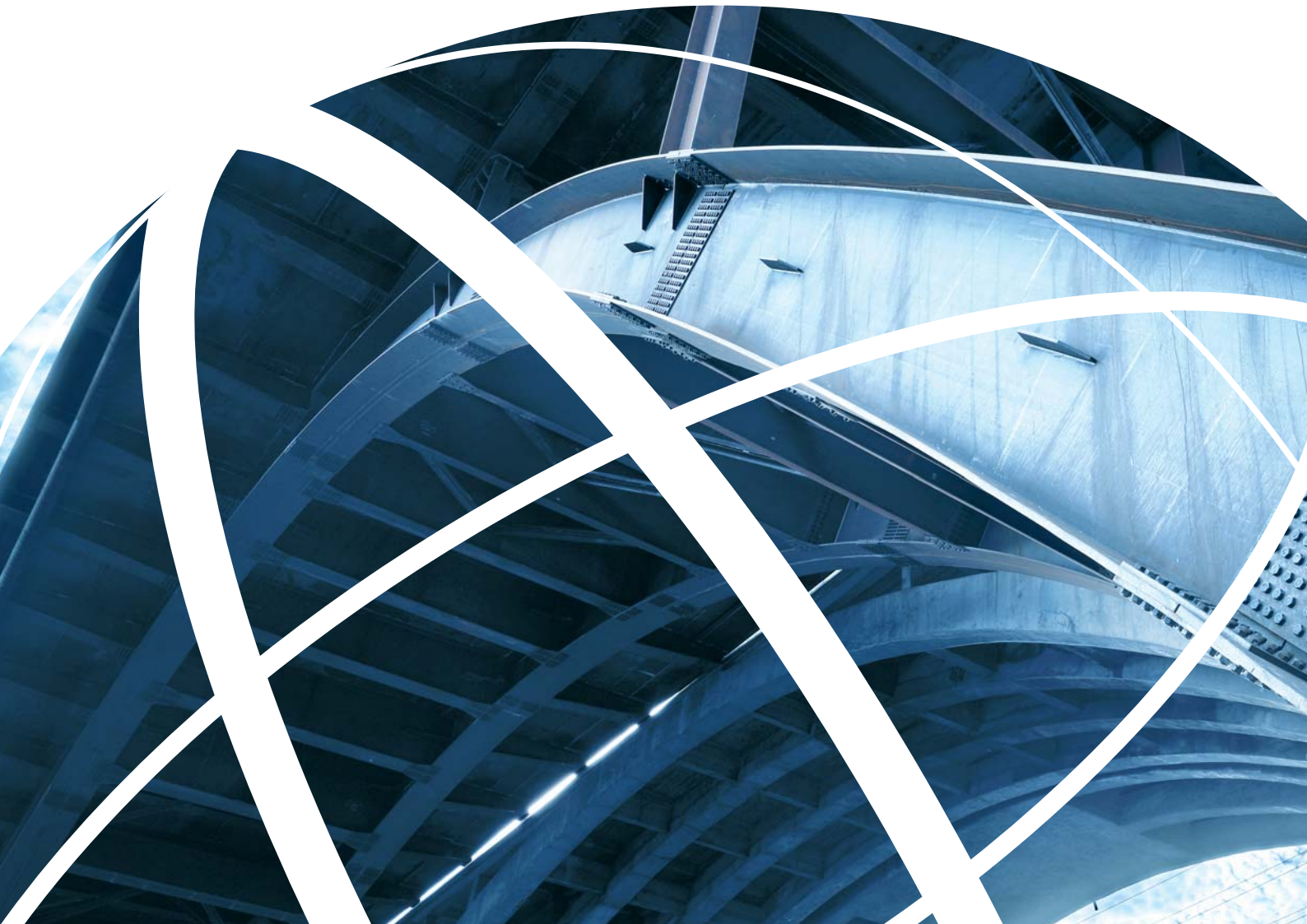


Atlantia 

Annual Report 2009







Annual Report 2009

ATLANTIA SpA

Issued capital: 571,711,557.00 euro, fully paid-up

Tax code, VAT number and Rome Companies' Register no. 03731380261

REA no. 1023691

Registered office in Rome, Via Antonio Nibby 20

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## I. Introduction



## Corporate bodies

### **Board of Directors** for 2009

Chairman  
CEO  
Directors

Gian Maria GROS-PIETRO  
Giovanni CASTELLUCCI  
Gilberto BENETTON  
Alessandro BERTANI  
Alberto BOMBASSEI (*independent*)  
Stefano CAO  
Roberto CERA  
Alberto CLÔ (*independent*)  
Antonio FASSONE  
Carlo MALINCONICO (*independent*)  
Giuliano MARI (*independent*)  
Francesco Paolo MATTIOLI (*independent*)  
Gianni MION  
Giuseppe PIAGGIO  
Antonino TURICCHI (*independent*)  
Andrea GRILLO

Secretary

### **Executive Committee**

Chairman  
CEO  
Directors

Gian Maria GROS-PIETRO  
Giovanni CASTELLUCCI  
Alberto BOMBASSEI (*independent*)  
Stefano CAO  
Giuseppe PIAGGIO

### **Internal Control and Corporate Governance Committee**

Chairman  
Members

Giuseppe PIAGGIO  
Giuliano MARI (*independent*)  
Antonino TURICCHI (*independent*)



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

## Consolidated financial highlights

(€m)	2009	2008
<b>Revenue</b>	<b>3,611</b>	<b>3,477</b>
Net toll revenues	2,956	2,853
Contract revenue and other operating income	654	624
<b>Gross operating profit (EBITDA)</b>	<b>2,204</b>	<b>2,115</b>
<i>EBITDA margin</i>	<i>61.0%</i>	<i>60.8%</i>
<b>Operating profit (EBIT)</b>	<b>1,661</b>	<b>1,616</b>
<i>EBIT margin</i>	<i>46.0%</i>	<i>46.5%</i>
<b>Profit/(loss) from continuing operations</b>	<b>682</b>	<b>721</b>
<i>Profit margin from continuing operations</i>	<i>18.9%</i>	<i>20.7%</i>
<b>Profit for the year (including non-controlling interest)</b>	<b>682</b>	<b>740</b>
<b>Profit for the year attributable to owners of the parent</b>	<b>691</b>	<b>735</b>
<b>Operating cash flow <sup>(*)</sup></b>	<b>1,365</b>	<b>1,379</b>
<b>Capital expenditure</b>	<b>1,313</b>	<b>1,139</b>
<b>Equity <sup>(**)</sup></b>	<b>4,255</b>	<b>3,986</b>
<b>Net debt <sup>(**)</sup></b>	<b>10,372</b>	<b>9,755</b>

(\*) Operating cash flow is calculated as profit + amortisation/depreciation + provisions +/- impairment losses/reversals of impairment losses on assets (after deferred tax effect) +/- share of profit/(loss) of investments accounted for using equity method + released portion of deferred tax assets on transfers of assets +/- gains/(losses) on sale of assets +/- other non-cash items.

(\*\*) At 31 December.

## Key market data

	2009	2008
Issued capital (at 31 December) (€)	571,711,557	571,711,557
Number of shares (unit par value €1)	571,711,557	571,711,557
Market capitalisation (€m) <sup>(*)</sup>	10,434	7,489
Earnings per share (€)	1.23	1.30
Operating cash flow per share (€)	2.39	2.41
Dividend per share (€)	0.75	0.71
Interim	0.355	0.34
Final	0.391	0.37
Dividend/Cash flow per share (%)	31%	29%
Dividend yield <sup>(*)</sup>	4.1%	5.4%
Year-end price (€)	18.25	13.09
High (€)	18.25	25.62
Low (€)	9.35	11.42
Share price/Earnings per share (P/E) <sup>(*)</sup>	14.8	10.1
Share price/Cash flow per share <sup>(*)</sup>	7.6	5.4
Market to book value <sup>(*)</sup>	2.5	1.9
Atlantia as % of FTSE Italia All Share index <sup>(*)</sup>	2.26%	1.95%
Atlantia as % of FTSE/MIB index <sup>(*)</sup>	2.68%	1.89%

### Group's ratings

Standard&Poor's	A- (stable outlook)	A (negative outlook)
Moody's	A3 (stable outlook)	A3 (stable outlook)
Fitch Ratings	A- (stable outlook)	n.a.

(\*) Based on year-end price.

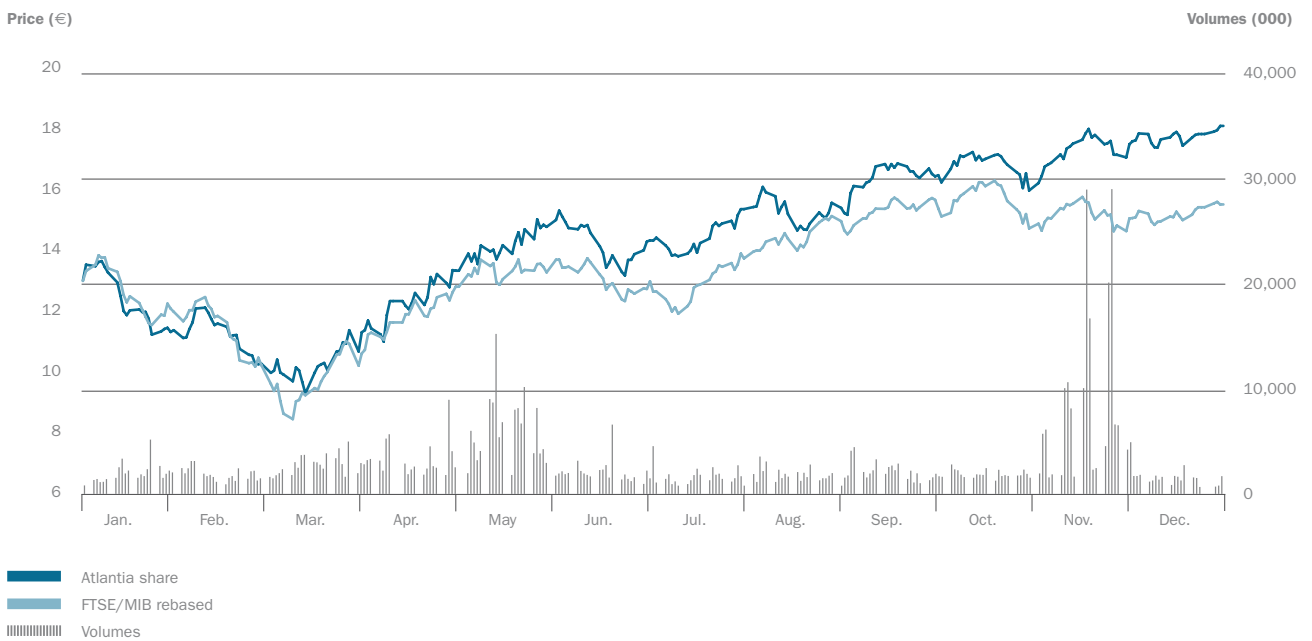
# Shareholder structure and share price performance



(1) Excludes Atlantia SpA's treasury shares.  
Source: Consob, Thomson Reuters.

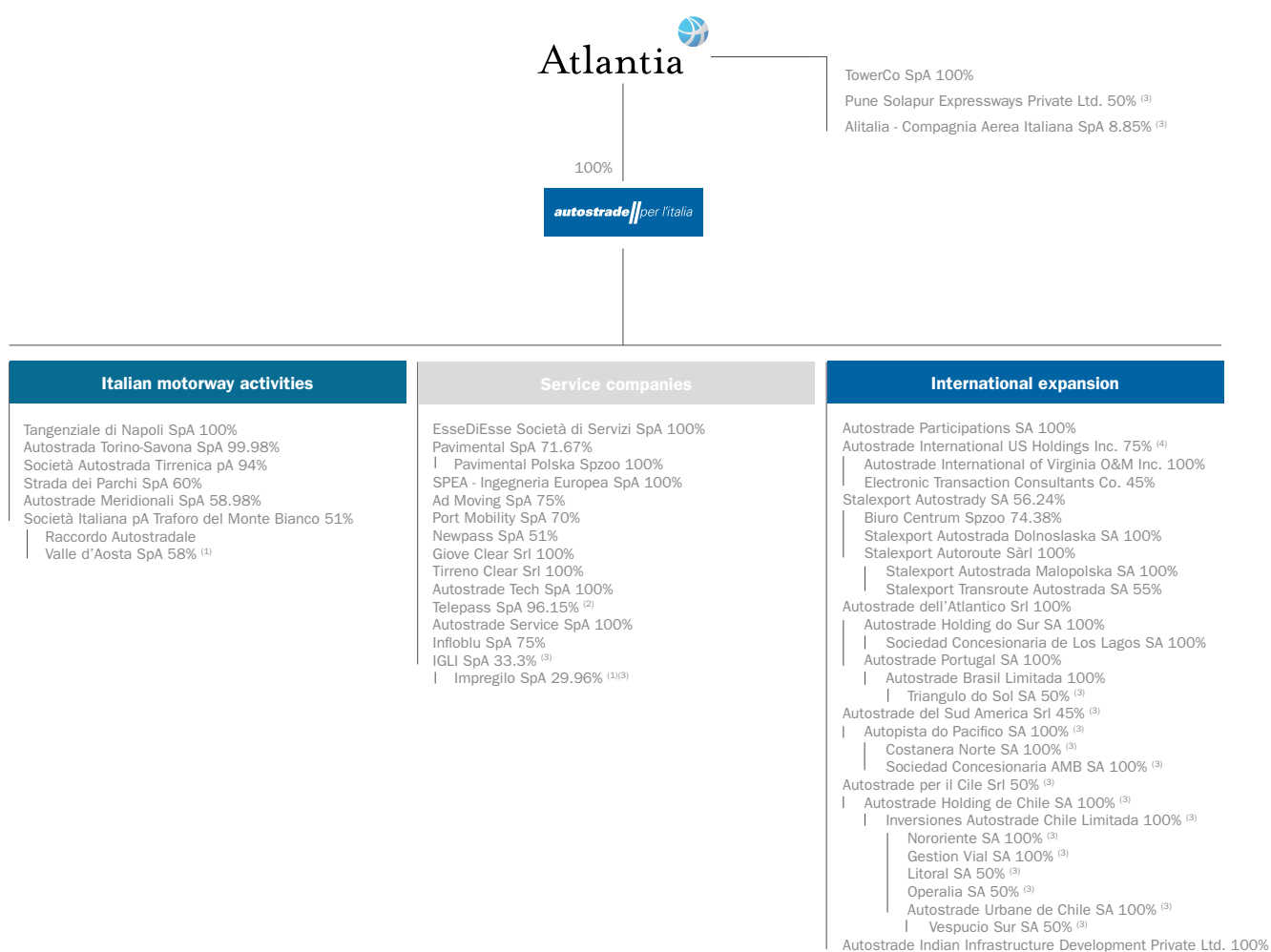
**Geographical breakdown of institutional investors**

## Atlantia share - 2009



## Group structure

### Group structure at 31 December 2009



(1) The percentage refers to the ordinary shares that make up the issued capital.

