Group" in the report on operations, the Company has presented the reclassified consolidated income statement, the consolidated statement of comprehensive income, the statement of changes in consolidated equity and the statement of changes in the Atlantia Group's consolidated net debt for the year ended 31 December 2018, and the reclassified consolidated statement of financial position as at 31 December 2018, which include comparative amounts for the previous year. In the Introduction to the "Financial review for the Atlantia Group", it is reported that the scope of consolidation at 31 December 2018 has changed with respect to 31 December 2017 as a result of a series of acquisitions during the year (the acquisition, on 2 March 2018, of a 100% interest in Aero I Global & International Sàrl, the Luxembourg-registered investment vehicle that holds a 15.49% interest in Getlink, formerly Group Eurotunnel SE; the acquisition, on 29 October 2018, of control of Abertis Infraestructuras SA - 50% plus one share of Abertis HoldCo SA, which owns 100% of 100% of Abertis Participaciones SA, which holds 98.7% of the issued capital of Abertis Infraestructuras SA). The results for 2018 benefitted from the contribution of Abertis Infraestructuras SA for just two months. It should be noted that, as clearly stated in the above section, "Financial review for the Atlantia Group", the reclassified consolidated financial statements for 2017 present a number of differences compared with the information published in the Annual Report for 2017, partly due to the impact of first-time adoption of IFRS 15 - Revenue from Contracts with Customers and IFRS 9 – Financial Instruments;
- finally, with reference to the tragic events of 14 August 2018, whilst awaiting the outcome of the ongoing investigation into the causes of the collapse of the Polcevera road bridge and identification of eventual criminal liability, convinced that Autostrade per l'Italia has complied with its concession obligations, the Company has prepared its consolidated financial statements as at and for the year ended 31 December 2018 taking into account the latest estimates of the costs directly linked to the collapse, without prejudicing any determination of liability. In particular, as noted in the financial statements, the event has resulted in reduced toll revenue, expenses and provisions linked to the cost of demolition and reconstruction of the road bridge, compensation payable to victims' families and to the injured, legal expenses and financial help to enable the purchase of basic necessities. This has resulted in an overall after-tax downward impact on profit for the year of approximately €370 million. These amounts prudently do not take into account the positive impact of any eventual insurance proceeds. More detailed information on the events of 14 August 2018 is provided in the section, "Significant regulatory aspects", in the report on operations and in note 8.17 in the "Consolidated financial statements as at and for the year ended 31 December 2018: financial statements and notes". In this regard, the accounting treatment adopted by ASPI, in compliance with the relevant IAS/IFRS, for the costs incurred in relation to demolition and reconstruction of the Polcevera road bridge in its separate and consolidated financial statements has been confirmed by the opinion of an independent expert.

Consolidated Non-financial Statement

Atlantia's Board of Directors has approved the Consolidated Non-financial Statement for 2018, prepared pursuant to Legislative Decree 254/2016.
On 27 March 2019, the independent auditors issued their report on the compliance of the information provided in the consolidated non-financial statement with statutory requirements and reporting standards adopted. The independent auditors have drawn attention to the disclosures provided in the section, "The

Atlantia Group for Genoa", regarding the collapse of the Polcevera road bridge and the initiatives taken by the Atlantia Group following this event. The independent auditors have not made any remarks on these aspects.
The Board of Statutory Auditors oversaw compliance with the provisions of Legislative Decree 254/2016 and we do not have anything to mention in this regard in this report.

Proposal to the Annual General Meeting

The Board of Statutory Auditors is in favour of approval of the financial statements as at and for the year ended 31 December 2018 and has no objections regarding the Board of Directors' proposal for the appropriation of profit for the year and the distribution of a portion of distributable "Retained earnings".

Election of the new Board of Directors

The term of office of the Board of Directors elected by the Annual General Meeting of 21 April 2016 expires with approval of the financial statements as at and for the year ended 31 December 2018. You are thus invited, in accordance with the law and the Company's articles of association, to elect a new Board of Directors.

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Pursuant to art. 144 *quinquiesdecies* of the Regulations for Issuers, approved by the CONSOB with Resolution 11971/99, as amended, the list of positions held by members of the Board of Statutory Auditors at the companies in Book V, Section V, Chapters V, VI and VII of the Italian Civil Code is published by the CONSOB on its website (www.consob.it).

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Rome, 27 March 2019

Board of Statutory Auditors
The Chairman
Corrado Gatti

Independents Auditors Report

Deloitte.

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INDEPENDENT AUDITOR'S REPORT
PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010
AND ARTICLE 10 OF THE EU REGULATION 537/2014

To the Shareholders of
Atlantia S.p.A.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Atlantia S.p.A. and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2018 and the consolidated income statement, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2018 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of Atlantia S.p.A. (the "Company") in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Events of August 14 relating to the collapse of a section of the Polcevera road bridge in Genoa – Regulatory Framework

Description of the key audit matter	On August 14, 2018, a section of the Polcevera road bridge (the "Road Bridge") collapsed in Genoa, on the A10 motorway granted to Autostrade per l'Italia S.p.A. ("ASPI" or the "Operator"), causing the deaths of 43 people. The causes of this tragic event (the "Event") and the related responsibilities are currently under inspection by the investigatory authorities.

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In response to the Event, on August 16, 2018, the Ministry of Infrastructure and Transport (the "MIT or "Grantor") sent to ASPI a letter of complaint relating to serious breaches of its contractual obligations regarding routine and extraordinary maintenance, as to its obligation as laid down in the Single Concession Arrangement (the "Concession").

ASPI, in its response dated August 31, 2018, and in the subsequent letter dated September 13, 2018, presented its counterarguments, rejecting the accusation that it had failed to meet its contractual obligations.

Subsequently, in a letter dated December 20, 2018, the Ministry of Infrastructure and Transport added further to its letter of complaint of August 16, 2018, giving ASPI 120 days from receipt of the letter to provide further counterarguments, specifically in relation to information on aspects regarding the system used to monitor infrastructure and the potential causes of the collapse.

ASPI believes, in part based on the opinion of leading experts, that communications with the Grantor do not qualify as the initial act in the procedure leading to termination of the concession, in accordance with Article 9 of the Concession.

Considering the significance of the Event and the potential effects on the regulatory regime, in the event of any changes to the Concession granted to ASPI, we have considered this issue as a key matter to the audit report on the consolidated financial statements of the Atlantia Group as at December 31, 2018.

Note 10.7 to the consolidated financial statements, the "Statement to shareholders" and the section, "Outlook and risks or uncertainties", in the report on operations provide the disclosures relating to the aspects indicated above.

Audit procedures performed

As part of our audit we have, among other things, carried out the following procedures, also with the support of our legal experts:

- acquisition and analysis of the correspondence between MIT and ASPI concerning the Event;
- analysis of deliberations and reports provided by the Board of Directors of ASPI and Atlantia about the Event;
- examination of the opinions of the legal consultants engaged by ASPI with reference to evaluation of the Operator's position within the Concession Framework.
- acquisition and analysis of Law Decree 109 of September 28, 2018, as amended and converted into Law 130 of November 16, 2018 (the "Genoa Decree"), along with the correspondence between the Group with the Special Commissioner and the CONSOB (*Commissione Nazionale per la Società e la Borsa*);
- meetings and discussions with the management of Atlantia S.p.A. and the Operator and the supervisory bodies with regard to the aspects in the previous points;
- analysis of subsequent events until the date of this report;

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- analysis of the disclosures provided in the notes to the consolidated financial statements, in the "Statement to shareholders" and the report on operations.