(2) The remaining 3.85% is held by Autostrade Tech SpA.

(3) Unconsolidated companies.

(4) The remaining 25% is held by Autostrade Participations SA.

## Network of motorway concessions held by Group subsidiaries



## Main Group companies

	Investment (%)	Network under concession (km)	Expiry	Average workforce 2009 (unit)
<b>Italian motorway concessionaires</b>				
Autostrade per l'Italia	100%	2,855	2038	5,845
Società Italiana per il Traforo del Monte Bianco	51%	6	2050	101
Raccordo Autostradale Valle d'Aosta <sup>(1)</sup>	58%	32	2032	58
Autostrada Torino-Savona	100%	131	2038	201
Società Autostrada Tirrenica	94%	37	2046	67
Strada dei Parchi	60%	281	2030	493
Tangenziale di Napoli	100%	20	2037	420
Autostrade Meridionali	59%	52	2012	386
<b>Total Italy</b>		<b>3,414</b>		
<b>Foreign motorway concessionaires</b>				
Stalexport Autostrada Malopolska (Poland)	56%	61	2027	277
Costanera Norte (Chile) <sup>(2)</sup>	100% <sup>(4)</sup>	43	2033	–
Los Lagos (Chile) <sup>(3)</sup>	100%	135	2023	275 <sup>(5)</sup>
Nororient (Chile) <sup>(2)</sup>	100% <sup>(6)</sup>	22	2044	–
Vespucio Sur (Chile) <sup>(2)</sup>	50% <sup>(6)</sup>	23	2032	–
Litoral Central (Chile) <sup>(2)</sup>	50% <sup>(6)</sup>	80	2031	–
Triangulo do Sol (Brazil) <sup>(2)</sup>	50%	442	2021	–
Pune-Solapur (India) <sup>(2)</sup>	50%	110	2030	–
<b>Total Group network</b>		<b>4,330</b>		
<b>Companies operating in other sectors</b>				
Pavimental	72%	–	–	541
SPEA	100%	–	–	568
IGLI/Impregilo <sup>(2)</sup>	<sup>(7)</sup>	–	–	–
EsseDiEsse Società di Servizi	100%	–	–	292
Infoblu	75%	–	–	8
TowerCo	100%	–	–	12
AD Moving	75%	–	–	11
Port Mobility	70%	–	–	41
Telepass	100%	–	–	141
Autostrade International of Virginia (USA)	100%	–	–	61
Electronic Transaction Consultants (USA)	45%	–	–	358

(1) Percentage of ordinary voting shares.

(2) Unconsolidated company.

(3) Company consolidated from 1 July 2009.

(4) Company controlled by Autostrade del Sud America, which is 45% owned by Autostrade per l'Italia.

(5) Includes 269 staff directly and indirectly employed by Gesvial, the contractor responsible for O&M on the section granted under concession to Los Lagos.

(6) Investment held by Autostrade per il Cile, which is 50% owned by Autostrade per l'Italia.

(7) IGLI, in which Autostrade per l'Italia has a 33.3% interest, holds 29.9% of Impregilo's ordinary shares.

## Statement to Shareholders

Shareholders,

the global economy is currently in a very delicate phase, and the impact of the world's most serious post-war financial crisis will probably continue to be felt for some time to come.

Despite this, our results for 2009 show how Atlantia has been able to absorb the effects of the sharp economic slowdown that followed the financial crisis, thanks to ongoing attention to achieving efficiency improvements and our very strong finance position, which has enabled us to maintain one of the sector's best ratings.

This has allowed us to proceed without delay with implementation of an unprecedented upgrade programme for Italy's motorway network, which will see us invest approximately €20 billion over the next ten years and makes Autostrade per l'Italia the country's biggest private investor. The work being carried out affects around 900 km of road, used by almost 45% of all traffic on the network.

2009 witnessed a significant rise in investment in the network, with capital expenditure amounting to €1.3 billion (up 15% on 2008), partly thanks to contracts awarded in 2009.

Work on widening the Lainate-Como section of the A9 and the section of the A1 between Fiano and Settebagni to three lanes was contracted out in 2009, whilst the contractor to carry out the upgrade of the Rimini North-Porto Sant'Elpidio section will be chosen during the first half of 2010. In the meantime, work is continuing on the Variante di Valico, with the exception of the Barberino-Florence North section, where approval of the final design is underway, and the Florence South-Incisa section, for which conclusion of the Services Conference is awaited. With regard to the Genoa Bypass, thanks to innovative use of a public consultation process, we have been able to reach agreement on the route for the bypass with the surrounding community and local authorities, in addition to the Grantor. Work on the final design is currently underway and is scheduled for completion by 2010.

Despite the current economic downturn and the size of our investment commitments, the credit ratings assigned to Atlantia have benefitted from stabilisation of the regulatory framework for the Italian motorway sector. This was marked by final approval, in June 2008, of the new Single Concession Agreement, signed by Autostrade per l'Italia and ANAS in October 2007.

This has boosted the Group's ability to obtain the necessary funding to finance new investment in upgrading the network, enabling us, even at the height of the crisis, to raise no less than €4.2 billion on the international



financial markets. This was done via the issue of bonds and the use of competitively priced, alternative sources of funding, extending the average term to maturity of our borrowings from 6 to 8 years. The Group now boasts cash reserves of €4.6 billion to be used to fund investment.

Overseas markets represent a major opportunity for expansion of the Group's business over the medium to long term, above all countries with the best economic growth potential. The recent financial crisis, which has hit developed nations hard, has only partially affected the prospects for emerging countries, which are now considered the "drivers" of global growth. The acquisition of five motorway concessionaires was completed in 2009, with the purchase of companies that operate a total of 702 km of toll motorway in Brazil and Chile. During the year Atlantia, in partnership with the Tata group, was also awarded the concession for the 110-km section of motorway from Pune to Solapur in India. Our entry into Brazil and India, together with our strengthened position in Chile, where we were already present through Costanera Norte, and our presence in Poland, via the Polish subsidiary, Stalexport Autostrady, mean that the Group is now responsible for over 900 km of toll motorway overseas.

Since our privatisation, we have achieved ongoing improvements in our performance indicators: the death rate on the motorway network operated under concession has fallen by more than 70%, the time wasted in traffic queues and due to delays has been halved, draining pavement now covers the entire network (except where it was not possible to lay it), annual investment in the upgrade of the network has more than quadrupled, whilst over the last 10 years tolls have more or less risen in line with inflation.

Our success has been confirmed by Atlantia's inclusion, in September 2009, in the Dow Jones Sustainability World Index, the prestigious global corporate social responsibility index that selects the best enterprises from the 2,500 international companies in the Dow Jones Global indexes, based on economic, environmental and social criteria.

As far as we are concerned, however, the excellent results achieved for our different categories of stakeholder are not the end of the story. Indeed, they provide us with the encouragement to do even more: to further improve management of the service we provide and intensify work on implementing our investment programmes, whilst always ensuring the creation of adequate value for our shareholders.

## Profile, history and mission

Autostrade - Concessioni e Costruzioni Autostrade SpA was established in 1950 on the initiative of IRI (Istituto per la Ricostruzione Industriale), against the backdrop of a new found dynamism that would enable the country to recover from the war and rebuild its economy.

In 1956 an Agreement was entered into with ANAS that would see Autostrade co-finance, build and operate the Autostrada del Sole between Milan and Naples. Work began in May of that year and by 1964 the entire length of the motorway was open to traffic.

Operations continued over the years, culminating in establishment of the Autostrade Group in 1982. With a network of over 3,400 km, serving 15 Italian Regions and 60 Provinces, the Group was responsible for 52% of the Italian motorway system, representing 17% of all European toll roads.

Autostrade was privatised in 1999 and IRI, the founding shareholder, was joined by a stable group of shareholders consisting of Edizione Holding (now Sintonia), Acesa (now Abertis), Fondazione CRT, UniCredit and Assicurazioni Generali, that indirectly controlled the Company through Schemaventotto.

Autostrade per l'Italia SpA was incorporated in 2003, following a restructuring of the Group that was intended to separate concessions from non-motorway operations. Autostrade per l'Italia SpA became a wholly owned subsidiary of Autostrade SpA, which changed its name to Atlantia SpA in May 2007.

The Group restructuring was completed at the beginning of 2008 with the transfer to Autostrade per l'Italia of Atlantia's overseas investments and those in other companies providing road traffic services.

This has strengthened Atlantia's identity as a holding company responsible for investments and portfolio strategies, capable of supporting organic and selective growth in the infrastructure and network management sector, but without having any direct operational role. Autostrade per l'Italia SpA, on the other hand, has maintained its role as an operating Parent with responsibility for the management of infrastructure under concession.

Autostrade per l'Italia today engages in engineering, construction, services and technology. Autostrade developed the Telepass for free flow toll collections in the early 1990s and today, with over seven million users, has over one half of the European market and is the leading distributor of toll collection technologies and systems. The Group company, Pavimental, is Italy's leading provider of maintenance and paving works for motorways and airports. SPEA is the largest engineering company in Italy, providing engineering services for

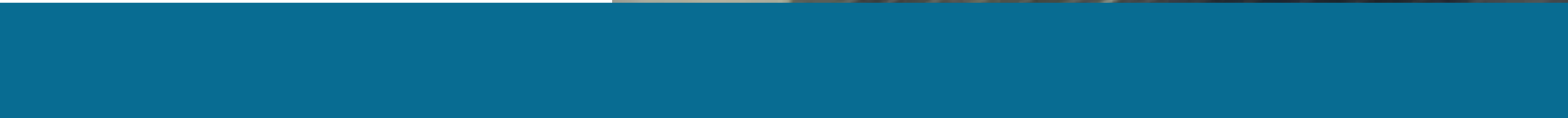
the design, project management and supervision of motorway construction. In 2005 Autostrade per l'Italia also took part in the financial rescue of the Impregilio group, the country's number one general contractor.

Based on their respective concession agreements, Autostrade per l'Italia and the motorway concessionaires it controls have embarked on a major programme designed to upgrade and modernise approximately 900 km of network, entailing a total commitment of over €20 billion. Other projects are under consideration or assessment. The aim of the programme is to bring the capacity of toll motorways into line with growing traffic volumes and to improve standards of safety and service quality. As a result, Autostrade per l'Italia is the country's biggest private investor.

The Group now also manages around 900 km of overseas toll motorways, following a series of acquisitions since 2005. The Group is today present in:

- Chile (from 2005), with approximately 300 km of motorway, partly concentrated in the metropolitan area of Santiago (via Costanera Norte, AMB and Autostrade per il Cile), with the remainder located in the south of the country (Los Lagos);
- Poland (2006-2007), via the subsidiary, Stalexport Autostrady (61 km);
- Brazil (2009), via Triangulo do Sol (442 km of motorway in the state of São Paulo);
- India (2009) where, in partnership with the Tata group, we have been awarded the concession for the 110 km section of motorway from Pune to Solapur in the state of Maharashtra;
- Portugal (2009) where, as a result of execution of the agreements with the Itinere group for the acquisition of investments in Chile and Brazil in 2009, the Group acquired minority stakes in a number of Portuguese concessionaires, which operate over 200 km of toll motorway in the Lisbon area and on the Island of Madeira; the Group has, however, begun the process of selling these assets.

Sintonia SA directly and indirectly holds a relative majority (38.06%) of the issued capital of Atlantia SpA.





## 2. Report on operations





## Consolidated financial review

### Introduction

The financial review contained in this section includes and analyses the reclassified consolidated income statement, the consolidated statement of comprehensive income, the statement of changes in consolidated equity and the statement of changes in consolidated net debt for the year ended 31 December 2009, in which amounts are compared with those of the previous year. The review also includes and analyses the reclassified consolidated statement of financial position, compared with the corresponding amounts at 31 December 2008, and the reconciliation of the Parent's equity and profit for the year with the corresponding consolidated figures. These consolidated financial statements have been prepared under the international financial reporting standards (IFRS) issued by the International Accounting Standards Board, endorsed by the European Commission, and in force at 31 December 2009. The accounting standards and policies used in the preparation of this document are consistent with those applied in the consolidated financial statements as at and for the year ended 31 December 2008, with the exception of the new version of IAS 1 regarding the presentation of financial statements. As a result, compared with 2008, the Group now also presents the statement of comprehensive income, which, in addition to profit or loss for the reporting period, also includes items of income and expense arising from non-owner transactions. The statement of changes in consolidated equity thus includes changes arising from transactions with owners and only the total result reported in the statement of comprehensive income.

Compared with the operating results for the year ended 31 December 2008 and balance sheet amounts at that date, the basis of consolidation is larger following inclusion of the subsidiaries acquired from the Itinere group as part of the transaction described in more detail in the section on "International operations". The Group acquired control of these companies at the end of June 2009. As a result the consolidated income statement and statement financial position for the year include the contributions, albeit not material, of these companies during the second half of 2009.

It should also be noted that Law 102 of 3 August 2009, which converted Law Decree 78 of 1 July 2009 into law with amendments, has abolished the motorway toll surcharge introduced by Law 296/2006 (the 2007 Finance Act), at the same time introducing an addition to the concession fee to be paid by the Italian motorway concessionaire. This is calculated on the basis of the number of kilometres travelled by each vehicle. The amounts, which are to be passed on to ANAS, are recouped via an equivalent increase in the tolls charged to road users. Whilst not having an impact on the results of Italian motorway concessionaires, this regulatory change, which was effective from 5 August 2009, has led to an increase in toll revenues, on the one hand, and an equivalent rise in operating costs, on the other.