Events of August 14 relating to the collapse of a section of the Polcevera road bridge in Genoa – Accounting effects

Description of the key audit matter	With regards to the collapse of a section of the Polcevera road bridge (the "Road Bridge"), the Group carried out detailed analysis in order to assess the related effects on the consolidated financial statements. For the purposes of these decisions, the Directors have also taken into account the provisions of the "Genoa Decree", as well as the measures taken by the Special Commissioner ("Commissioner") appointed following the issue of this decree and have made use of specific technical-legal opinions and the opinion of an independent expert to support the overall accounting approach. At the end of the analyses carried out, the Group recognized costs and provisions totaling €506 million, gross of taxation equal to €140 million, with a negative effect on net profit for the year of €366 million. These effects, mainly attributable to ASPI, derive from the estimation and detection of so-called "direct damages" linked to the Event as a direct and immediate consequence of the Road Bridge collapse. With regard to the "indirect damages", the Directors did not recognize any financial or economic effects, based on the assessment that ASPI is not currently identified as being responsible for the event by any final court or out-of-court ruling. From an accounting point of view, the conditions set forth in IAS 37 have not been met for the recognition of provisions. In particular, the economic effects resulting from the Event have led to the adjustment of the "Provisions for the repair and replacement of motorway infrastructure", totalling €397 million. This is equal to the charges estimated by the Commissioner in the communication addressed to ASPI on December 21, 2018 for the purchase civil and commercial buildings (provisionally determined as €115 million), for the sum necessary to compensate firms for any equipment, machinery and materials lost or the transfer of their businesses to another location (€44 million) and for the demolition, design and reconstruction of the bridge (provisionally determined at €238 million, net of VAT). ASPI also paid the amounts requested by the Commissioner for the payment of the expropriations necessary for the demolition and reconstruction (€115 million) and for the start of demolition and reconstruction activities (€46 million), given that, based on the provisions of the Genoa Decree, the Commissioner has awarded the contract for the demolition and reconstruction operations to companies outside the Group, requesting ASPI to pay the amounts necessary for these activities. The Group also recognized €58 million in "Provisions for risks and charges", essentially attributable to ASPI, as an estimate mainly of the compensation still to be paid to the family members of the victims of the Event, and to charge the costs incurred for €50 million during the year, mainly related to the restoration of the local road network, to the purchase of basic necessities during 2018 and to the compensation already paid to some heirs of the victims of the Event.

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In consideration of the significance of the event that occurred and the significance of the effects, we considered this issue a Key Audit Matter in the audit of the consolidated financial statements of the Atlantia Group as at December 31, 2018.

Notes 7.14 and 8.17 to the consolidated financial statements provide the disclosures relating to the points mentioned above.

Audit procedures performed

As part of our audit we have, among other things, carried out the following procedures, also with the support of our legal experts:

- analysis of deliberations and reports provided by the Board of Directors of ASPI and Atlantia about the Event;
- examination of the opinions issued by the legal consultants engaged by ASPI with reference to the assessment of the company's position with respect to civil liability for "direct" and / or "indirect" damages resulting from the Event;
- obtaining and analyzing the corporate documentation in order to understand the valuation process used by the management of ASPI in estimating the liabilities recorded in the financial statements and in evaluating the potential liabilities;
- verification of the methods adopted by management for the purposes of estimating the charges recorded in the "Provisions for the repair and replacement of motorway infrastructure" and in the "Provisions for risks and charges";
- examination of the opinion of the independent expert appointed by ASPI to support the accounting treatment adopted in the financial statements;
- acquisition and analysis of the "Genoa Decree" as well as the correspondence of the Group with the Special Commissioner and with CONSOB (*Commissione Nazionale per la Società e la Borsa*);
- meetings and discussions with the management of Atlantia S.p.A. and the Operator and with the supervisory bodies regarding the aspects referred to in the previous points;
- analysis of the subsequent events until the date of this report;
- analysis of the disclosures provided in the notes to the consolidated financial statements and the report on operations.

Information related to the acquisition and first-time consolidation of Albertis Infraestructuras S.A.

Description of the key audit matter

On October 29, 2018, the acquisition of Abertis Infraestructuras S.A. ("Abertis") and its subsidiaries ("Abertis group") was completed, by reaching agreements with Hochtief Aktiengesellschaft ("Hochtief") and ACS, Actividades de Construccion y Servicios S.A. ("ACS") regarding a joint investment in Abertis.

Pursuant to the above agreements, Atlantia subscribed for 50% plus one share of Abertis HoldCo S.A., a company established in 2018 under the laws of Spain with the shareholders, ACS (30%) and Hochtief (20% minus one share), which in turn established a wholly-owned Spanish subsidiary, Abertis Participaciones S.A., that purchased on the October 29, 2018, 98.7% of Abertis's issued capital for €16,520 million.

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Following the analysis of the transaction and the related agreements, the Group's management concluded that the transaction led to the acquisition of control of Abertis by Atlantia falling within the scope of IFRS 10. Consequently, the Abertis group was consolidated using the line-by-line method starting from the date of acquisition of control.

The transaction was accounted for using the acquisition method, in accordance with IFRS 3, by proceeding with a temporary allocation of the relevant amounts, as permitted by the same accounting standard and based on the technical opinion issued by an independent expert appointed by the Atlantia Group, given the complexities connected with the structure of the Abertis group and considering that the multi-year post-acquisition plan has not yet been finalized. This involved temporarily maintaining the IFRS carrying amounts of the assets and liabilities already recognized in the consolidated financial statements of the Abertis group, and allocating the goodwill computed on the basis of the entire difference between the acquisition cost and the value of the net assets acquired, amounting to €16,774 million.

Following the acquisition, Atlantia's management carried out a specific analysis on the accounting standards and policies applied by the two groups and on the basis of presentation used, in order to guarantee their consistency.

For the purposes of assessing the recoverability of the net assets of the Abertis group, and in compliance with IAS 36, management has also carried out an impairment test at the acquisition date, by measuring the estimated fair value through observable market inputs and based on the advice of an external consultant, concluding that the total amount of the net assets of the Abertis group recorded in the consolidated financial statements of Atlantia (including goodwill) are recoverable.

Considering the significance and complexity of the acquisition of the Abertis group, we considered this issue as a Key Audit Matter in the audit of the consolidated financial statements of the Atlantia Group as at December 31, 2018.

Notes 6.2 and 7.2 to the consolidated financial statements, respectively, illustrate the acquisition of Abertis, including the related effects and the methods used to finance it, as well as the disclosure on the impairment test conducted by the Group.

Audit procedures performed

As part of our audit we have, among other things, carried out the following procedures, also with the support of specialists in the application of international accounting standards and our experts in valuation matters:

- analysis of the contracts related to the acquisition;
- review of the analysis carried out by management regarding the acquisition of control of Abertis in accordance with IFRS 10;
- audit of the financial statements of Abertis as at October 31, 2018;
- recognition of the main controls implemented on the process of accounting for the business combination;

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- verification of the correct application by management of the acquisition method established by IFRS 3;
- analysis of the valuation process used by management in estimating the recoverability of the difference, temporarily allocated to "goodwill";
- examination of the technical opinion issued by an independent expert to support the accounting treatment applied by management to the transaction in question;
- examination of the technical documents prepared by an external consultant for the determination, for the purposes of the impairment test, of the total fair value at the acquisition date of the net assets recognised as a result of the acquisition;
- meetings and discussions with the Group's management and the management of Abertis and with Abertis's auditors and the acquisition of documentary evidence in order to obtain information on the activities aimed at verifying the consistency of the two groups' accounting policies;
- verification of the accuracy of accounting records;
- verification of the adequacy and completeness of the disclosures provided by the Group in the consolidated financial statements with respect to the provisions of the international accounting standards, IFRS 3 and IAS 36.

Information on the acquisition of Aero I Global & International S.à.r.l.

Description of the key audit matter

During 2018, the Group acquired Aero 1 Global & International S.à.r.l. ("Aero 1"), a Luxembourg-based investment vehicle that holds a 15.49% interest in Getlink, a company that mainly manages the concession for the undersea link connecting France with the UK. The Group completed measurement of the fair value of the assets acquired and the liabilities assumed with the aforementioned transaction.

The transaction has been accounted for using the acquisition method in accordance with IFRS 3. Specifically, the Group's management, with the support of an external consultant, proceeded to determine the fair value of the investment held by Aero I in Getlink at €1,056 million.
Therefore, because of the acquisition of Aero 1, the Atlantia Group holds an investment in Getlink, which, starting from the acquisition date, is valued using the equity method and whose value as at December 31, 2018 is equal to €1,041 million.

Considering the significance of the transaction and the particular nature of aspects of the valuation, mainly connected with determination of the fair value of the net assets acquired, we considered this issue a Key Audit Matter in the audit of the consolidated financial statements of the Atlantia Group as at December 31, 2018.

Note 6.1 to the consolidated financial statements of the Atlantia Group illustrates the effects of acquiring control of Aero 1, as well as the final amounts of the related fair values identified.

Audit procedures performed

As part of our audit, we have, among other things, carried out the following procedures, also with the support of specialists in valuation matters:

- analysis of the acquisition contract;

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- recognition of the main controls on the process of accounting for the business combination;
- examination of the purchase price estimate allocation report prepared by the external consultant engaged by management;
- analysis of the plausibility of the main assumptions adopted in determination of the fair value of the assets and liabilities resulting from the acquisition, as well as the acquisition of information and interviews with management and in-depth analysis with the Group's external consultant, and of the key variables used to determine the respective fair values;
- verification of the accuracy of the accounting records;
- verification on the adequacy and completeness of the disclosures provided by the Group in the consolidated financial statements with respect to the provisions of international accounting standard IFRS 3.

Valuation of the provisions for the repair and replacement of motorway infrastructure and provisions for the renewal of assets held under concession

Description of the key audit matter

The consolidated financial statements as at December 31, 2018 include "provisions for the repair and replacement of motorway infrastructure", amounting to €2,443 million, and "provisions for the renewal of assets held under concession" of €357 million. These provisions includes the estimate of the present value of the costs that the Group's operators (the "Operators") are expected to incur under the contractual obligations resulting from their concession arrangements (the "Arrangements"), in order to ensure the serviceability and safety of the motorway and airport infrastructure operated under concession.

The provisions for the repair and replacement of motorway infrastructure increased during the year by a total of €1,044 million, mainly due to the effects of the change in the scope of consolidation, attributable to the contribution of Abertis, amounting to €692 million, and the provisions of €397 million resulting from the collapse of a section of the Polcevera road bridge, as described above.

Autostrade per l'Italia S.p.A. ("ASPI") also appointed external consultants to carry out analyses of the state of maintenance of the main infrastructure operated under concession, the results of which were then compared with those of the analyses conducted by the Group's own technical units.

The estimation process for the above provisions has proven to be rather complex and is based on a series of variables and assumptions that include technical assumptions about planning for the repair, replacement and renewal of individual infrastructure components. In particular, the main assumptions concern the duration of maintenance cycles, the state of work completeness and the estimated costs for homogeneous classes of intervention.

Considering the above, we have considered the valuation of these provisions a Key Audit Matter in the audit of the consolidated financial statements of the Atlantia Group as at December 31, 2018.
Notes 3 and 7.14 of the consolidated financial statements illustrate the valuation criteria applied by the Group and movements in the aforementioned provisions during the year.

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Audit procedures performed	As part of our audit, we have, among other things, carried out the following procedures: • understanding of the process used by the operators for the purpose of determining and adjusting the provisions in question; • identification of the main controls put in place by the operators to oversee the area in question and, with reference to the main operator of the Group - ASPI - verification of the company's operations; • obtaining and analysing reports prepared by the technical managers of motorway operators regarding the planning of repair and replacement operations. Particularly, the technical assumptions underlying the calculation models, the operating costs and the forecast of average repair and replacement times; • verification of the accuracy and completeness of the data used by the operators in making estimates; • analysis of the plausibility of the discount rates applied by the operators in discounting the provisions; • verification of the mathematical accuracy of the calculations carried out in determining the provisions; • analysis of the results of the external consultants engaged by ASPI on the state of maintenance of the main infrastructure operated under concession, with the support of experts in the engineering field; • retrospective review of the estimates for the previous year, including the analysis of any differences between the costs incurred compared to the previous estimates with reference to a sample of works completed by ASPI during 2018; • analysis of the adequacy of the information provided in the notes to the consolidated financial statements and of its compliance with financial reporting standards.

Impairment test on the goodwill allocated to the CGU Autostrade per l'Italia

Description of the key audit matter	The consolidated financial statements as at December 31, 2018 include, among other things, goodwill of €4,383 million relating to the cash-generating unit ("CGU") ASPI. In compliance with the requirements of IAS 36, goodwill is not amortized, but its carrying amount is tested for impairment at least annually, by comparing the recoverable amount of the ASPI CGU, determined on the basis of the "value in use" method , and the carrying amount, which includes both goodwill and other tangible and intangible assets allocated to the CGU itself. In determining the recoverable value of the goodwill allocated to the ASPI CGU, the Group referred to the cash flows forecasted in the long-term business plan developed by ASPI, based on the assumptions and regulatory mechanisms provided for in the agreement signed with the Grantor (the "Single Concession Arrangement"). In particular, the assumptions include traffic forecasts, future investment and expected toll rates based on the current Arrangement. In consideration of the significance of the value recorded in the consolidated financial statements of the Atlantia Group and the complexity of the related

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valuation process, we considered the impairment test of the goodwill allocated to the ASPI CGU to be a Key Audit Matter in the audit of the consolidated financial statements of the Atlantia Group as at December 31, 2018.

Note 7.2 to the Atlantia Group's consolidated financial statements for 2018 provides information regarding the impairment test conducted by the Group and the effects of the sensitivity analyses deriving from changes in the key variables used in carrying out the impairment test.

Audit procedures performed

As part of our audit, we have, among other things, carried out the following procedures, having also employed the help of experts in valuation:

- analysis of the methods adopted by the Group to identify the CGU;
- recognition of the main controls implemented by the Group on the impairment test process;
- analysis of the assumptions used by ASPI in preparing the long-term business plan, in order to ascertain its plausibility. In particular, the consistency of the assumptions for the preparation of the long-term business plan was verified against the provisions in the Single Concession Arrangement;
- analysis of the deviations between the historical data reported and the forecast data, in order to assess the reliability of the process followed by ASPI in the preparation of the long-term business plan;
- analysis of the impairment test carried out by the Group, particularly the following:

  i. technical evaluation of the methodology used by the Group to define the discount rate (WACC) used in the test;
  ii. verification of the mathematical accuracy of the calculation model used by the Group in determining "value in use";
  iii. verification of the sensitivity analysis prepared by the Group;

- analysis of the adequacy of the information relating to the impairment test and its compliance with IAS 36.

Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements

The Directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05, and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the Company or the termination of the business or have no realistic alternatives to such choices.

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The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence applicable in Italy, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report.