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

- a) the "Reclassified consolidated income statement" includes "Gross operating profit (EBITDA)", which is not reported in the income statement in the consolidated financial statements. This profit margin is calculated by taking the figure for total revenue reported in the consolidated income statement and deducting all operating costs, with the exception of amortisation, depreciation, impairment losses on assets and reversals of impairment losses, provisions and other adjustments. Deducting these costs from gross operating profit gives the "Operating profit (EBIT)" as reported in the consolidated income statement. There are no differences between the intermediate components of the two income statements below operating profit, apart from the fact that the "Reclassified consolidated income statement" is more condensed;
- b) the "Reclassified consolidated statement of financial position" adopts a different classification of assets and liabilities compared with the statement of financial position in the consolidated financial statements, showing working capital (as the balance of current non-financial assets and liabilities), net invested capital (as the balance of non-current non-financial assets and the sum of negative working capital and non-current non-financial liabilities), and, as sources of capital, equity and net debt (representing the balance of all financial liabilities and assets). In addition, the reclassified consolidated statement of financial position is a more condensed version than the statement of financial position in the consolidated financial statements, as it excludes the sub-items below each main entry;
- c) "Consolidated net debt" reported in the reclassified consolidated statement of financial position takes account of non-current financial assets, unlike the "Analysis of consolidated net debt" in the notes to the consolidated financial statements that is prepared as required by the Committee of European Securities Regulators (CESR) Recommendation of 10 February 2005, which does not permit non-current financial assets to be deducted from debt;
- d) the "Statement of changes in consolidated net debt" differs from the cash flow statement in the consolidated financial statements insofar as it presents the impacts of cash flows generated or used during the year on consolidated net debt, as defined above, rather than on net cash and cash equivalents. The main differences between the two statements regard:
  - 1) cash generated from investing activities, which in the "Statement of changes in consolidated net debt" does not include movements in current and non-current financial assets. Moreover, the statement shows investments in newly consolidated companies and proceeds from the sale of previously consolidated companies after deducting the net debt on the books of these companies, whilst in the cash flow statement in the consolidated financial statements these figures are reported less any net cash on the books of the newly consolidated or recently sold companies;



- 2) equity cash inflows/(outflows) reported in the “Statement of changes in consolidated net debt” differ from cash generated from/(used in) financing activities in the cash flow statement in the consolidated financial statements, as the former do not include movements in current and non-current financial liabilities. Moreover, the dividends reported are those approved during the reporting period, whilst the cash flow statement shows dividends paid in the reporting period;
- 3) changes to the fair value of hedging instruments recognised directly in equity presented in the “Statement of changes in consolidated net debt” are not reported in the cash flow statement in the consolidated financial statements, as they have no impact on net cash.

### Consolidated results of operations

“Total revenue” for 2009 amounts to €3,610.6 million, marking an increase of €133.9 million (3.9%) on 2008 (€3,476.7 million).

Following the entry into effect of Law Decree 78/2009, from August 2009 the toll surcharge that Italian concessionaires are required to pass on to ANAS (equal, for 2009, to 3 thousandths of a euro per km for classes A and B and to 9 thousandths of a euro per km for classes 3, 4 and 5) is recognised in toll revenues, offset by an equivalent amount in operating costs. The surcharge for the period from August to December 2009 alone amounts to €82.3 million.

On a like-for-like basis of consolidation and after stripping out the above toll surcharge in 2009, total like-for-like revenue is up €36.5 million (1.0%).

“Net toll revenues” of €2,956.4 million are up €103.4 million (3.6%) on the figure for 2008 (€2,853.0 million). This performance reflects:

- a) the application of toll charge increases by Italian concessionaires from 1 May 2009 (2.4% for Autostrade per l'Italia and an average 2.4% for Italian concessionaires). Application of the increases had previously been postponed until 30 April under Law Decree 185/2008, converted into Law 2/2009;
- b) the rise in the toll surcharge, applied from the same date, resulting in an increase from €0.0025 to €0.0030 per km for classes A and B and from €0.0075 to €0.0090 for the other toll classes. As noted above, from 5 August 2009 the surcharge received is now recognized in toll revenues, with an equal amount accounted for in operating costs, without any impact on profit or loss for the year;
- c) the 0.1% reduction in traffic recorded by Italian concessionaires compared with the previous year and a worsening traffic mix, with “light” traffic up 1.9% and “heavy” vehicles down 7.1%, which combined to account for a 1.2% reduction in toll revenues.

## Reclassified consolidated income statement

(€m)			Increase/(Decrease)		% of revenue	
	2009	2008	Total	%	2009	2008
Net toll revenues	2,956.4	2,853.0	103.4	3.6	81.9	82.1
Contract revenue	50.2	66.7	-16.5	-24.7	1.4	1.9
Other operating income	604.0	557.0	47.0	8.4	16.7	16.0
<b>Total revenue</b>	<b>3,610.6</b>	<b>3,476.7</b>	<b>133.9</b>	<b>3.9</b>	<b>100</b>	<b>100</b>
Cost of materials and external services	-641.3	-689.2	47.9	-7.0	-17.8	-19.8
Concession fees	-164.6	-79.8	-84.8	106.3	-4.6	-2.3
Staff costs	-643.0	-627.3	-15.7	2.5	-17.8	-18.0
Capitalised staff costs	42.6	34.8	7.8	22.4	1.2	1.0
<b>Total net operating costs</b>	<b>-1,406.3</b>	<b>-1,361.5</b>	<b>-44.8</b>	<b>3.3</b>	<b>-38.9</b>	<b>-39.2</b>
<b>Gross operating profit (EBITDA)</b>	<b>2,204.3</b>	<b>2,115.2</b>	<b>89.1</b>	<b>4.2</b>	<b>61.1</b>	<b>60.8</b>
Amortisation, depreciation, impairment losses and reversals of impairment losses	-438.2	-404.8	-33.4	8.3	-12.1	-11.6
Provisions and other adjustments	-105.5	-94.5	-11.0	11.6	-2.9	-2.7
<b>Operating profit (EBIT)</b>	<b>1,660.6</b>	<b>1,615.9</b>	<b>44.7</b>	<b>2.8</b>	<b>46.0</b>	<b>46.5</b>
Financial income/(expenses)	-530.5	-498.5	-32.0	6.4	-14.7	-14.3
Capitalised financial expenses	51.0	40.2	10.8	26.9	1.4	1.1
Share of profit/(loss) of associates and joint ventures accounted for using the equity method	-56.7	-28.2	-28.5	101.1	-1.6	-0.8
<b>Profit/(loss) before tax from continuing operations</b>	<b>1,124.4</b>	<b>1,129.4</b>	<b>-5.0</b>	<b>-0.4</b>	<b>31.1</b>	<b>32.5</b>
Income tax (expense)/benefit	-442.8	-408.6	-34.2	8.4	-12.3	-11.8
<b>Profit/(loss) from continuing operations</b>	<b>681.6</b>	<b>720.8</b>	<b>-39.2</b>	<b>-5.4</b>	<b>18.9</b>	<b>20.7</b>
Profit/(loss) from discontinued operations/assets held for sale	0.8	19.6	-18.8	-95.9	-	0.6
<b>Profit for the year</b>	<b>682.4</b>	<b>740.4</b>	<b>-58.0</b>	<b>-7.8</b>	<b>18.9</b>	<b>21.3</b>
(Profit)/loss attributable to non-controlling interest	8.3	-5.6	13.9	-	0.2	-0.2
<b>Profit/(loss) for the year attributable to owners of the parent</b>	<b>690.7</b>	<b>734.8</b>	<b>-44.1</b>	<b>-6.0</b>	<b>19.1</b>	<b>21.1</b>

	2009	2008	Increase/(Decrease)
<b>Basic earnings per share (€)</b>	<b>1.23</b>	<b>1.30</b>	<b>-0.07</b>
<i>of which:</i>			
continuing operations	1.23	1.26	-0.03
discontinued operations/assets held for sale	-	0.04	-0.04
<b>Diluted earnings per share (€)</b>	<b>1.23</b>	<b>1.30</b>	<b>-0.07</b>
<i>of which:</i>			
continuing operations	1.23	1.26	-0.03
discontinued operations/assets held for sale	-	0.04	-0.04
<b>Operating cash flow (€m)</b>	<b>1,364.9</b>	<b>1,379.4</b>	<b>-14.5</b>
<b>Operating cash flow per share (€)</b>	<b>2.39</b>	<b>2.41</b>	<b>-0.02</b>

The performance of toll revenues was also due to:

- a) an increase in toll revenues (totalling €8.8 million) reported by Autostrade Meridionali which, following the signing of the relevant Single Concession Agreement, from 2009 no longer defers a portion of the "X variable" of tariffs, partially releasing provisions made in previous years;
- b) a decline in toll revenues of €9.5 million reported by the Polish concessionaire, Stalexport Autostrada Malopolska, primarily resulting from a fall in value of the Polish zloty against the euro (down 18.8%) and a reduction in the average tariff (down 5.1%), following re-negotiation, with the Grantor, of the "shadow toll" applied to certain categories of heavy vehicle. This was partially offset by the method of indexing the toll and the rise in tolls for light vehicles (up 23%) and other categories of heavy vehicle (up 8%) from 1 December 2009;
- c) consolidation of the Chilean concessionaire, Los Lagos, whose toll revenues for the second half of 2009 amount to €9.6 million.

"Contract revenue" of €50.2 million is down €16.5 million (24.7%) on 2008 (€66.7 million). The decline is substantially due to the reduced volume of work carried out by Pavimental and SPEA for external customers.

"Other operating income" of €604.0 million is up €47.0 million (8.4%) on 2008 (€557.0 million), primarily reflecting:

- 1) an increase in current royalties (up €48.5 million) primarily following the renewal of sub-concessions expiring at the end of 2008;
- 2) non-recurring income (up €32.4 million) deriving from the transfer, free of charge, of a number of buildings located at service areas, following renewal of the related sub-concessions;
- 3) a reduction in non-recurring income (down €41.8 million) in the form of one-off payments deriving from the renewal, in 2008, of expiring sub-concessions;
- 4) an increase in Telepass and Viacard fees (up €8.8 million), reflecting an increase in customers (the number of Telepass devices in circulation is up approximately 544 thousand) and new subscribers of the Telepass Premium service (up 160 thousand);
- 5) a reduction in other non-recurring income (down €0.9 million) primarily resulting from a decline in contingent assets, partially offset by increased revenue deriving from the above noted change in the basis of consolidation, above all in the form of grants related to income received by the concessionaire, Los Lagos.

“Net operating costs” of €1,406.3 million are up €44.8 million (3.3%) on 2008 (€1,361.5 million). On a like-for-like basis of consolidation and after stripping out the above toll surcharge introduced following the above change in the related legislation, like-for-like net operating costs are down €41.5 million (3.0%).

The “cost of materials and external services”, after deducting capitalised expenses, amount to €641.3 million, marking a decline of €47.9 million (7.0%) on the figure for 2008 (€689.2 million). This reflects a decline in maintenance costs (down €11.6 million), primarily following completion in 2008 of the planned laying of draining pavement throughout the network (down €47.2 million), partially offset by an increase in winter operations due to the exceptional amount of snow that fell in 2009 (up €10.7 million), and by a rise in the cost of non-routine maintenance of bridges and viaducts and the installation of New Jersey safety barriers (up €19.4 million). The decrease also reflects the reduction in the cost of materials and external services deriving from the lower volume of work carried out by Pavimental and SPEA for external customers, in addition to cuts in certain operating costs (energy and other utilities), general overheads and administrative costs (accounting for a reduction of approximately €30 million). First-time consolidation resulted in an increase of €3.8 million in such costs.

“Concession fees” totalling €164.6 million are up €84.8 million compared with 2008 (€79.8 million). This is essentially due to the above increase in the fees paid by Italian concessionaires after the change in the legislation governing the toll surcharge came into effect.

“Staff costs” of €643.0 million (€627.3 million in 2008) are up 2.5%. The increase in staff costs primarily reflects:

- 1) an increase of 173 (1.8%) in the average workforce, with the main changes regarding:
  - a) a rise of 69 in the average workforce at Autostrade per l’Italia (net of intercompany transfers), reflecting continuation of the plan to insource maintenance, traffic management and plant operations, and the decision to increase the number of technical staff;
  - b) an increase of 36 at Port Mobility, which since January 2009 has contracted in traffic management services and the issue of access permits for the port of Civitavecchia;
  - c) an increase of 48 at SPEA due to the expansion of design activities for major works;
  - d) an increase of 27 in the average workforce at Pavimental and Pavimental Polska, essentially following an increase in non-routine maintenance carried out by the Group’s Polish concessionaire;

- 2) an increase in the average unit cost (up 0.7%), primarily due to renewal (in December 2008) of the labour contract for concessionaires and industrial companies (a percentage rise in the average cost of 1.8%), the impact of which was reduced by a decrease in the use of variable staff (resulting in a reduction of approximately 1.1% in the average cost).

“Capitalised staff costs” are up from €34.8 million to €42.6 million as a result of the increase in the volume of capital spending projects carried out using the Group’s own workforce.

“Gross operating profit (EBITDA)” of €2,204.3 million for 2009 is up €89.1 million (4.2%) on 2008 (€2,115.2 million).

On a like-for-like basis of consolidation, the increase in gross operating profit is €78.1 million (3.7%).

“Operating profit (EBIT)” of €1,660.6 million is up €44.7 million (2.8%) on 2008 (€1,615.9 million), resulting in an EBIT margin of 46.0% (46.5% for 2008).

In addition to the improvement in gross operating profit, the increase in operating profit essentially reflects the impact of:

- a) increased amortisation and depreciation in 2009 (up €19.6 million);
- b) the impairment loss (€42.6 million) on the carrying amount of the concession held by Stalexport Autostrada Malopolska, accounted for on allocation of the purchase price in December 2007, determined on the basis of more prudent estimates of Poland’s economic growth prospects and the exchange rate at the end of 2009;
- c) the partial reversal of previous impairment losses on the carrying amount of the value of the infrastructure owned by Raccordo Autostradale Valle d’Aosta (€29.0 million), reflecting the improvement in the company’s prospective earnings following the signing of the relevant Single Concession Agreement;
- d) an €11.0 million increase in provisions (essentially for the repair and replacement of assets to be relinquished).

“Profit from continuing operations” amounts to €681.6 million, marking a reduction of €39.2 million (5.4%) on 2008 (€720.8 million).