Other information communicated pursuant to art. 10 of the EU Regulation 537/2014

The Shareholders' Meeting of Atlantia S.p.A. has appointed us on April 24, 2012 as auditors of the Company for the years from December 31, 2012 to December 31, 2020.

We declare that we have not provided prohibited non-audit services referred to in art. 5 (1) of EU Regulation 537/2014 and that we have remained independent of the Company in conducting the audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to the Board of Statutory Auditors, in its role of Audit Committee, referred to in art. 11 of the said Regulation.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinion pursuant to art. 14 paragraph 2 (e) of Legislative Decree 39/10 and art. 123-bis, paragraph 4, of Legislative Decree 58/98

The Directors of Atlantia S.p.A. are responsible for the preparation of the report on operations and the report on corporate governance and the ownership structure of Atlantia Group as at December 31, 2018, including their consistency with the related consolidated financial statements and their compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to express an opinion on the consistency of the report on operations and some specific information contained in the report on corporate governance and the ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98, with the consolidated financial statements of Atlantia Group as at December 31, 2018 and on their compliance with the law, as well as to make a statement about any material misstatement.

In our opinion, the above-mentioned report on operations and some specific information contained in the report on corporate governance and the ownership structure are consistent with the consolidated financial statements of Atlantia Group as at December 31, 2018 and are prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2 (e), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the Group and of the related context acquired during the audit, we have nothing to report.

Statement pursuant to art. 4 of the Consob Regulation for the implementation of Legislative Decree 30 December 2016, no. 254

The Directors of Atlantia S.p.A. are responsible for the preparation of the non-financial statement pursuant to Legislative Decree 30 December 2016, no. 254.

We verified the approval by the Directors of the non-financial statement.

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Pursuant to art. 3, paragraph 10 of Legislative Decree 30 December 2016, no. 254, this statement is subject of a separate attestation issued by us.

DELOITTE & TOUCHE S.p.A.

Signed by
Fabio Pompei
Partner

Rome, Italy
March 27, 2019

This report has been translated into the English language solely for the convenience of international readers.

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INDEPENDENT AUDITOR'S REPORT
PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010
AND ARTICLE 10 OF THE EU REGULATION 537/2014

To the Shareholders of
Atlantia S.p.A.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Atlantia S.p.A. (the Company), which comprise the statement of financial position as at December 31, 2018, and the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at December 31, 2018, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Events of August 14 relating to the collapse of a section of the Polcevera road bridge in Genoa – Regulatory Framework

Description of the key audit matter	On August 14, 2018, a section of Polcevera road bridge (the "Road Bridge") collapsed in Genoa, on the A10 motorway operated under concession by Autostrade per l'Italia S.p.A. ("ASPI" or the "Operator"), causing the death of 43 people. The causes of this tragic event (the "Event") and the related responsibilities are currently under inspection by the investigatory authorities.

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In response to the Event, on August 16, 2018, the Ministry of Infrastructure and Transport (the "MIT or "Grantor") sent to ASPI a letter of complaint relating to serious breaches of its contractual obligations regarding routine and extraordinary maintenance, as to its obligation, as laid down in the Single Concession Arrangement (the "Concession").

ASPI, in its response dated August 31, 2018, and in the subsequent letter dated September 13, 2018, presented its counterarguments, rejecting the accusation that it had failed to meet its contractual obligations.

Subsequently, in a letter dated December 20, 2018, the Ministry of Infrastructure and Transport added further to its letter of complaint of August 16, 2018, giving ASPI 120 days from receipt of the letter to provide further counterarguments, specifically in relation to information on aspects regarding the system used to monitor infrastructure and the potential causes of the collapse.

ASPI believes, in part based on the opinion of leading experts, that communications with the Grantor do not qualify as the initial act in the procedure leading to termination of the concession, in accordance with Article 9 of the Concession.

Considering the significance of the Event and the potential effects on the regulatory regime, in the event of any changes to the Concession granted to subsidiary ASPI, we have considered this issue as a key matter in the audit report on the financial statements of Atlantia S.p.A as at December 31, 2018.

The "Statement to shareholders" and the section "Outlook and risks or uncertainties" in the report on operations provide the disclosures relating to the aspects indicated above.

Audit procedures performed

As part of our audit we have, among other things, carried out the following procedures, also with the support of our legal experts:

- acquisition and analysis of the correspondence between MIT and ASPI concerning the Event;
- analysis of deliberations and reports provided by the Board of Directors of ASPI and Atlantia about the Event;
- examination of the opinions of the legal consultants engaged by ASPI with reference to the evaluation of the Operator's position within the Concession Framework;
- acquisition and analysis of Law Decree 109 of September 28, 2018, as amended and converted into Law 130 of November 16, 2018 (the "Genoa Decree"), along with the correspondence between the Group with the Special Commissioner and the CONSOB (Commissione Nazionale per la Società e la Borsa);
- meetings and discussions with the management of Atlantia SpA and the Operator and the supervisory bodies with regard to the aspects in the previous points;
- analysis of the subsequent events until the date of this report;
- analysis of the disclosures provided in the "Statement to shareholders" and in the report on operations.

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Recoverability of the investments in Autostrade per l'Italia SpA and Abertis HoldCo. SA	
Description of the key audit matter	The financial statements as at December 31, 2018 includes investments totaling €16,095 million, of which €5,333 million is attributable to Autostrade per l'Italia S.p.A. ("ASPI") and €3,384 million to Abertis HoldCo S.A. (a Spanish-registered firm established in 2018 with the partners ACS, Actividades de Construccion y Servicios SA ("ACS") and Hochtief Aktengesellshaft ("Hochtief"), in order to complete the acquisition of Abertis Infrastructuras S.A. described in note 4.2 to the financial statements. In accordance with the requirements of IAS 36, the Company, at least annually, verifies the carrying amount of investments ("Impairment testing"), including goodwill. In particular, the impairment test for ASPI has been performed by comparing the recoverable value of the investment, determined on the basis of the "value in use" method, and its carrying amount. In determining the recoverable amount of the investment in ASPI, the Company considered future cash flows based on the long-term business plan prepared by ASPI on the basis of the assumptions and regulatory mechanisms envisaged by the Single Concession Arrangement (the "Concession"). In particular, the assumptions include traffic forecasts, future investment to be carried out and the toll rates that are expected to be recognized based on the current Concession. In determining the recoverable amount of the investment in Abertis HoldCo, the Company referred to the fair value estimated at the acquisition date using observable market inputs and also with the support of an external consultant. In consideration of the significance of the amount of the above-described investments and the complexity of the related valuation process, we considered the related impairment test a key matter in the audit of the financial statements of Atlantia S.p.A.. Notes 3 and 5.3 to the financial statements for 2018 illustrate the valuation criteria applied by the Company and movements during the year.
Audit procedures performed	As part of our audit, among other things, we carried out the following procedures, also with the support of our valuation experts: • analysis of the contracts related to the acquisition of the investment in Abertis HoldCo S.A.; • testing of the design and implementation of the key controls over the impairment testing process; • analysis of the valuation process adopted by management to estimate the recoverability of the investment; • analysis of the assumptions used by ASPI in preparing the long-term business plan, in order to ascertain its plausibility. In particular, the consistency of the assumptions for the preparation of the long-term business plan was verified against the provisions in the Single Concession Arrangement; • analysis of the differences between the historical data and the forecast data, in order to assess the reliability of the process followed by ASPI in preparing the long-term business plan;

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- analysis of the impairment test carried out by the Company, with particular reference to:

    i. technical evaluation of the method used by the Company to determine the discount rate (WACC) used in the test;
    ii. verification of the mathematical accuracy of the calculation model used by the Company to determine "value in use";
    iii. Verification of the sensitivity analyses prepared by the Company;

- examination of the technical documents prepared by an external consultant for the determination of the recoverable value of the investment in Abertis HoldCo for the purposes of the impairment test;
- analysis of the adequacy of the disclosures related to the impairment tests and their compliance with accounting standard IAS 36.