“Net financial expenses” of €530.5 million are up €32.0 million (6.4%) on the previous year (€498.5 million). The rise in net financial expenses primarily reflects the increase in the average level of debt during 2009, and the differential between returns on the investment of liquidity and the

cost of borrowing incurred in order to provide the financial resources to be used to repay the bond issue maturing in 2011. These factors were partially offset by an increase in other financial income, which benefited from the non-recurring item (€20.5 million) recognised following the SIAS group's acquisition of 50% of Autostrade per il Cile, the company set up by Autostrade per l'Italia at the beginning of 2009 and used as a vehicle through which to acquire certain investments from the Itinere group.

"Capitalised financial expenses", amounting to €51.0 million, are up €10.8 million (26.9%) on the previous year, reflecting the progressive increase in accumulated payments made for investments underway on the Group's network.

The "share of the profit/(loss) of associates and joint ventures accounted for using the equity method" has resulted in a net loss of €56.7 million for the period, compared with a net loss of €28.2 million for 2008. The net loss for 2009 primarily reflects the impairment loss on the carrying amount of the investment in IGLI (an impairment loss of €67.0 million recognised in the income statement, including the impact of measurement using the equity method). This follows the difference between the carrying amount of the shares in Impregilo held by IGLI and their market value.

The contribution from the investment in the Autostrade del Sud America group, accounted for using the equity method, (a profit of €8.4 million in 2009, compared with a loss of €28.0 million in 2008) benefited essentially from the performance of its Chilean subsidiary, Costanera Norte, partly due to movements in exchange rates. In contrast, the result for 2008 reflected the non-recurring charge (€15.5 million) incurred in purchasing the call option held by the Impregilo group on 10% of the shares of Autopista do Pacifico.

"Income tax expense" for the year amounts to €442.8 million, marking an increase of €34.2 million (8.4%) on 2008 (€408.6 million). The figure for 2009 has benefited from non-recurring income (€13.1 million) in the form of a rebate of IRES due to deductions for the purposes of IRAP, whilst the figure for 2008 included the net tax benefit (€16.8 million) deriving from the franking of certain off-book items deducted by certain Group companies in previous years.

"Profit" for 2009 amounts to €682.4 million, marking a decrease of €58.0 million (7.8%) on 2008 (€740.4 million). "Profit attributable to owners of the parent" is €690.7 million, registering a reduction of €44.1 million (6.0%) with respect to the figure for 2008 (€734.8 million). The "loss attributable to the non-controlling interests amounts to €8.3 million (a profit of €5.6 million for 2008), essentially due to the above impairment loss on the concession held by Stalexport Autostrada Malopolska.

The consolidated statement of comprehensive income for 2009 reports comprehensive income for the year of €649.1 million (€595.2 million for 2008). Compared with the above profit for the year, this

primarily reflects fair value losses on cash flow hedges, after the related tax effects (losses of €50.1 million).

Operating cash flows amount, determined accordingly to the section “Consolidated financial highlights”, to €1,364.9 million for 2009, in line with the figure for 2008. This cash was almost entirely absorbed by the Group’s investments in property, plant and equipment and intangible assets during 2009.

### Consolidated statement of comprehensive income

(€m)	2009	2008
<b>Profit for the year (A)</b>	<b>682.4</b>	<b>740.4</b>
Fair value gains/(losses) on cash flow hedges	-50.1	-111.2
Actuarial gains/(losses) (IAS 19)	4.8	-4.4
Gains/(losses) from translation of financial statements of foreign operations	0.6	-21.3
Gains/(losses) from measurement of associates and joint ventures using the equity method	11.8	-7.6
Other fair value gains/(losses)	-0.4	-0.7
<b>Other components of comprehensive income for the year, after related tax effects (B)</b>	<b>-33.3</b>	<b>-145.2</b>
<b>Comprehensive income for the year (A + B)</b>	<b>649.1</b>	<b>595.2</b>
of which attributable to owners of the parent	655.9	601.7
of which attributable to non-controlling interests	-6.8	-6.5



## Consolidated financial position

At 31 December 2009 “Non-current non-financial assets” of €16,699.7 million are up €1,014.1 million on the figure for 31 December 2008 (€15,685.6 million), primarily due to increases in property, plant and equipment and investments.

“Property, plant and equipment”, amounting to €10,033.5 million (€9,145.8 million at the end of 2008), primarily includes assets to be relinquished of €9,845.0 million. In addition to the above change in the basis of consolidation, amounting to €136.8 million, the increase of €887.7 million is essentially due to the combination of investments in upgrading and expansion of the motorway network, totalling €1,313.3 million, the transfer free of charge of buildings located at service areas, amounting to €33.4 million, and the partial reversal of previous impairment losses on the carrying amount of the infrastructure owned by Raccordo Autostradale Valle d’Aosta (€29.0 million), partially offset by depreciation of €392.1 million and grants related to assets of €241.6 million.

“Intangible assets” of €4,597.3 million (€4,588.4 million at 31 December 2008) primarily consist of the goodwill (€4,382.9 million) recognised at 31 December 2003, following acquisition of the majority shareholding in the former Autostrade - Concessioni e Costruzioni Autostrade SpA. This goodwill is tested annually for impairment.

The increase over the year of €8.9 million is essentially due to recognition of the concession (€60.8 million) deriving from the acquisition of the Chilean concessionaire, Sociedad Concesionaria de Los Lagos, controlled indirectly by the sub-holding company, Autostrade dell’Atlantico. This is partially offset by the impairment loss, amounting to €42.6 million, on the carrying amount of the concession held by Stalexport Autostrada Malopolska.

Reclassified consolidated statement of financial position

(€m)	31.12.2009	31.12.2008	Increase/(Decrease)
<b>NON-CURRENT NON-FINANCIAL ASSETS</b>			
Property, plant and equipment	10,033.5	9,145.8	887.7
Intangible assets	4,597.3	4,588.4	8.9
Investments	350.4	187.8	162.6
Deferred tax assets	1,680.5	1,758.8	-78.3
Other assets	38.0	4.8	33.2
<b>Total non-current non-financial assets (A)</b>	<b>16,699.7</b>	<b>15,685.6</b>	<b>1,014.1</b>
<b>WORKING CAPITAL</b>			
<b>Trading assets</b>	<b>940.0</b>	<b>857.2</b>	<b>82.8</b>
Inventories	51.2	57.5	-6.3
Contract work in progress	25.5	7.3	18.2
Trade receivables	863.3	792.4	70.9
Current tax assets	46.3	37.8	8.5
Other current assets	87.3	150.3	-63.0
Non-financial assets held for sale	67.3	-	67.3
Current provisions	-216.2	-215.8	-0.4
Trading liabilities	-720.1	-666.0	-54.1
Current tax liabilities	-19.3	-48.5	29.2
Other current liabilities	-869.2	-781.1	-88.1
<b>Total working capital (B)</b>	<b>-683.9</b>	<b>-666.1</b>	<b>-17.8</b>
<b>INVESTED CAPITAL LESS CURRENT LIABILITIES (C = A + B)</b>	<b>16,015.8</b>	<b>15,019.5</b>	<b>996.3</b>

(€m)	31.12.2009	31.12.2008	Increase/(Decrease)
<b>NON-CURRENT NON-FINANCIAL LIABILITIES</b>			
Provisions	-1,231.0	-1,150.3	-80.7
Deferred tax liabilities	-30.9	-26.9	-4.0
Other liabilities	-126.3	-101.4	-24.9
<b>Total non-current non-financial liabilities (D)</b>	<b>-1,388.2</b>	<b>-1,278.6</b>	<b>-109.6</b>
<b>NET CAPITAL EMPLOYED (E = C + D)</b>	<b>14,627.6</b>	<b>13,740.9</b>	<b>886.7</b>
<b>Equity</b>			
Equity attributable to owners of the parent	3,865.2	3,615.5	249.7
Equity attributable to non-controlling interests	390.3	370.6	19.7
<b>TOTAL EQUITY (F)</b>	<b>4,255.5</b>	<b>3,986.1</b>	<b>269.4</b>
<b>NET DEBT</b>			
<b>Non-current net debt</b>			
<b>Non-current financial liabilities</b>	<b>11,305.9</b>	<b>9,862.1</b>	<b>1,443.8</b>
Bond issues	7,836.0	6,144.9	1,691.1
Medium/long-term borrowings	3,020.2	3,282.6	-262.4
Derivative liabilities	374.8	335.3	39.5
Other financial liabilities	74.9	99.3	-24.4
<b>Other non-current financial assets</b>	<b>-379.3</b>	<b>-583.2</b>	<b>203.9</b>
Escrow accounts convertible after 12 months	-336.7	-540.8	204.1
Derivative assets	-0.9	-1.8	0.9
Other financial assets	-41.7	-40.6	-1.1
<b>Non-current net debt (G)</b>	<b>10,926.6</b>	<b>9,278.9</b>	<b>1,647.7</b>
<b>Current net debt</b>			
<b>Current financial liabilities</b>	<b>954.4</b>	<b>840.0</b>	<b>114.4</b>
Bank overdrafts	41.0	82.9	-41.9
Short-term borrowings	185.4	199.4	-14.0
Current portion of medium/long-term borrowings	726.3	538.8	187.5
Other financial liabilities	0.2	11.6	-11.4
Intercompany current accounts receivable	1.5	7.3	-5.8
<b>Cash and cash equivalents</b>	<b>-1,222.3</b>	<b>-129.8</b>	<b>-1,092.5</b>
Cash in hand and at bank and post offices	-403.3	-96.0	-307.3
Cash equivalents	-819.0	-33.8	-785.2
<b>Other current financial assets</b>	<b>-286.6</b>	<b>-234.3</b>	<b>-52.3</b>
Current portion of medium/long-term financial assets	-67.8	-19.3	-48.5
Escrow accounts convertible within 12 months	-181.6	-177.9	-3.7
Other financial assets	-20.1	-37.1	17.0
Financial assets included in disposal groups	-17.1	-	-17.1
<b>Current net debt (H)</b>	<b>-554.5</b>	<b>475.9</b>	<b>-1,030.4</b>
<b>Net debt (I = G + H)</b>	<b>10,372.1</b>	<b>9,754.8</b>	<b>617.3</b>
<b>NET DEBT AND EQUITY (L = F + I)</b>	<b>14,627.6</b>	<b>13,740.9</b>	<b>886.7</b>

At 31 December 2009 "Investments", totalling €350.4 million (€187.8 million at 31 December 2008), are up €162.6 million, reflecting the combined effect of:

- a) the acquisition, via the sub-holding company, Autostrade dell'Atlantico, of a 50% interest in the Brazilian company, Triangulo do Sol (€108.6 million, including the impact of measurement of the investment using the equity method for the second half of 2009);
- b) the write-down of the investment in IGLI (€67.4 million, including the impact of measurement of the investment using the equity method for 2009) follows sensitivity analysis of the difference between the carrying amount of the shares in Impregilo held by IGLI and their market value;
- c) recognition of the investment in Autostrade per il Cile (€44.4 million at 31 December 2009, including measurement of the investment using the equity method for the second half of 2009, and the above non-recurring income resulting from the acquisition of a 50% interest by S.I.A.S.);
- d) capital contributions paid to companies in which the Group already owns stakes and other changes resulting from measurement using the equity method, totalling €77.0 million (including a capital contribution of €44.4 million paid to Alitalia - Compagnia Aerea Italiana).

"Deferred tax assets", after offsetting against deferred tax liabilities, amount to €1,680.5 million (€1,758.8 million at 31 December 2008). This item has decreased following the release of deferred tax assets recognised on the intercompany gain arising in 2003 as a result of the transfer of motorway assets to Autostrade per l'Italia, totalling €105.8 million, partially offset by the recognition of deferred tax assets primarily deriving from the undeducted portion of provisions (€31.4 million) essentially for the repair and replacement of assets to be relinquished.

"Other non-current assets" of €38.0 million (€4.8 million at 31 December 2008) have increased mainly as a result of consolidation of the newly acquired companies (above all non-current receivables attributable to Los Lagos).

Consolidated "working capital" reports a negative balance of €683.9 million at 31 December 2009, marking a reduction of €17.8 million compared with the negative balance of €666.1 million at 31 December 2008. The change during the period reflects the combined impact of increases in both current assets and liabilities, which almost offset each other. The most significant movements in working capital regard:

- a) an increase of €70.9 million in trade receivables, primarily those due from service area sub-concessionaires, deriving from the increase in royalties applied following the renewal by public tender of the concessions expiring in 2008, and receivables in the form of deferred toll payments, linked to the rise in the related revenue;

- b) increases of €54.1 million in trade payables, primarily reflecting increased investments by the Group in 2009, and of €88.1 million in other current liabilities, principally amounts payable to the operators of interconnecting motorways and amounts payable to third parties for expropriations linked to infrastructure works.

Within the context of current assets, the increase in assets held for sale, amounting to €67.3 million and regarding industrial investments held by the subsidiary, Autostrade Portugal SA, is offset by the €63.0 million reduction in other current assets, essentially reflecting collection of the balance due on the sale, at the end of 2008, of investments in Autostrade del Brennero and Autovie Venete.

“Non-current non-financial liabilities”, totalling €1,388.2 million, are up €109.6 million on the figure for 31 December 2008 (€1,278.6 million), primarily due to provisions for the repair and replacement of assets to be relinquished.

“Other non-current non-financial liabilities” of €126.3 million are up €24.9 million on 31 December 2008. These essentially refer to the tolls collected by Autostrade per l’Italia and Autostrade Meridionali and accounted for as deferred income that will be recognised in future years.

“Net invested capital” is therefore up €886.7 million (including €365.9 million attributable to the change in the basis of consolidation) to €14,627.6 million at 31 December 2009.

“Equity attributable to owners of the parent and non-controlling interests” totals €4,255.5 million (€3,986.1 million at 31 December 2008).

“Equity attributable to equity holders of the parent” amounts to €3,865.2 million, marking an increase of €249.7 million on the figure for 31 December 2008 (€3,615.5 million). This reflects the combined effect of the following:

- a) profit for the year of €690.7 million;
- b) payment of the final dividend for 2008 (€207.3 million) and the interim dividend for 2009 (€198.9 million);
- c) the direct recognition in equity of net losses of €34.8 million, attributable to the €51.4 million reduction in the cash flow hedge reserve, offset by gains of €11.8 million recognised in the currency translation reserve following the measurement of associates and joint ventures using the equity method.

“Equity attributable to non-controlling interests” amounts to €390.3 million, having increased by €19.7 million compared with 31 December 2008 (€370.6 million). This essentially reflects the impact of capital contributions from minority shareholders (€28.0 million) and the total loss of €6.8 million.

The Group’s net debt at 31 December 2009 amounts to €10,372.1 million, marking an increase of €617.3 million on 31 December 2008 (€9,754.8 million). On a like-for-like basis of consolidation (thus stripping out both the cost of acquiring the investments from the Itinere group and the related consolidated debt at 31 December 2009, totalling €372.8 million) and after adjusting for the change in the fair value of the Group’s derivative instruments (€68.4 million), net debt is up €176.1 million. This is largely the result of greater capital expenditure in 2009.

“Non-current net debt”, amounting to €10,926.6 million (€9,278.9 million at 31 December 2008), has risen €1,647.7 million and consists of:

- a) non-current financial liabilities of €11,305.9 million (€9,862.1 million at 31 December 2008), which include:
  - 1) bond issues totalling €7,836.0 million, marking an increase of €1,691.1 million following new issues on 6 May 2009 and 10 December 2009, which had par values of €1,500.0 million (paying annual coupon interest of 5.625%, with a re-offer price of €99.932 and maturing on 6 May 2016) and ¥20,000 million, equal to about €149 million (paying six-monthly coupon interest of 2.73% and maturing on 10 December 2038);
  - 2) medium/long-term borrowings of €3,020.2 million, marking a reduction of €262.4 million following repayments and reclassifications to short-term;
  - 3) the negative fair value of hedging instruments, amounting to €374.8 million, which is up €39.5 million due to an increase in the fair value of derivatives hedging the new bond issues (up €18.2 million) and an increase in the fair value of hedging instruments already entered into at 31 December 2008 (up €21.3 million);
- b) non-current financial assets of €379.3 million, marking a reduction of €203.9 million, substantially due to the reclassification to current assets of the portion of escrow accounts (€203.5 million) that management believes will be released within twelve months, based on the update of the schedule of certified releases pursuant to Laws 662/96, 135/97 and 345/97.

At 31 December 2009 "Current net funds" amount to €554.5 million, compared with current net debt of €475.9 million at 31 December 2008. This is primarily due to a €1,092.5 million increase in cash as a result of the liquidity generated by the above bond issues in 2009, which is held in demand deposits with banks and in deposits with terms of no more than three months.

The Group's ordinary operating and financial activities expose it to market risks, primarily regarding interest rate and foreign currency risks linked to its borrowings, in addition to liquidity and credit risks.

The Group's financial risk management strategy is consistent with the objectives set by Atlantia's Board of Directors. The strategy aims to both manage and control such risks, wherever possible eliminating interest rate and foreign currency risks and minimising borrowing costs, as defined in the approved Hedging Policy. A full description of the Group's financial risk management is provided in note 9.3 in the consolidated financial statements.

The components of the Group's hedging portfolio are classified, in application of IAS 39, as cash flow hedges or fair value hedges depending on the type of risk hedged.

Based on tests of the effectiveness of cash flow hedges, any changes in fair value have been recognised in full in equity, with no recognition of any ineffective portion in the income statement.

The hedging instruments converting the above-mentioned bond issue of 6 May 2009 from a fixed to a floating rate have been classified as fair value hedges, with the recognition of changes in fair value in the income statement. Based on the positive outcome of tests of effectiveness, the change in the fair value of these derivatives was completely offset by the change in the fair value of the underlying liability.

The residual weighted average term to maturity of the Group's interest bearing debt is approximately 7 years, whilst the residual average term to maturity of debt subject to interest rate and foreign exchange hedges is around 6 years.

82% of the Group's interest bearing debt is fixed rate. 10% of the Group's medium/long-term debt is denominated in currencies other than the euro. Taking account of foreign exchange hedges, the percentage of foreign currency debt exposed to foreign currency risk on translation into euros is approximately 2%.

The average cost of the Group's medium/long-term borrowings in 2009 was approximately 5.0%.

## 2. Report on operations

At 31 December 2009 the Group has cash reserves of €4,590 million, consisting of:

- a) €1,222 million in cash and/or investments maturing within 90 days;
- b) €518 million in escrow accounts allocated to finance the execution of works;
- c) €2,850 million in undrawn committed lines of credit. In particular, the Group has obtained the following lines of credit:
  - 1) €500 million under the loan agreement signed in November 2008 by the European Investment Bank and Autostrade per l'Italia (€1 billion), which may be drawn down until November 2011;
  - 2) €350 million representing the undrawn portion of a loan granted in December 2008 to Autostrade per l'Italia by Cassa Depositi e Prestiti SpA, totalling €500 million, which may be drawn down until August 2013 and was restructured in 2009, extending the maturity date from 2013 to 2034;

### Statement of changes in consolidated equity

€m)	Equity attributable to owners of the parent		
	Issued capital	Cash flow hedge reserve	Currency translation reserve
<b>Balance at 31 December 2007</b>	<b>571.7</b>	<b>164.0</b>	<b>5.3</b>
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-109.5</b>	<b>-11.5</b>
<b>Owner transactions and other movements</b>			
Final dividends approved	-	-	-
Retained earnings for the previous year	-	-	-
Interim dividends	-	-	-
Purchase of treasury shares	-	-	-
Change in basis of consolidation, capital contributions and other movements	-	-	0.2
<b>Balance at 31 December 2008</b>	<b>571.7</b>	<b>54.5</b>	<b>-6.0</b>
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-51.4</b>	<b>0.6</b>
<b>Owner transactions and other movements</b>			
Final dividends approved	-	-	-
Retained earnings for the previous year	-	-	-
Interim dividends	-	-	-
Change in basis of consolidation, capital contributions and other movements	-	-	-
<b>Balance at 31 December 2009</b>	<b>571.7</b>	<b>3.1</b>	<b>-5.4</b>



- 3) €1,000 million representing the undrawn portion of a loan granted in December 2009 by Cassa Depositi e Prestiti and Sace, which may be drawn down until September 2014 and matures in 2024;
- 4) €1,000 million available to Autostrade per l'Italia under a committed Revolving Credit Facility with Mediocredito acting as Agent Bank, which is undrawn at 31 December 2009 and was restructured in December 2009, extending the maturity date from June 2012 to June 2015.

The Group's net debt, as defined according to the CESR Recommendation of 10 February 2005 (which does not require the deduction of non-current financial assets from debt), amounts to €10,751.4 million at 31 December 2009, compared with €10,338.0 million at 31 December 2008.

	Equity attributable to owners of the parent				Total	Non-controlling interests	Total equity
	Reserve for associates and joint ventures accounted for using the equity method	Other reserves and retained earnings	Treasury shares	Profit/(Loss) for the year			
	-3.5	2,690.8	-	203.5	3,631.8	379.5	4,011.3
	-7.6	-4.5	-	734.8	601.7	-6.5	595.2
	-	-	-	-211.5	-211.5	-2.6	-214.1
	-	-8.1	-	8.1	-	-	-
	-	-	-	-190.5	-190.5	-0.2	-190.7
	-	-	-215.6	-	-215.6	-	-215.6
	-	-0.6	-	-	-0.4	0.4	-
	-11.1	2,677.6	-215.6	544.4	3,615.5	370.6	3,986.1
	11.8	4.2	-	690.7	655.9	-6.8	649.1
	-	-	-	-207.3	-207.3	-2.6	-209.9
	-	337.1	-	-337.1	-	-	-
	-	-	-	-198.9	-198.9	-0.2	-199.1
	-	-	-	-	-	29.3	29.3
	0.7	3,018.9	-215.6	491.8	3,865.2	390.3	4,255.5

## Reconciliation of equity at 31 december 2009 and profit for 2009 of the Parent company and the corresponding consolidated amounts

(€m)	Equity at 31.12.2009	Profit for 2009
<b>Amounts in financial statements of Atlantia SpA</b>	<b>6,297.6</b>	<b>482.9</b>
Recognition of equity and profit/(loss) for the year (IFRS) of consolidated investments less non-controlling interests	4,212.6	675.5
Elimination of intercompany dividends	–	–527.2
Elimination of carrying amount of consolidated investments	–6,854.9	38.4
Recognition of goodwill less non-controlling interests	4,382.8	–
Elimination, after the related tax effects, of intercompany profits and losses	–4,186.8	–
Measurement of investments using the equity method/at fair value	1.8	23.5
Other minor adjustments	12.1	–2.4
<b>Amounts in consolidated financial statements (attributable to owners of the parent)</b>	<b>3,865.2</b>	<b>690.7</b>
<b>Amounts in consolidated financial statements (attributable to non-controlling interests)</b>	<b>390.3</b>	<b>–8.3</b>
<b>Amounts in consolidated financial statements</b>	<b>4,255.5</b>	<b>682.4</b>

## Consolidated cash flow

Net debt increased by €617.3 million during 2009, compared with an increase of €513.6 million in 2008.

Operating activities generated cash flows of €1,375.8 million, compared with €1,292.9 million in 2008. The increase in operating cash flow reflects the improved contribution from movements in working capital (€27.2 million), compared with the amount of cash absorbed in 2008 (€80.0 million). This essentially reflects increased trade payables, partly due to the increased volume of capital expenditure carried out by the Group during the year.

Cash used for investments in non-financial assets amounts to €1,545.0 million, marking an increase of €528.0 million on the corresponding figure for 2008 (€1,017.0 million). This reflects increased capital expenditure, after deducting grants related to assets received (€83.3 million), and the acquisition of investments, totalling €365.9 million (including net debt contributed by the newly consolidated companies).

The cash outflow resulting from changes in equity amounts to €380.4 million, marking a reduction of €256.3 million with respect to the outflow during 2008 (€636.7 million), which included outflows totalling €215.6 million to finance the purchase of treasury shares by Atlantia SpA.

The overall impact of the above cash flows was to increase net debt by €549.6 million in 2009, compared with the increase of €360.8 million registered in 2008. This reflects essentially investment in property, plant and equipment and intangible assets, which absorbed operating cash flow, the cost of acquisitions and dividends paid to shareholders.

In addition, net debt was also negatively affected in the two comparable periods by the change in the fair value of hedging instruments recognised directly in equity, which in 2009 resulted in an increase in net debt of €67.7 million and in 2008 in an increase of €152.8 million.

### Statement of changes in consolidated net debt

(€m)	2009	2008
<b>Profit for the year</b>	<b>682.4</b>	<b>740.4</b>
Amortisation and depreciation	424.6	405.0
Share of (profit)/loss of associates and joint ventures accounted for using the equity method	56.7	28.2
Impairment losses/(Reversal of impairment losses) on and adjustments to non-current assets	10.4	30.2
(Gains)/Losses on sale of non-current assets	-1.1	-19.4
Net change in deferred tax (assets)/liabilities	80.4	28.7
Other non-cash items	-32.8	24.4
Net change in non-current provisions	74.8	59.5
Change in working capital	27.2	-80.0
Other changes in non-financial assets and liabilities	53.2	75.9
<b>Net cash from/(used in) operating activities (A)</b>	<b>1,375.8</b>	<b>1,292.9</b>
Purchases of property, plant and equipment	-1,313.3	-1,139.1
Purchases of intangible assets	-24.5	-22.4
Acquisition of investments, net of unpaid called-up issued capital	-91.6	-95.8
Purchase of new consolidated investments, including acquired net debt	-365.9	-1.0
Sale of investments in consolidated companies	1.3	-
Government grants related to assets	241.6	150.7
Proceeds from sales of property, plant and equipment, intangible assets and unconsolidated investments and changes in other non-current assets	7.4	90.6
<b>Net cash from/(used in) investing activities (B)</b>	<b>-1,545.0</b>	<b>-1,017.0</b>
Dividends approved	-409.0	-404.8
Purchase of treasury shares	-	-215.6
Net change in currency translation reserve and other reserves and debt-related translation differences	0.6	-6.8
Changes in equity and reserves attributable to non-controlling interests	28.0	-9.5
<b>Net equity cash inflows/(outflows) (C)</b>	<b>-380.4</b>	<b>-636.7</b>
<b>Increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>-549.6</b>	<b>-360.8</b>
Change in the fair value of hedging derivatives recognised in statement of comprehensive income (D)	-67.7	-152.8
<b>Decrease/(increase) in net debt for the year (A + B + C + D)</b>	<b>-617.3</b>	<b>-513.6</b>
<b>Net debt at beginning of the year</b>	<b>-9,754.8</b>	<b>-9,241.2</b>
<b>Net debt at end of the year</b>	<b>-10,372.1</b>	<b>-9,754.8</b>

## Financial review for Atlantia SpA

### Introduction

The financial review contained in this section includes and analyses the reclassified income statement, the statement of comprehensive income, the statement of changes in equity and the cash flow statement for the year ended 31 December 2009, in which amounts are compared with those of the previous year. The review also includes and analyses the reclassified statement of financial position at 31 December 2009, compared with the corresponding amounts at 31 December 2008.

These separate financial statements have been prepared under the international financial reporting standards (IFRS) issued by the International Accounting Standards Board, endorsed by the European Commission, and in force at 31 December 2009. The accounting standards and policies used in the preparation of this document are consistent with those applied in the separate financial statements as at and for the year ended 31 December 2008, with the exception of the new version of IAS 1 regarding the presentation of financial statements. As a result, compared with 2008, the Company now also presents the statement of comprehensive income, which, in addition to profit or loss for the reporting period, also includes items of income and expense arising from non-owner transactions. The statement of changes in equity thus includes changes arising from transactions with owners and only the total result reported in the statement of comprehensive income.

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

- a) the "Reclassified income statement" includes "Gross operating profit (EBITDA)", which is not reported in the separate income statement in the separate financial statements. This profit margin is calculated by taking the figure for total revenue reported in the statutory income statement and deducting all operating costs, with the exception of amortisation, depreciation, impairment losses on assets and reversals of impairment losses, provisions and other adjustments. Deducting these costs from gross operating profit gives the "Operating profit (EBIT)" as reported in the separate income statement. There are no differences between the intermediate components of the two income statements below operating profit, apart from the fact that the "Reclassified income statement" is more condensed;
- b) the "Reclassified statement of financial position" adopts a different classification of assets and liabilities compared with the statutory statement of financial position in the separate financial statements, showing working capital (as the balance of current non-financial assets and liabilities), net invested capital (as the balance of non-current non-financial assets and the sum of negative working capital and non-current non-financial liabilities), and, as sources of capital, equity and net debt (representing the balance of all financial liabilities and assets). In addition, the reclassified statement of financial position is a more

condensed version than the separate statement of financial position, as it excludes the sub-items below each main entry. "Net debt" reported in the reclassified statement of financial position takes account of non-current financial assets, unlike the "Analysis of net funds/(debt)" in the notes to the separate financial statements that is prepared as required by the Committee of European Securities Regulators (CESR) Recommendation of 10 February 2005, which does not permit non-current financial assets to be deducted from debt.