Responsibilities of the Directors and the Board of Statutory Auditors for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05 and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the Company or for the termination of the operations or have no realistic alternative to such choices.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence applicable in Italy, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report.

Other information communicated pursuant to art. 10 of the EU Regulation 537/2014

The Shareholders' Meeting of Atlantia S.p.A. has appointed us on April 24, 2012 as auditors of the Company for the years from December 31, 2012 to December 31 2020.

We declare that we have not provided prohibited non-audit services referred to in art. 5 (1) of EU Regulation 537/2014 and that we have remained independent of the Company in conducting the audit.
We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to the Board of Statutory Auditors, in its role of Audit Committee, referred to in art. 11 of the said Regulation.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinion pursuant to art. 14, paragraph 2 (e), of Legislative Decree 39/10 and art. 123-bis, paragraph 4, of Legislative Decree 58/98

The Directors of Atlantia S.p.A. are responsible for the preparation of the report on operations and the report on corporate governance and ownership structure of Atlantia S.p.A. as at December 31, 2018, including their consistency with the related financial statements and their compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to express an opinion on the consistency of the report on operations and some specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98 with the financial statements of Atlantia S.p.A. as at December 31, 2018 and on their compliance with the law, as well as to make a statement about any material misstatement.

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In our opinion, the above-mentioned report on operations and information contained in the report on corporate governance and ownership structure are consistent with the financial statements of Atlantia S.p.A. as at December 31, 2018 and are prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2 (e), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the entity and of the related context acquired during the audit, we have nothing to report.

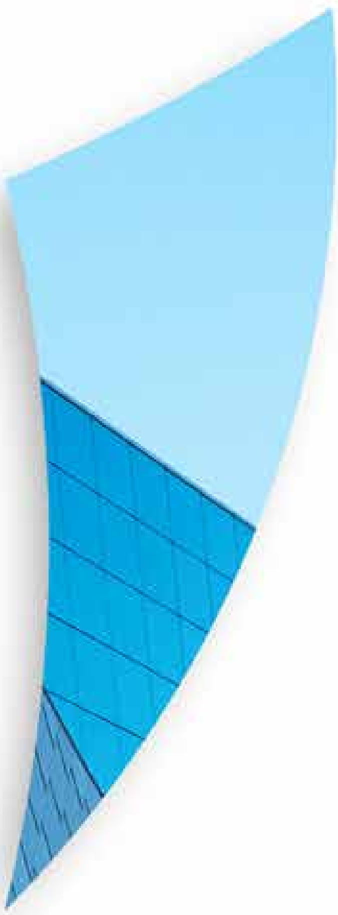
DELOITTE & TOUCHE S.p.A.

Signed by

Fabio Pompei
Partner

Rome, Italy
March 27, 2019

This report has been translated into the English language solely for the convenience of international readers.



KEY INDICATORS EXTRACTED FROM THE FINANCIAL STATEMENTS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES, AS DEFINED BY PARAGRAPHS 3 AND 4 OF ART. 2429 OF THE ITALIAN CIVIL CODE

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

The figures provided below were extracted from the most recent financial statements approved by the companies' respective boards of directors. The companies' reporting date is 31 December of each year, unless otherwise indicated. The companies prepare their financial statements in accordance with international financial reporting standards, with the exception of Abertis HoldCo, Aero 1 Global International, Autostrade dell'Atlantico, Azzurra Aeroporti, Pavimental, Fiumicino Energia, SPEA Engineering, Autostrade Indian Infrastucture and Pune Solapur Expressways Private which prepare their financial statements in accordance with accounting principles generally accepted in their respective countries.

Subsidiaries

Autostrade per l'italia SpA

€000	FINANCIAL POSITION	31 DECEMBER 2017	31 DECEMBER 2016
Non-current assets		18,340,217	18,803,703
Current assets		3,329,212	4,852,538
Total assets		**21,669,429**	**23,656,241**
Equity		1,986,808	3,605,115
of which issued capital		*622,027*	*622,027*
Liabilities		19,682,621	20,051,126
Total equity and liabilities		**21,669,429**	**23,656,241**

€000	RESULTS OF OPERATIONS	2017	2016
Operating revenue		3,708,917	3,717,539
Operating costs		-1,958,379	-2,076,373
Operating profit/(loss)		1,750,538	1,641,166
Profit/(loss) for the period		**968,016**	**619,121**

Abertis HoldCo SA

€000	FINANCIAL POSITION	31 DECEMBER 2018	31 DECEMBER 2017
Non-current assets		16,519,601	-
Current assets		2,764	-
Total assets		**16,522,365**	**-**
Equity		6,730,491	-
of which issued capital		*100,060*	-
Liabilities		9,791,874	-
Total equity and liabilities		**16,522,365**	**-**

€000	RESULTS OF OPERATIONS	2018	2017
Operating revenue		-	-
Operating costs		-636	-
Operating profit/(loss)		-636	-
Profit/(loss) for the period	-	**28,304**	**-**

Aero 1 Global & International S.a.r.l.

€000	FINANCIAL POSITION	31 DECEMBER 2018	31 DECEMBER 2017
Non-current assets		674,734	674,734
Current assets		72	28
Total assets		**674,806**	**674,762**
Equity		674,761	-104,728
of which issued capital		*6,671*	*6,671*
Liabilities		45	779,490
Total equity and liabilities		**674,806**	**674,762**

€000	RESULTS OF OPERATIONS	2018	2017
Operating revenue		-	-
Operating costs		-87	-18
Operating profit/(loss)		-87	-18
Profit/(loss) for the period		**25,459**	- **244**

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

Aeroporti di Roma SpA

€000	FINANCIAL POSITION	31 DECEMBER 2017	31 DECEMBER 2016
Non-current assets		2,564,588	2,524,722
Current assets		640,707	417,812
Total assets		**3,205,295**	**2,942,534**
Equity		1,100,840	1,101,042
of which issued capital		*62,225*	*62,225*
Liabilities		2,104,455	1,841,492
Total equity and liabilities		**3,205,295**	**2,942,534**

€000	RESULTS OF OPERATIONS	2017	2016
Operating revenue		992,894	1,170,210
Operating costs		-612,148	-796,219
Operating profit/(loss)		380,746	373,991
Profit/(loss) for the period		**243,017**	**215,742**

Autostrade dell'Atlantico Srl

€000	FINANCIAL POSITION	31 DECEMBER 2018	31 DECEMBER 2017
Non-current assets		431,366	424,783
of which non-current investments		*378,236*	*378,236*
Current assets		84,269	14,568
Other assets		-	-
Total assets		**515,635**	**439,351**
Equity		181,336	178,507
of which issued capital		*1,000*	*1,000*
Provisions and post-employment benefits		158	-
Payables		334,141	260,844
Other liabilities		-	-
Total equity and liabilities		**515,635**	**439,351**

€000	RESULTS OF OPERATIONS	2018	2017
Value of production		497	-
Cost of production		-4,434	-3,216
Operating profit/(loss)		-3,937	-3,216
Profit/(loss) for the period		**62,830**	**2,270**

Azzurra Aeroporti Srl

€000	FINANCIAL POSITION	31 DECEMBER 2018	31 DECEMBER 2017
Non-current assets		1,303,049	1,303,049
of which non-current investments		1,303,049	1,303,049
Current assets		53,909	34,470
Other assets		64	18
Total assets		**1,357,022**	**1,337,537**
Equity		706,579	690,430
of which issued capital		*3,221*	*2,500*
Provisions and post-employment benefits		-	-
Payables		650,313	646,966
Other liabilities		130	141
Total equity and liabilities		**1,357,022**	**1,337,537**

€000	RESULTS OF OPERATIONS	2018	2017
Value of production		-	-
Cost of production		-874	-1,686
Operating profit/(loss)		-874	-1,686
Profit/(loss) for the period		**43,790**	**27,641**

Stalexport Autostrady SA

THOUSANDS OF ZLOTY	FINANCIAL POSITION	31 DECEMBER 2017	31 DECEMBER 2016
Non-current assets		78,210	78,950
Current assets		341,278	310,721
Total assets		**419,488**	**389,671**
Equity		416,327	387,585
of which issued capital		*185,447*	*185,447*
Liabilities		3,161	2,086
Total equity and liabilities		**419,488**	**389,671**

THOUSANDS OF ZLOTY	RESULTS OF OPERATIONS	2017	2016
Operating revenue		3,660	3,820
Operating costs		-7,922	-7,294
Operating profit/(loss)		-4,262	-3,474
Profit/(loss) for the period		**73,211**	**180,747**

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

Telepass SpA

€000	FINANCIAL POSITION	31 DECEMBER 2018	31 DECEMBER 2017
Non-current assets		86,584	63,136
Current assets		918,884	842,695
Total assets		**1,005,468**	**905,831**
Equity		118,726	115,863
of which issued capital		*26,000*	*26,000*
Liabilities		886,742	789,968
Total equity and liabilities		**1,005,468**	**905,831**

€000	RESULTS OF OPERATIONS	2018	2017
Operating revenue		199,578	183,075
Operating costs		-104,059	-88,699
Operating profit/(loss)		95,519	94,376
Profit/(loss) for the period		**68,220**	**66,325**

Pavimental SpA

€000	FINANCIAL POSITION	31 DECEMBER 2018	31 DECEMBER 2017
Non-current assets		85,325	101,623
of which non-current investments		5,392	5,392
Current assets		257,270	279,922
Other assets		4,523	5,990
Total assets		**347,118**	**387,535**
Equity		15,011	31,477
of which issued capital		*10,116*	*10,116*
Provisions and post-employment benefits		12,608	12,823
Payables		319,385	343,093
Other liabilities		114	142
Total equity and liabilities		**347,118**	**387,535**

€000	RESULTS OF OPERATIONS	2018	2017
Value of production		297,978	397,388
Cost of production		-318,361	-371,862
Operating profit/(loss)		-20,383	25,526
Profit/(loss) for the period		**-16,205**	**15,794**

Fiumicino Energia Srl

€000	FINANCIAL POSITION	31 DECEMBER 2018	31 DECEMBER 2017
Non-current assets		5,493	5,486
of which non-current investments		266	266
Current assets		7,617	7,174
Other assets		88	22
Total assets		**13,198**	**12,682**
Equity		11,962	11,653
of which issued capital		*742*	*742*
Provisions and post-employment benefits		619	248
Payables		617	781
Other liabilities		-	-
Total equity and liabilities		**13,198**	**12,682**

€000	RESULTS OF OPERATIONS	2018	2017
Value of production		3,348	5,888
Cost of production		-2,953	-2,990
Operating profit/(loss)		395	2,898
Profit/(loss) for the period		**309**	**2,075**

SPEA Engineering SpA

€000	FINANCIAL POSITION	31 DECEMBER 2018	31 DECEMBER 2017
Non-current assets		7,942	7,689
of which non-current investments		882	168
Current assets		181,659	182,410
Other assets		1,376	1,088
Total assets		**190,977**	**191,187**
Equity		78,211	88,349
of which issued capital		*6,966*	*6,966*
Provisions and post-employment benefits		21,643	20,380
Payables		91,123	82,458
Other liabilities		-	-
Total equity and liabilities		**190,977**	**191,187**

€000	RESULTS OF OPERATIONS	2018	2017
Value of production		111,600	112,943
Cost of production		-115,681	-102,511
Operating profit/(loss)		-4,081	10,432
Profit/(loss) for the period		**-3,388**	**6,870**

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

Autostrade Indian Infrastructure Ltd

THOUSANDS OF RUPEES	FINANCIAL POSITION	31 MARCH 2018	31 MARCH 2017(*)
Non-current assets		14,354	5,469
Current assets		61,158	86,333
Total assets		**75,512**	**91,802**
Equity		69,733	80,509
of which issued capital		*500*	*500*
Liabilities		5,779	11,293
Total equity and liabilities		**75,512**	**91,802**

THOUSANDS OF RUPEES	RESULTS OF OPERATIONS	1 APRIL 2017 - 31 MARCH 2018	1 APRIL 2016 - 31 MARCH 2017
Operating revenue		30,012	44,312
Operating costs		-44,760	-24,497
Operating profit/(loss)		-14,748	19,815
Profit/(loss) for the period		**-10,777**	**16,734**

Associates

Aeroporto Guglielmo Marconi di Bologna SpA

€000	FINANCIAL POSITION	31 DECEMBER 2017	31 DECEMBER 2016
Non-current assets		199,088	194,971
Current assets		50,576	54,807
Assets held for sale		117	-
Total assets		**249,781**	**249,778**
Equity		167,220	162,286
of which issued capital		*90,314*	*90,314*
Liabilities		82,561	87,492
Total equity and liabilities		**249,781**	**249,778**

€000	RESULTS OF OPERATIONS	2017	2016
Operating revenue		92,978	85,390
Operating costs		-72,151	-69,400
Operating profit/(loss)		20,827	15,990
Profit/(loss) for the period		**14,909**	**10,543**

Joint ventures

Pune Solapur Expressways Private Ltd

THOUSANDS OF RUPEES	FINANCIAL POSITION	31 MARCH 2018	31 MARCH 2017(*)
Non-current assets		9,728,266	10,141,278
Current assets		365,395	456,736
Total assets		**10,093,661**	**10,598,014**
Equity		554,021	754,988
of which issued capital		47,334	47,334
Liabilities		9,539,640	9,843,026
Total equity and liabilities		**10,093,661**	**10,598,014**

THOUSANDS OF RUPEES	RESULTS OF OPERATIONS	1 APRIL 2017 - 31 MARCH 2018	1 APRIL 2016 - 31 MARCH 2017
Operating revenue		1,408,832	1,262,946
Operating costs		-1,609,905	-1,596,293
Operating profit/(loss)		-201,073	-333,347
Profit/(loss) for the period		**-201,073**	**-333,347**

SHAREHOLDERS' RESOLUTIONS

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Shareholders' resolutions

The Ordinary General Meeting of Atlantia S.p.A., held at the Company's registered office in Rome, Via Antonio Nibby no. 20, on 18 April 2019, in single call, to resolve on the following

Agenda:

1) Financial statements of Atlantia S.p.A. for the year ended on 31 December 2018. Reports of the Board of Directors, the Board of Statutory Auditors, and the Independent Auditors. Allocation of net profits and distribution of available reserves. Submission of consolidated financial statements for the year ended on 31 December 2018. Related and consequent resolutions.
2) Proposal to supplement the considerations paid for the Independent Auditors' engagement for years 2018-2020. Related and consequent resolutions.
3) Authorisation, in accordance with and for the purposes of articles 2357 et seq. Of the Italian Civil Code, 132 of the Legislative Decree no. 58 dated 24 February 1998 (the "Consolidated Finance Act"), and 144-bis of the CONSOB Regulation adopted with resolution no. 11971/1999 (as subsequently amended) to purchase and sell treasury shares, subject to the prior revocation of the authorisation granted by the Ordinary General Meeting of 20 April 2018. Related and consequent resolutions.
4) Appointment of the Board of Directors and determination of relevant remuneration: a) Determination of the number of members of the Board of Directors; b) Appointment of Directors for years 2019-2021; c) Appointment of the Chairman of the Board of Directors; d) Determination of the remuneration to be paid to members of the Board of Directors.
5) Resolution on the first section of the Remuneration Report in accordance with article 123-*ter* of the Consolidated Finance Act.