The following key events occurred during the year:

- a) from 1 January 2009, and for the three-year period 2009-2011, other Group companies were included in the tax consolidation arrangement headed by Atlantia SpA on the basis of Legislative Decree 344/2003, joining Autostrade per l'Italia, which already took part in 2008;
- b) the financial restructuring begun in 2008 was completed, having included, among other things, the transfer of a portion of the Company's debt to Autostrade per l'Italia. The following events are linked to this process:
  - 1) on 27 March 2009 two credit facilities provided by the European Investment Bank (EIB), totalling €450.0 million and guaranteed by Atlantia, were transferred from the Company to Autostrade per l'Italia;
  - 2) on 6 May 2009 and 10 December 2009 Atlantia launched two bond issues amounting, respectively, to €1.5 billion and ¥20 billion (a total of approximately €149 million), and contemporaneously granted loans of the same amount and term to maturity to Autostrade per l'Italia, replicating the terms applicable to the borrowing from the market at intercompany level;
- c) at their Annual General Meeting held on 23 April 2009, the Company's shareholders approved the introduction of a share option plan for certain managers in the Group, with the allocation of options giving the right to subscribe up to 850,000 of the Company's ordinary shares, already purchased by Atlantia. At the proposal of the Human Resources Committee and with the agreement of the Board of Statutory Auditors, the Board of Directors established a list of 10 beneficiaries of the plan at their meetings of 8 May 2009 and 16 July 2009;
- d) at their Annual General Meeting held on 23 April 2009, the Company's shareholders approved a share buyback programme, to enable the Company to intervene in the market to stabilise the share price, should movements in the price provide evidence of abnormal share price movements and, to this end, the Board of Directors was authorised to purchase, pursuant to the law, up to 57,171,000 treasury shares, representing 10% of the issued capital, within 18 months of the shareholders' resolution. The Company did not, however, buy back any of its own shares in 2009, nor did it sell any treasury shares in its portfolio in 2008;

- e) on 9 October 2009 the Board of Directors, based on the performance of Atlantia SpA and the Group during the first half of 2009, decided to pay an interim dividend of €0.355 (€0.34 in 2008) per share outstanding at the ex dividend date of 23 November 2009, with payment on 26 November 2009 of a total amount of €198.9 million. The Board of Directors of Autostrade per l'Italia also decided to pay an interim dividend of €0.45 per share, making a total of €279.9 million paid on 25 November 2009.

## Results of operations

“Operating income” in 2009 was €3.6 million, which primarily includes reimbursements (€2.4 million) and rental income from subsidiaries (€0.8 million). The figure marks an increase of €1.4 million on 2008 (€2.2 million), essentially due to the greater amount received from other Group companies as a result of overseas acquisitions.

The “Net cost of materials and external services” totals €7.9 million, marking a reduction of €2.9 million on 2008 (€10.8 million). This essentially reflects a reduction in professional services and consultants’ fees.

“Other operating costs and gains/(losses)” of €2.8 million (€3.2 million in 2008) essentially regard non-deductible VAT (€2.2 million).

“Staff costs” of €2.4 million are up €0.5 million on 2008 (€1.9 million), primarily as a result of an increase in fees paid to Directors (up €0.2 million) and provisions made to cover the accrued cost of the three-year incentive plan for management (€0.2 million).

The “Gross operating loss” (negative EBITDA), of €9.5 million is €4.2 million less than in 2008, when negative EBITDA totalled €13.7 million. The “Operating loss” (negative EBIT) amounts to €9.9 million (€-14.6 million in 2008), after depreciation and amortisation, impairment losses and reversals of impairments losses totalling €0.4 million.

“Net financial income” of €498.1 million is down €26.0 million on 2008 (€524.1 million). This primarily reflects a reduction in dividends received (down €20.5 million) and a reduction in short-term interest income (down €6.5 million), as a result of both falling interest rates during the year (quantifiable as a decline of approximately €5.9 million) and a reduction in the average amount held on deposit compared with 2008.

## 2. Report on operations

### Reclassified income statement

(€m)	2009	2008	Increase/(Decrease)	
			Total	%
Operating income	3.6	2.2	1.4	63.6%
<b>Total revenue</b>	<b>3.6</b>	<b>2.2</b>	<b>1.4</b>	<b>63.6%</b>
Cost of materials and external services	-7.9	-10.8	2.9	-26.9%
Other operating costs and gains/(losses)	-2.8	-3.2	0.4	-12.5%
Staff costs	-2.4	-1.9	-0.5	26.3%
<b>Total net operating costs</b>	<b>-13.1</b>	<b>-15.9</b>	<b>2.8</b>	<b>-17.6%</b>
<b>Gross operating loss (EBITDA)</b>	<b>-9.5</b>	<b>-13.7</b>	<b>4.2</b>	<b>-30.7%</b>
Amortisation, depreciation, impairment losses and reversals of impairment losses	-0.4	-0.9	0.5	-55.6%
<b>Operating loss (EBIT)</b>	<b>-9.9</b>	<b>-14.6</b>	<b>4.7</b>	<b>-32.2%</b>
Financial income/(expenses)	498.1	524.1	-26.0	-5.0%
<b>Profit before tax from continuing operations</b>	<b>488.2</b>	<b>509.5</b>	<b>-21.3</b>	<b>-4.2%</b>
Income tax (expense)/benefit	-5.3	-6.8	1.5	-22.1%
<b>Profit from continuing operations</b>	<b>482.9</b>	<b>502.7</b>	<b>-19.8</b>	<b>-3.9%</b>
Profit/(loss) from discontinued operations/assets held for sale	-	-	-	-
<b>Profit for the year</b>	<b>482.9</b>	<b>502.7</b>	<b>-19.8</b>	<b>-3.9%</b>

(€)	2009	2008
<b>Basic earnings per share</b>	<b>0.86</b>	<b>0.89</b>
<i>of which:</i>		
continuing operations	0.86	0.89
discontinued operations/assets held for sale	-	-
<b>Diluted earnings per share</b>	<b>0.86</b>	<b>0.89</b>
<i>of which:</i>		
continuing operations	0.86	0.89
discontinued operations/assets held for sale	-	-

“Income tax expense” of €5.3 million is down €1.5 million on 2008 (€6.8 million). This is the result of the reduction in taxable income and non-recurring income deriving from the claim for a rebate of IRES due to deductions for the purposes of IRAP (€1.2 million) pursuant to art. 6 of Law Decree 185 of 29 November 2008.

“Profit for the year”, totalling €482.9 million, is thus down €19.8 million on 2008 (€502.7 million), essentially due to the reduction in dividends received from Autostrade per l’Italia.



As noted above, in addition to the reclassified income statement, this section also includes the following statement of comprehensive income, which reports comprehensive income of €452.6 million (540.8 million in 2008). Compared with the figure for profit for the year, this reflects fair value losses on cash flow hedges recognised in equity, after the related tax effects (losses of €30.3 million).

### Statement of comprehensive income

(€m)	2009	2008
<b>Profit for the year (A)</b>	<b>482.9</b>	<b>502.7</b>
Fair value gains/(losses) on cash flow hedges	-30.3	38.2
Actuarial gains/(losses) (IAS 19)	-	-0.1
<b>Other components of comprehensive income for the year, after related tax effects (B)</b>	<b>-30.3</b>	<b>38.1</b>
<b>Comprehensive income for the year (A + B)</b>	<b>452.6</b>	<b>540.8</b>

### Financial position

“Non-current non-financial assets” of €6,092.0 million are up €46.5 million on the figure for 31 December 2008 (€6,045.5 million).

These assets consist almost entirely of “Investments” amounting to €6,083.8 million. The increase of €46.9 million compared with 2008 (€6,036.9 million) essentially reflects the remaining capital contribution of €44.4 million paid to Alitalia - Compagnia Aerea Italiana SpA (in which the Company has an 8.85% interest at 31 December 2009), and subscription of new shares issued by Pune–Solapur Expressways Private Ltd., totalling €3.8 million.

“Working capital” of €6.3 million is substantially in line with the figure for 31 December 2008 (€5.6 million).

“Non-current non-financial liabilities” amount to €11.0 million (€20.3 million at 31 December 2008) and almost entirely regard deferred tax liabilities (after offsetting against deferred tax assets), which are recognised primarily as a result of fair value gains on cash flow hedges.

“Net invested capital” of €6,087.3 million is up €56.5 million on the figure for 31 December 2008 (€6,030.8 million).

“Equity” totals €6,297.6 million (€6,250.9 million at 31 December 2008) and is up €46.7 million compared with the end of the previous year. This is primarily the result of the following factors:

- a) profit attributable for the year of €452.6 million, as a result of profit for the year (€482.9 million) partially offset by recognition of net losses (€30.3 million), essentially reflects the change in the fair value, after the related tax effects, of hedging instruments;
- b) payment of the final dividend for 2008, amounting to €207.2 million, equal to €0.37 per share, and of the interim dividend for 2009, totalling €198.9 million, equal to €0.36 per share.

## Reclassified statement of financial position

(€m)	31.12.2009	31.12.2008	Increase/(Decrease)
<b>Non-current non-financial assets</b>			
Property, plant and equipment	8.0	8.4	-0.4
Intangible assets	0.2	0.2	-
Investments	6,083.8	6,036.9	46.9
<b>Total non-current non-financial assets (A)</b>	<b>6,092.0</b>	<b>6,045.5</b>	<b>46.5</b>
<b>Working capital</b>			
Trading assets	2.4	0.3	2.1
Current tax assets	26.3	10.3	16.0
Other current assets	2.4	5.9	-3.5
Trading liabilities	-4.9	-5.0	0.1
Current tax liabilities	-18.5	-4.2	-14.3
Other current liabilities	-1.4	-1.7	0.3
<b>Total working capital (B)</b>	<b>6.3</b>	<b>5.6</b>	<b>0.7</b>
<b>Invested capital less current liabilities (C = A + B)</b>	<b>6,098.3</b>	<b>6,051.1</b>	<b>47.2</b>
<b>Non-current non-financial liabilities</b>			
Provisions	-0.2	-	-0.2
Deferred tax liabilities	-10.8	-20.3	9.5
<b>Total non-current non-financial liabilities (D)</b>	<b>-11.0</b>	<b>-20.3</b>	<b>9.3</b>
<b>NET CAPITAL EMPLOYED (E = C + D)</b>	<b>6,087.3</b>	<b>6,030.8</b>	<b>56.5</b>
<b>Equity</b>	<b>6,297.6</b>	<b>6,250.9</b>	<b>46.7</b>
<b>Equity (F)</b>	<b>6,297.6</b>	<b>6,250.9</b>	<b>46.7</b>
<b>NET DEBT</b>			
<b>Non-current net debt</b>			
<b>Non-current financial liabilities</b>	<b>8,248.3</b>	<b>7,004.5</b>	<b>1,243.8</b>
Bond issues	7,906.8	6,229.9	1,676.9
Medium/long-term borrowings	-	443.5	-443.5
Derivative liabilities	341.5	331.1	10.4
<b>Other non-current financial assets</b>	<b>-8,325.5</b>	<b>-7,121.5</b>	<b>-1,204.0</b>
Derivative assets	-188.0	-177.8	-10.2
Other financial assets	-8,137.5	-6,943.7	-1,193.8
<b>Non-current net debt (G)</b>	<b>-77.2</b>	<b>-117.0</b>	<b>39.8</b>
<b>Current net debt</b>			
<b>Current financial liabilities</b>	<b>265.9</b>	<b>184.0</b>	<b>81.9</b>
Current portion of medium/long-term borrowings	265.8	172.6	93.2
Other financial liabilities	0.1	11.4	-11.3
<b>Cash and cash equivalents</b>	<b>-124.2</b>	<b>-106.6</b>	<b>-17.6</b>
Cash in hand and at bank and post offices	-1.0	-1.2	0.2
Intercompany current accounts receivable	-123.2	-105.4	-17.8
<b>Other current financial assets</b>	<b>-274.8</b>	<b>-180.5</b>	<b>-94.3</b>
Current portion of medium/long-term financial assets	-270.8	-176.8	-94.0
Other financial assets	-4.0	-3.7	-0.3
<b>Current net debt (H)</b>	<b>-133.1</b>	<b>-103.1</b>	<b>-30.0</b>
<b>Net debt (I = G + H)</b>	<b>-210.3</b>	<b>-220.1</b>	<b>9.8</b>
<b>NET DEBT AND EQUITY (L = F + I)</b>	<b>6,087.3</b>	<b>6,030.8</b>	<b>56.5</b>

At 31 December 2009 Atlantia reports "Net funds" of €210.3 million (€220.1 million at 31 December 2008), comprising a non-current portion of €77.2 million (€117.0 million at 31 December 2008) and a current portion of €133.1 million (€103.1 million at 31 December 2008).

"Non-current net funds" have declined by €39.8 million over the year, as a result of the following principal events:

- a) an increase in "Bond issues" (up €1,676.9 million), essentially consisting of the euro-denominated bonds (up €1,482.0 million) issued on 6 May 2009 with a par value of €1,500.0 million and maturing on 6 May 2016, and the bond issue denominated in Japanese yen (up €149.2 million) that took place on 10 December 2009, having a par value of ¥20 billion and maturing on 10 December 2038;
- b) an increase in "Other non-current financial assets" (up €1,204.0 million), primarily relating to new medium/long-term loans granted to the subsidiary, Autostrade per l'Italia, with par values of €1,500.0 million and €149.2 million, thereby replicating the terms of the above bond issues at intercompany level. This increase is partially offset by the extinction of intercompany loans following the transfer of loans totalling €450.0 million from the European Investment Bank (EIB) to the subsidiary, Autostrade per l'Italia, as part of the Group's financial restructuring;
- c) a reduction in medium/long-term borrowings (down €443.5 million) following the above transfer of loans from the European Investment Bank (EIB) to the subsidiary, Autostrade per l'Italia.

"Current net funds" are up €30.0 million, substantially due to an increase in cash and cash equivalents (up €17.6 million). The increase primarily reflects a rise in the balance on the intercompany current account with the subsidiary, Autostrade per l'Italia, and reduced liabilities in the form of dividends approved in 2008 (€11.3 million) and paid in early 2009.

The Company's ordinary operating and financial activities expose it to market risks, primarily regarding interest rate and foreign currency risks linked to loans disbursed and borrowings obtained.

Atlantia's financial risk management strategy is consistent with the business goals set by the Parent's Board of Directors in the various strategic plans that have been approved over time. The strategy aims to both manage and control such risks, wherever possible eliminating interest rate and foreign currency risks and minimising borrowing costs, whilst taking account of stakeholders' interests, as defined in the Hedging Policy approved by the Board of Directors.

The medium/long-term loans provided to the subsidiary, Autostrade per l'Italia, were granted on the same terms as the Company's borrowings in the market. This arm's-length approach also applies to intercompany fair value and cash flow hedges designed to protect the underlying instruments against exposure to interest rate fluctuations. With the exception of the following hedges, relating to the bonds issued in May 2009 and to the matching loan to Autostrade per l'Italia, Atlantia's derivative instruments, which were successfully tested for effectiveness, are classified as cash flow hedges. As a result, any change in the cash flows generated by the underlying transaction is offset by a corresponding change in the cash flows deriving from the derivative instrument.

In contrast, the Company has entered into fair value hedges to protect the new euro-denominated bond issue and the matching intercompany loan, both with par values of €1,500.0 million, against exposure of the underlying positions to changes in fair value. These hedges have been classified as fair value hedges. Based on the positive outcome of tests of effectiveness, the change in the fair value of these derivatives was recognised in the income statement and was completely offset by the change in the fair value of the underlying liability. Credit risk is not covered by the above hedges.

The fair value of these instruments is based on expected cash flows that are discounted at rates derived from the market yield curve at the measurement date. Amounts in currencies, other than the euro, are translated at closing exchange rates provided by the European Central Bank. All hedging derivatives fall within the category of financial instruments measured at fair value.

The residual average term to maturity of all debt is approximately 6 years. 82% of the Company's debt is fixed rate.

11% of the Company's medium/long-term debt is denominated in currencies other than the euro. Taking account of foreign currency hedges, the percentage of foreign currency debt exposed to foreign currency risk on translation into euros is zero.

The average cost of medium/long-term borrowings in 2009 was approximately 5.1%.

## Statement of changes in equity

€m)	Issued capital		Reserves and retained earnings			
	Share premium reserve	Legal reserve	Extraordinary reserve	Reserve for purchase of treasury shares	Reserve for negative goodwill	
<b>Balance at 31 December 2007</b>	<b>571.7</b>	<b>0.2</b>	<b>261.4</b>	<b>4,669.3</b>	<b>–</b>	<b>449.0</b>
<b>Total comprehensive income</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Owner transactions and other changes</b>						
Final dividends approved	–	–	–	–	–	–
Retained earnings for the previous year	–	–	–	148.8	–	–
Interim dividends	–	–	–	–	–	–
Purchase of treasury shares	–	–	–	–215.6	215.6	–
<b>Balance at 31 December 2008</b>	<b>571.7</b>	<b>0.2</b>	<b>261.4</b>	<b>4,602.5</b>	<b>215.6</b>	<b>449.0</b>
<b>Total comprehensive income</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Owner transactions and other changes</b>						
Final dividends approved	–	–	–	–	–	–
Retained earnings for the previous year	–	–	–	105.0	–	–
Interim dividends	–	–	–	–	–	–
Share option plans	–	–	–	–	–	–
<b>Balance at 31 December 2009</b>	<b>571.7</b>	<b>0.2</b>	<b>261.4</b>	<b>4,707.5</b>	<b>215.6</b>	<b>449.0</b>

	Cash flow hedge reserve	Reserves and retained earnings			Treasury shares	Profit for the year	Total equity
		Reserve for actuarial gains and losses on post-employment benefits	Other reserves	Retained earnings			
	13.8	-0.3	-	2.3	-	360.4	6,327.8
	38.2	-0.1	-	-	-	502.7	540.8
	-	-	-	-	-	-211.6	-211.6
	-	-	-	-	-	-148.8	-
	-	-	-	-	-	-190.5	-190.5
	-	-	-	-	-215.6	-	-215.6
	52.0	-0.4	-	2.3	-215.6	312.2	6,250.9
	-30.3	-	-	-	-	482.9	452.6
	-	-	-	-	-	-207.2	-207.2
	-	-	-	-	-	-105.0	-
	-	-	-	-	-	-198.9	-198.9
	-	-	0.2	-	-	-	0.2
	21.7	-0.4	0.2	2.3	-215.6	284.0	6,297.6

### Cash flow

Cash and cash equivalents increased by €17.6 million in 2009, compared with the decrease of €96.3 million reported in 2008.

“Cash from operating activities” amounts to €482.5 million, marking a reduction of €60.1 million compared with the figure for 2008 (€542.6 million). This reflects the reduction in profit for the year (down €19.8 million) and reduced changes in working capital (down €42.4 million), which in 2008 benefitted from the collection of current tax assets deriving from the tax loss of 2006.

“Cash used in investing activities”, totalling €1,317.8 million, essentially relates to new intercompany loans with a par value of €1,649.2 million to the subsidiary, Autostrade per l'Italia, offset by the extinction of intercompany loans of €450.0 million to the same subsidiary, following the above transfer of loans from the European Investment Bank (EIB), and to the acquisition of investments, totalling €48.8 million. The figure for 2008, represented by an inflow of €765.4 million, derived essentially from the transfer of the Term Loan Facility of €800.0 million to Autostrade per l'Italia.

“Cash from financing activities” totals €852.9 million and, as applies to the matching investing activities, is essentially the result of the combined effect of the above bond issues (€1,650.2 million), extinction of medium/long-term borrowings following their transfer to the subsidiary, Autostrade per l'Italia (€450.0 million) and dividends paid (€417.4 million). The outflow of €1,404.3 million reported in 2008, on the other hand, reflected extinction of the Term Loan Facility of €800.0 million, which was also transferred to the subsidiary, Autostrade per l'Italia, dividends paid to shareholders (€390.7 million) and the purchase of treasury shares (€215.6 million).



## Cash flow statement

(€m)	2009	2008
<b>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES</b>		
Profit for the year	482.9	502.7
<b>Adjusted by:</b>		
Depreciation and amortisation	0.4	0.9
Impairment losses/(Reversal of impairment losses) on other non-current assets	-0.4	-
Net change in deferred tax (assets)/liabilities	-0.1	-
Other non-cash items	0.2	-
Net change in non-current provisions	0.2	-
Change in working capital	-3.4	39.0
Net change in other non-current non-financial liabilities and other changes	2.7	-
<b>Net cash generated from/(used in) operating activities (A)</b>	<b>482.5</b>	<b>542.6</b>
<b>CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES</b>		
Purchases of property, plant and equipment	-	-0.3
Purchases of investments, net of unpaid called-up issued capital	-48.8	-57.5
Proceeds from sales of property, plant and equipment, intangible assets and investments	2.2	18.8
Change in current and non-current financial assets not held for trading purposes	-1,271.2	804.4
<b>Net cash generated from/(used in) investing activities (B)</b>	<b>-1,317.8</b>	<b>765.4</b>
<b>CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES</b>		
Purchase of treasury shares	-	-215.6
Dividends paid	-417.4	-390.7
Bond issues	1,650.2	-
Decrease in medium/long-term borrowings due to transfer to subsidiaries	-450.0	-800.0
Net change in other current and non-current financial liabilities	70.1	2.0
<b>Net cash generated from/(used in) financing activities (C)</b>	<b>852.9</b>	<b>-1,404.3</b>
<b>Increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>17.6</b>	<b>-96.3</b>
<b>Net cash and cash equivalents at beginning of year</b>	<b>106.6</b>	<b>202.9</b>
<b>Net cash and cash equivalents at end of year</b>	<b>124.2</b>	<b>106.6</b>
<b>Additional information on the cash flow statement</b>		
Income tax paid (rebated)	7.6	-26.8
Interest income and other financial income collected	448.6	523.6
Interest expense and other financial expenses paid	441.0	510.0
Dividends received	492.5	513.0
Foreign exchange gains collected	0.5	0.1
Foreign exchange losses incurred	0.4	0.2
<b>Reconciliation of net cash and cash equivalents</b>		
<b>Net cash and cash equivalents at beginning of year</b>	<b>106.6</b>	<b>202.9</b>
Cash and cash equivalents	106.6	202.9
<b>Net cash and cash equivalents at end of year</b>	<b>124.2</b>	<b>106.6</b>
Cash and cash equivalents	124.2	106.6

## Operating performance of Group companies

### Key performance indicators for the main Group companies (\*)

(€m)	Revenue		Increase/(Decrease)	
	2009	2008	Total	%
<b>Italian motorway concessionaires</b>				
Autostrade per l'Italia	2,920.8	2,883.2	37.6	1.3%
Società Italiana per il Traforo del Monte Bianco	51.5	53.1	-1.6	-3.0%
Raccordo Autostradale Valle d'Aosta	12.0	13.1	-1.1	-8.4%
Autostrada Torino-Savona	69.3	65.3	4.0	6.1%
Società Autostrada Tirrenica	27.4	26.3	1.1	4.2%
Strada dei Parchi	140.7	132.3	8.4	6.3%
Tangenziale di Napoli	60.9	59.3	1.6	2.7%
Autostrade Meridionali	83.5	70.7	12.8	18.1%
<b>Foreign subsidiaries</b>				
Gruppo Autostrade International US Holdings	38.6	35.9	2.7	7.5%
Gruppo Stalexport Autostrady	35.4	47.6	-12.2	-25.6%
Los Lagos (**)	13.7	n.a.	13.7	n.a.
<b>Other service companies</b>				
Pavimental	274.5	337.7	-63.2	-18.7%
SPEA - Ingegneria Europea	105.0	86.5	18.5	21.4%
EsseDiEsse Società di Servizi	30.3	30.7	-0.4	-1.3%
Infoblu	4.6	2.8	1.8	64.3%
TowerCo	17.9	16.0	1.9	11.9%
AD Moving	16.1	18.6	-2.5	-13.4%
Port Mobility	6.9	4.7	2.2	46.8%
Telepass SpA (***)	115.0	27.2	87.8	322.8%

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

(\*\*) Company consolidated from 1 July 2009.

(\*\*\*) Company operating from October 2008.

EBITDA				Net funds/(debt)			
		Increase/(Decrease)				Increase/(Decrease)	
2009	2008	Total	%	2009	2008	Total	%
1,854.7	1,838.1	16.6	0.9%	-9,041.2	-8,524.4	-516.8	6.1%
33.5	34.1	-0.6	-1.8%	-3.3	-17.5	14.2	-81.1%
0.8	1.5	-0.7	-46.7%	71.1	74.9	-3.8	-5.1%
32.5	30.7	1.8	5.9%	-29.5	-29.7	0.2	-0.7%
14.0	14.6	-0.6	-4.1%	-62.2	-62.8	0.6	-1.0%
70.7	63.1	7.6	12.0%	-934.2	-958.4	24.2	-2.5%
16.2	14.0	2.2	15.7%	-57.4	-47.7	-9.7	20.3%
39.7	27.4	12.3	44.9%	-100.0	-63.9	-36.1	56.5%
1.1	1.8	-0.7	-38.9%	-3.9	0.3	-4.2	n.s.
23.2	32.0	-8.8	-27.6%	-33.5	-24.3	-9.2	37.7%
11.3	n.a.	11.3	n.a.	-81.9	n.a.	-81.9	n.s.
8.5	22.7	-14.2	-62.4%	-106.5	-69.7	-36.8	52.8%
31.9	20.9	11.0	52.6%	4.8	2.1	2.7	128.6%
3.2	3.6	-0.4	-11.1%	11.8	12.2	-0.4	-3.5%
0.4	0.7	-0.3	-42.9%	-4.1	-5.2	1.1	-21.2%
10.1	10.2	-0.1	-1.0%	-7.6	-2.3	-5.3	230.4%
0.1	2.3	-2.2	-95.7%	-2.4	-2.1	-0.3	14.3%
0.7	0.3	0.4	133.3%	-2.4	-1.9	-0.5	26.3%
60.3	10.0	50.3	503.0%	-218.3	-276.8	58.5	-21.1%

### Traffic

The total number of kilometres travelled on the network managed by Autostrade per l'Italia and the Group's Italian motorway concessionaires during 2009 amounted to 55,006 million: 43,433 million by light vehicles (79% of the total) and 11,573 million by heavy vehicles (21%).

Traffic is down 0.13% compared with 2008, with the light component rising 1.9% and heavy vehicles down 7.1%, combining to account for a 1.2% reduction in toll revenues.

Light traffic began to show clear signs of an upturn from the second quarter of 2009, whilst the heavy component continues to suffer the effects of the economic slowdown, despite seeing a gradual reduction in the pace of decline compared with the first half of the year.

Traffic trends form part of the overall context, marked by a significant degree of instability and an international recession that has also hit Italy hard.

The fact that 2009 was one day shorter than 2008 (a leap year) also had an impact on the figure, reducing annual traffic by 0.27 percentage points.

The breakdown by concessionaire shows little difference in performances. Autostrade per l'Italia saw traffic using its network decline by 0.4% whilst, after adjusting for the fact that 2008 was a leap year, traffic was more or less stable with respect to the previous year (down 0.1%). The figures for individual motorways are fairly consistent: the A12 Rome-Civitavecchia saw an increase of 1.7%, the A30 Caserta-Salerno of 1.1%, the A10 Genoa-Savona of 0.9% and the A16 Naples-Canosa section an increase of 0.8%, whilst the other motorways saw substantially stable performances with respect to 2008.

The A23 Udine-Tarvisio saw a significant fall of 9%, reflecting the sharp decline in International traffic. With regard to the Mestre Interchange, the 51.8% drop in traffic using Venice toll station is due to the opening of the Mestre Bypass on 8 February 2009.