On item no. 1) of the agenda, it resolved:

- to approve the financial statements as at 31 December 2018, from which result net profits of EUR 694,721,201, having considered the relevant documentation attached to them;
- to allocate such net profits, equal to EUR 694,721,201, as follows:
    1) for distribution of a dividend equal to EUR 0.84 for each share with a par value of EUR 1.00. The overall amount of dividend balance, based on the outstanding shares as at 28 February 2019 (no. 817,964,502), is estimated to be EUR 687,090,182;
    2) for available reserve "Retained earnings", for the residual part of such net profits, which is estimated to be EUR 7,631,019;

- to further allocate for distribution to Shareholders part of available reserve "Retained earnings" (which, as at 31 December 2018, was equal to EUR 1,952,929,865), for an amount equal to EUR 0.06 for each share, which is estimated to be EUR 49,077,870 and, therefore, determine an overall dividend equal to EUR 0.90 for each share, which is estimated to be EUR 736,168,052;

- to schedule the date of payment of this dividend on 22 May 2019, with coupon stripping no. 33 on 20 May 2019 and record date for such payment on 21 May 2019.

The General Meeting also resolved on the proposal on the derivative action pursuant to article 2393, paragraph 2 of the Italian Civil Code proposed by the shareholder Mr. Marco Bava, holder of no. 1 share of Atlantia S.p.A.
Such proposal has been rejected having received only the favourable vote of Mr. Marco Bava itself, and the vote against of all other shareholders attending to the General Meeting.

On item no. 2) of the agenda, it resolved:

- to increase the aggregate annual compensation for each financial year in the period 2018-2020 to be paid to Deloitte & Touche S.p.A. for the performance of its engagement as independent auditor in the following amounts:

Year 2018 (supplementation of Euro 22,500)

Audit of the consolidated financial statements of Atlantia Group	Estimated hours			Fee per hour (Euro)	Amount (Euro)		
Professional category	Actual	No. of Additional hours	**Total**		Actual	Fee Supplementation	**Total**
Partner	60	60	**120**	70.69	4,208	4.241	**8.449**
Manager	185	120	**305**	41.91	7,757	5.029	**12.786**
Audit senior	261	424	**685**	31.31	8,165	13,275	**21.440**
Assistant	174	-	**174**	22.22	3,872	-	**3.872**
Total	680	604	1.284		24,002	23,545	46.547
				Rounded to		22,500	46,500

Years from 2019 to 2020 (supplementation of Euro 46,500 for each financial year)

Audit of the consolidated financial statements of Atlantia Group	Estimated hours			Fee per hour (Euro)	Amount (Euro)		
Professional category	Actual	No. of Additional hours	**Total**		Actual	Fee Supplementation	**Total**
Partner	60	60	**120**	70.69	4,208	4,241	**8,449**
Manager	185	120	**305**	41.91	7,757	5,029	**12,786**
Audit senior	261	440	**701**	31.31	8,165	13,776	**21,941**
Assistant	174	-	**174**	22.22	3,872	-	**3,872**
Total	680	620	1.300		24,002	23,046	47,048
				Rounded to		23,000	47,000

Audit of the separate financial statements of Atlantia S.p.A.	Estimated hours			Fee per hour (Euro)	Amount (Euro)		
Professional category	Actual	No. of Additional hours	**Total**		Actual	Fee Supplementation	**Total**
Partner	16	24	**40**	70.69	1,131	1,697	**2,828**
Manager	39	44	**83**	41.91	1,635	1,844	**3,479**
Audit senior	52	160	**212**	31.31	1,634	5,010	**6,644**
Assistant	43	-	**43**	22.22	955	-	**955**
Total	150	228	378		5,349	8,551	
				Rounded to		8,500	14,000

Review of the half-yearly consolidated financial statements of Atlantia Group	Estimated hours			Fee per hour (Euro)	Amount (Euro)		
Professional category	Actual	No. of Additional hours	**Total**		Actual	Fee Supplementation	**Total**
Partner	20	32	**52**	70.69	1,429	2,262	**3,691**
Manager	75	120	**195**	41.91	3,175	5,029	**8,204**
Audit senior	106	240	**346**	31.31	3,280	7,514	**10,794**
Assistant	59	-	**59**	22.22	1,268	-	**1,268**
Total	260	392	652		9,153	14,805	23,958
				Rounded to		15,000	24,000
	1,090	1,240	2,330		38,500	46,500	85,000

On item no. 3) of the agenda, it resolved:

1) to authorise, following the revocation of the previous shareholders' authorisation of 20 April 2018, in accordance with and for the purposes of Articles 2357 et seq. of the Italian Civil Code and Article 132 of Legislative Decree no. 58 of 24 February 1998, the making of purchases, within the next 18 (eighteen) months, including in more than one instalment and at any time, of ordinary treasury shares, all with a par value of EUR 1.00 each, for an overall amount not higher than no. 82,578,399 shares – including no. 7.819.488 treasury shares that the Company holds as at the date hereof – and, in any event, where lower, up to the maximum number of shares from time to time permitted by law, up to a maximum amount of EUR 1,900,000,000 (which includes the amount already recorded in the financial statements for the financial year ending on 31 December 2018), for one or more of the following reasons, in compliance with applicable national and EU laws and regulations from time to time in 7 force:
   (a) to operate on the market, including through intermediaries, to support the liquidity of Atlantia shares and/or to stabilise their price, so as to favour the proper execution of trading and avoid price movements not in line with the market trends;
   (b) to operate on the market with a mid-term and long-term investment view, aiming also at creating

long-term participations, for purposes of optimisation of the share capital structure or, in any case, taking advantage of market opportunities, including through the purchase and resale of the shares, operating both on the market (and, as to the purchase, in accordance with the terms of point 2 below) and (as to the sale, disposal or use) over-the-counter or even outside the market or through ABB or block trading, at any time, in whole or in part, in one or more instalments, and without any time limitations, provided that it does so at arm's length;

(c) to set up a share portfolio, to sell, dispose and/or use the treasury shares – held or to be purchased in execution of this authorisation resolution – at any time, in whole or in part, in one or in more instalments and without any time limitations, provided that it does so consistently with the Company's strategic guidelines, in the context of extraordinary transactions, including, but not limited to, exchanges, contributions, trade or for transactions regarding the share capital or other corporate and/or financial transactions of an extraordinary nature, including, but not limited to, acquisitions, mergers and similar transactions, or financing transactions or incentives or other transactions, in relation to which the allocation or any other disposal of treasury shares is required or appropriate, as well as for the purpose of fulfilling any obligations deriving from stock option plans, stock grants or – in any case – incentive plans, free of charge or for a consideration, to corporate group's executives, employees or consultants;

(d) to start buy-back programmes for the objectives set forth under by Article 5 of the Regulation (EU) no. 596/2014 ("Market Abuse Regulation" or "MAR") – i.e., reducing the share capital, meeting obligations arising from debt financial instruments that are exchangeable into equity instruments or from share option programmes, or other allocations of shares, to employees or to members of the management and supervisory bodies of the Company or of companies of the corporate group or any further objectives that might be set forth under such provision in its version pro tempore in force – and/or for the objectives set forth under the accepted market practices as established in accordance with Article 13 of the MAR, at the terms and conditions which will be possibly resolved by the Board of Directors, it being understood that in the event the reasons that led to the purchase cease to exist, the shares held as treasury stock, or those purchased in execution of this authorisation, can be used for any of the other purposes mentioned above and/or assigned.

2) to authorise that the purchases under point 1 above will be made:

(a) in compliance with the price conditions provided under for Article 3, paragraph 2, of the Commission Delegated Regulation 2016/1052/EU, i.e., as at the date hereof, at a price not higher than the greater of: (i) the price of the last independent transaction; and (ii) the price of the highest current independent bid on the Mercato Telematico Azionario organised and managed by Borsa Italiana S.p.A., or in compliance with the applicable laws from time to time in force. In any case, the purchases are to be made at a price per share which cannot deviate, either below or above, by more than 20% from the official price per share recorded by the stock on the trading day preceding each single transaction;

(b) in accordance with any terms allowed by the applicable national and EU laws and regulations from time to time in force and, in particular, as at today, in accordance with Article 132, paragraph 1, of the CFA and Article 144-bis, paragraph 1, letters a), b), d), d)-bis and d)-ter of the Issuers' Regulation;

3) to authorise, following the revocation of the previous shareholders' authorisation of 20 April 2018, in accordance with and for the purposes of Article 2357-ter of the Italian Civil Code, the assignment or

any other act of disposal and/or use, in one or more instalments and at any time, without any time limitations, of all or part of the shares held as treasury stock or purchased in accordance with this resolution, including before the completion of the purchases up to the maximum amount authorised by the same, for all purposes under point 1 above, provided that these transactions:
(a) if made in cash, are made at a price per share to be established based on criteria consistent with the applicable regulation and/or market practice accepted from time to time or, in any case, that cannot deviate, either below or above, by more than 10% from the official price per share recorded by the stock on the trading day prior to each single transaction;
(b) if made in the context of extraordinary transactions provided under point 1, letter (c) above, including exchanges, contributions, trade or transactions regarding the share capital or other corporate and/or financial transactions of an extraordinary nature or financing transactions, must be made in accordance with the price limitations and the terms and conditions that the Board of Directors will establish;
(c) if made in the context of share incentive plans, must be assigned to the recipients of these plans, as in force from time to time, in accordance with the terms and conditions provided for under the regulations of the plans themselves;

4) to make, in accordance with Article 2357-ter, paragraph 3, of the Italian Civil Code, any accounting recording relating to authorised operations on treasury shares that is required or appropriate in accordance with applicable laws in force and accounting principles;
5) to grant the Chairman and the Chief Executive Officer, acting either jointly or severally and with power to subdelegate, any broadest powers necessary to carry out, including through intermediaries:
   (a) the purchases for the aims and within the limitations under point 1 above, establishing the methods of purchase and the criteria to set the price per share in compliance with the provisions under point 2 above; and
   (b) the transfer transactions or any other disposal and/or use to be made in cash for the aims under point 1 above, establishing the methods of transfer, including, but not limited to, on the regulated markets, over-the-counter, or even outside the markets or through ABB or block trading, as well as the criteria to set the price per share in compliance with the provisions under point 3, letter (a) above; of all or part – respectively – of the shares held as treasury stock and/or purchased in accordance with this authorisation, carrying out all the activities required for this purpose that are necessary, appropriate, instrumental, connected and/or useful for the positive outcome of these transactions and for the authorisations provided herein, including through attorneys, reporting to the market and complying with any applicable provisions from time to time in force issued by the competent authorities;
6) to grant the Board of Directors, except in case of sub-delegation, any broadest powers necessary to carry out the transfer transactions or any other disposal and/or use to be made under point 3, letters (b) and (c) above, of all or part of the shares held as treasury stock and/or purchased in accordance with this authorisation, establishing the criteria to set the price per share in compliance with, respectively, the same point 3, letters (b) and (c) above and the methods of disposal, in compliance with point 1 above, as well as to implement all activities required for this purpose that are necessary, appropriate, instrumental, connected and/or useful for the positive outcome of these transactions and for the authorisations provided herein, including through attorneys, reporting to the market and complying with any applicable provisions from time to time in force issued by the competent authorities;

7) to grant the Chairman and the Chief Executive Officer, acting either jointly or severally and with the full power to sub-delegate their powers for single acts or categories of acts, any powers, with no exclusion or exception, to execute the above resolutions, implementing anything which is required, appropriate, instrumental, connected and/or useful for the positive outcome of these resolutions and the authorisations provided herein; and
8) to expressly acknowledge that, as a consequence of the so called "whitewash" pursuant to Article 44-bis, paragraph 2 of the Issuers' Regulation, this authorisation resolution for purchasing treasury shares, where approved with the majorities provided for by such provision, will exempt the shareholder Sintonia (and its controlling company Edizione) from the obligation to launch a total takeover bid if, as a consequence of purchases of treasury shares made by the Company in execution of this authorisation resolution, there is an exceedance by the shareholder Sintonia (and, indirectly, by Edizione) of the relevant thresholds for the purposes of Article 106, paragraph 3, letter b) of the CFA.

On item no. 4) of the agenda, it resolved:

- to set at 15 the number of directors to be elected in the new Board of Directors of the Company;
- to appoint as directors for financial years 2019-2020-2021 Ms Mara Anna Rita Caverni, Mr Marco Emilio Angelo Patuano, Mr Carlo Bertazzo, Mr Giovanni Castellucci, Mr Fabio Cerchiai, Mr Andrea Boitani, Mr Riccardo Bruno, Ms Cristina De Benetti, Ms Gioia Ghezzi, Ms Anna Chiara Invernizzi, Mr Carlo Malacarne, Mr Ferdinando Nelli Feroci, Mr Dario Frigerio, Mr Giuseppe Guizzi e Ms Licia Soncini;
- to appoint the candidate Mr Fabio Cerchiai as Chairman of the new Board of Directors;
- to set, in accordance to article 2389, paragraph 1, of the Italian Civil Code, the remuneration for new directors at EUR 80,000 per year for each director, including the attendance allowance; and, with reference to the remuneration for participating to Board Committees:
  (a) as to Corporate, Risk and Corporate Governance Control Committee, a consideration of EUR 45,000 per year for the Chairman and EUR 30,000 per year for each other member, including the attendance allowance;
  (b) as to Human Resources and Remuneration Committee, a consideration of EUR 40,000 per year for the Chairman and EUR 25,000 per year for each other member, including the attendance allowance;
  (c) as to Nominations Committee, a consideration of EUR 40,000 per year for the Chairman and EUR 25,000 per year for each other member, including the attendance allowance;
  (d) as to Committee of Independent Directors with responsibility for Related Party Transactions, an attendance allowance of EUR 600 per meeting for the Chairman and EUR 400 per year for each other member.

On item no. 5) of the agenda, it resolved:

- to approve the first section of the Remuneration Report drafted in accordance with article 123-ter of the Consolidated Finance Act.

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Legal information and contacts

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Legal information

Issued capital: €825,783,990.00, fully paid-up.
Tax code, VAT number and Rome Companies' Register no. 03731380261
REA no. 1023691

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Atlantia