There were increases in traffic using the motorway networks managed by Torino-Savona (up 3.2%), RAV (up 2.3%) and Strada dei Parchi (up 5.3%). The increase in traffic recorded by the latter concessionaire was also influenced by the reconstruction initiatives undertaken following the earthquake that struck the province of L'Aquila in April. As a result, people resident in the areas hit by the earthquake are exempted from the

payment of tolls until 31 December 2009 (Law Decree 39/2009), with the related charges largely to be borne by the Civil Protection Department.

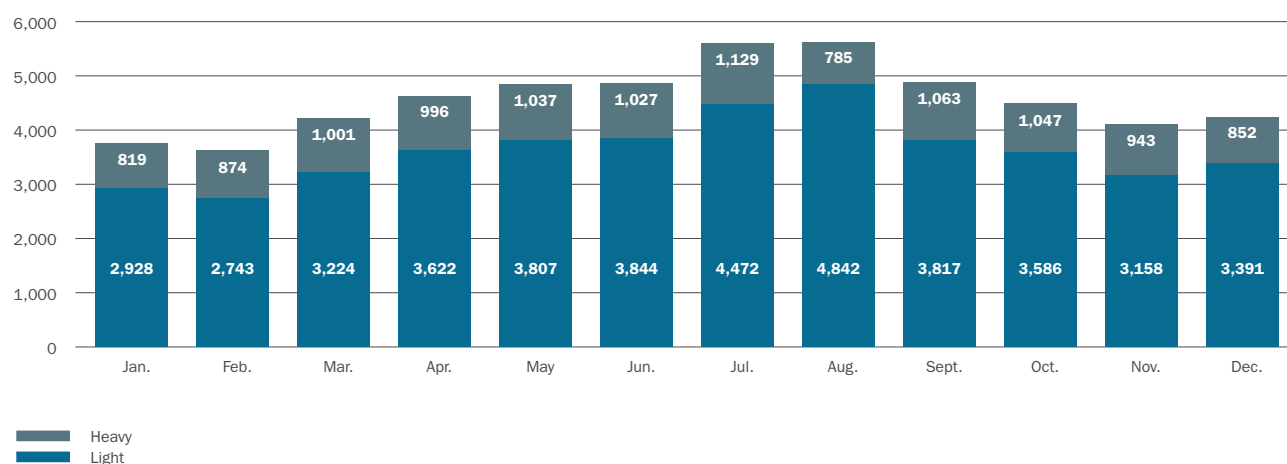
In terms of other Group companies, the Mont Blanc Tunnel, where a high proportion of traffic is made up of heavy vehicles involved in international trade, reports a 3% decline.

### Traffic on the network operated under concession in Italy in 2009

Motorway	Vehicles x km (millions)			% increase/ (decrease) on 2008	ATVD (*) 2009
	Light vehicles	Heavy vehicles	Total vehicles		
A1 Milan-Naples	14,075	4,416	18,491	-0.2	63,049
A4 Milan-Brescia	2,871	848	3,719	0.0	108,975
A7 Serravalle-Genoa	510	121	631	-0.6	34,569
A8/A9 Milan-Lakes	2,084	345	2,429	-0.7	85,645
A8/26 branch	437	75	512	-2.3	58,390
A10 Genoa-Savona	776	157	933	0.9	56,197
A11 Florence-Coast	1,367	267	1,634	-0.3	54,795
A12 Genoa-Sestri	787	139	926	-0.6	52,120
A12 Rome-Civitavecchia	640	100	740	1.7	30,993
A13 Bologna-Padua	1,532	517	2,049	-0.1	44,108
A14 Bologna-Taranto	8,221	2,596	10,817	-0.4	37,926
A16 Naples-Canosa	1,241	278	1,519	0.8	24,160
A23 Udine-Tarvisio	456	167	623	-9.0	16,866
A26 Genoa Voltri-Gravellona Toce	1,710	445	2,155	0.1	24,106
A27 Venice-Belluno	550	100	650	0.3	21,661
A30 Caserta-Salerno	664	189	853	1.1	42,240
Mestre Interchange	37	12	49	-51.8	-
<b>Total Autostrade per l'Italia</b>	<b>37,958</b>	<b>10,772</b>	<b>48,730</b>	<b>-0.4</b>	<b>46,769</b>
Turin-Savona	821	164	985	3.2	20,618
Naples-Pompeii-Salerno	1,410	154	1,564	-0.4	83,072
Naples Ring Road	934	85	1,019	-2.4	138,126
Mont Blanc Tunnel	7	3	10	-3.0	4,902
Livorno-Rosignano	202	42	244	-1.1	18,235
Raccordo Autostradale Valle d'Aosta	81	27	108	2.3	9,153
Strada dei Parchi	2,020	326	2,346	5.3	23,355
<b>Total Italian subsidiaries</b>	<b>5,475</b>	<b>801</b>	<b>6,276</b>	<b>1.9</b>	<b>31,113</b>
<b>Total</b>	<b>43,433</b>	<b>11,573</b>	<b>55,006</b>	<b>-0.1</b>	<b>44,229</b>

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

### Monthly traffic trends on the network operated under concession in Italy in 2009 (millions of vehicles x km)



Overseas, the Polish concessionaire, Stalexport Autostrada Malopolska, recorded a 0.5% fall in traffic compared with 2008. After adjusting for the fact that 2008 was a leap year, the reduction is 0.2%. The average daily volume of light traffic is up 2.8% (up 3.1% after adjusting for the effect of the leap year), whilst the average number of heavy vehicles per day is down 10.9% (down 10.6% after adjusting for the effect of the leap year).

The Chilean concessionaire, Los Lagos, consolidated from 1 July 2009, saw a 2.7% decline in the number of kilometres travelled on its network in 2009, compared with 2008. This was due to reductions in both heavy (down 7.8%) and light (down 0.6%) traffic.

## Toll charges

As more fully described in the section "Significant regulatory aspects", toll charge increases were introduced by Autostrade per l'Italia and the Group's other Italian motorway concessionaires from 1 May 2009, with the exception of Strada dei Parchi (suspended due to alleged breaches of contract and then allowed to be applied in 2010 together with the increases for previous years).

Two distinct forms of toll are applied on the network operated by Stalexport Autostrada Malopolska: a “real toll” for light vehicles and heavy vehicles weighing less than 12 tonnes paid by the customer and a “shadow toll” for heavy vehicles over 12 tonnes reimbursed by the state. A 23% increase in the “real toll” was applied from 1 December 2009 for light vehicles and an 8% increase for heavy vehicles below 12 tonnes. Increases are applied at the discretion of the concessionaire within the limits established in the Concession Agreement. The current toll amounts to 59.2% of the permitted maximum for light vehicles and 40.0% of the maximum for heavy vehicles. In contrast, the shadow toll has fallen 21.6%, following redefinition, in February 2009, of the amount payable by the state.

The Chilean concessionaire, Los Lagos, introduced a 13.9% increase from 1 January 2009. The rise applied under the terms of the concession agreement is designed to keep pace with inflation at 8.9% (measured between 1 December 2007 and 30 November 2008), increased by a “safety bonus” of 5% (this increases tolls if there has been an improvement in motorway safety).

## Investments

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

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

The plans contained in the Agreement of 1997 and the IV Addendum have been included in Autostrade per l'Italia's new Single Concession Agreement, which was signed on 12 October 2007 and came into effect from 8 June 2008. The new Agreement also envisages further investments totalling €7 billion, via:

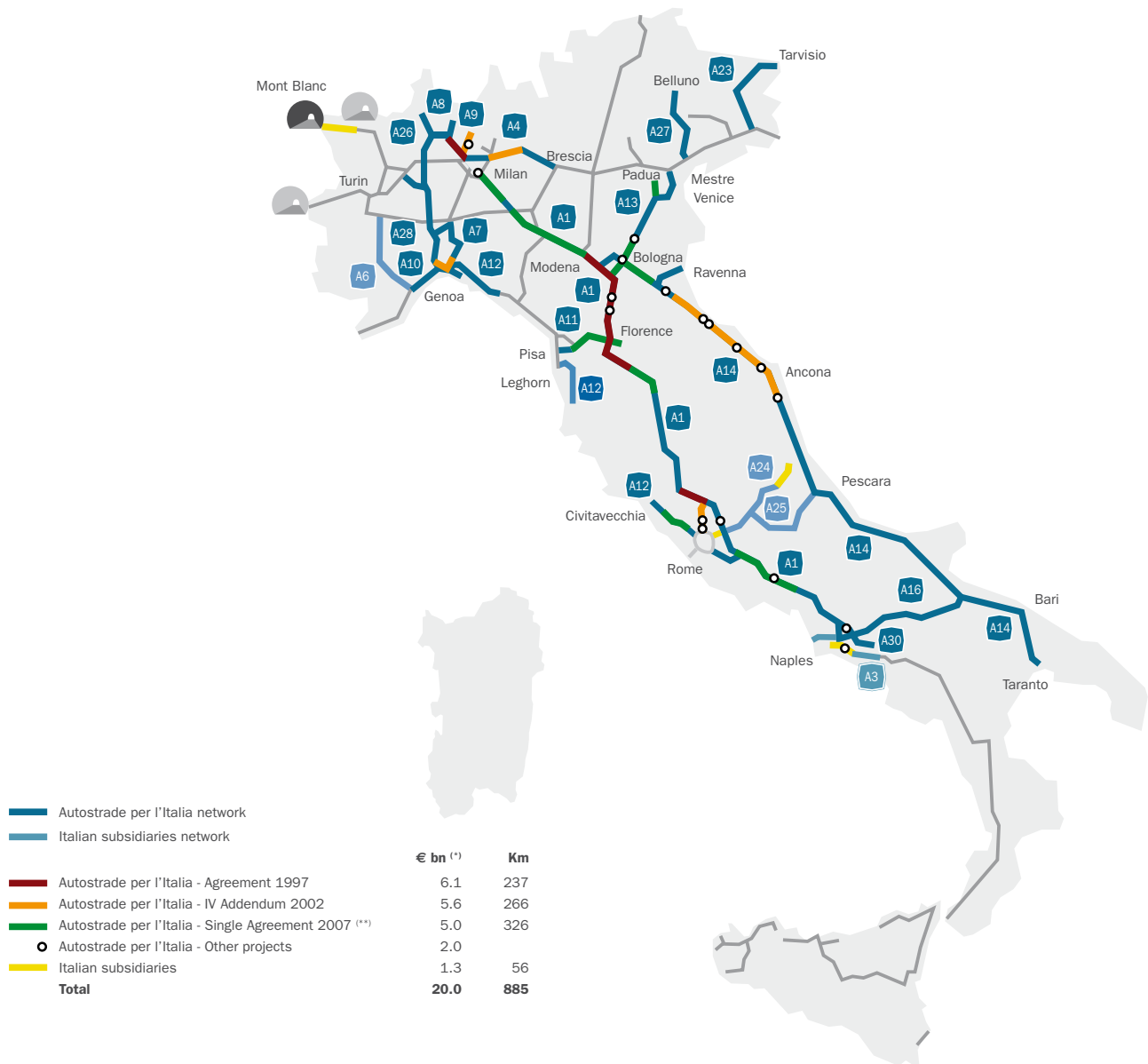
- extensions to projects already included in the Agreement of 1997, involving new specific network upgrades worth approximately €2 billion;
- a commitment to develop preliminary designs for the upgrade of certain sections of motorway operated under concession, amounting to approximately 330 km, at a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

Works envisaged by the investment programmes of the Group's other motorway concessionaires, and included in their respective financial plans, have the same purpose as those made by Autostrade per l'Italia and involve the expansion of existing roads. The widening and modernisation of the Naples-Pompeii-Salerno motorway (SAM) and of the motorways between Rome and Abruzzo (Strada dei Parchi) are of particular significance. These last two concessionaires signed their respective Single Concession Agreements in 2009.

On 11 March 2009 Società Autostrada Tirrenica SpA and ANAS SpA also signed the relevant Single Concession Agreement. This requires the latter to complete the remaining 200 km of the A12 Livorno-Civitavecchia, amounting to an investment of over €3 billion, subject to defining the terms for the return on investment contained in the financial plan attached to the updated final design, based on the estimated cost of the work, traffic forecasts and market conditions applicable to financing for the project.



### Investments in the operated by Autostrade per l'Italia and other subsidiaries



(\*) Total cost of carrying out the works, as assessed at 31 December 2009, including the base bid price (net of bid or agreed reductions), available funds, recognised reserves and early completion bonuses. The value of works under the Agreement of 1997 are net of an amount included in "Other investments".

(\*\*) Autostrade per l'Italia's Single Concession Agreement of 12 October 2007 identifies further investments in the upgrade of approximately 330 km of network, involving an estimated amount of approximately €5 billion, in addition to new specific projects amounting to approximately €2 billion.

Investment in the network operated by Autostrade per l'Italia and the Group's other Italian motorway concessionaires amounted to €1,313.3 million in 2009, marking an increase of €174.2 million (15%) on 2008.

### Investments in the network operated by Autostrade per l'Italia and other subsidiaries

(€m)	2009	2008	% increase/(decrease)
Autostrade per l'Italia - projects in Agreement of 1997	617.6	529.5	17%
Autostrade per l'Italia - projects in IV Addendum of 2002	190.1	176.0	8%
Autostrade per l'Italia - projects in Single Agreement of 2007	8.3	0.0	n.a.
Autostrade per l'Italia - Other investments in major works	8.9	20.4	-56%
Investments in major works by other subsidiaries	72.4	83.1	-13%
<b>Total investments in major works</b>	<b>897.3</b>	<b>809.0</b>	<b>11%</b>
<b>Other investments in the network, staff, maintenance and other capitalised costs <sup>(*)</sup></b>	<b>356.7</b>	<b>281.9</b>	<b>27%</b>
<b>Investments in proprietary assets</b>	<b>59.3</b>	<b>48.2</b>	<b>23%</b>
<b>Total capital expenditure</b>	<b>1,313.3</b>	<b>1,139.1</b>	<b>15%</b>

(\*) The figure for 2009 does not take account of assets worth €33.4 million located at service areas transferred free of charge.

Investment relating to Autostrade per l'Italia's Agreement of 1997 is up €88.1 million on 2008, primarily reflecting work on the Casalecchio-Sasso Marconi section (up €11.9 million) and on lots 5-13 of the *Variante di Valico* section (up €101.7 million). This is despite a slowdown in work on lots 4, 5, 6, 7 and 8 of the Florence North-Florence South section (down €11.8 million), as a result of contract disputes arising from unexpected geological and geotechnical problems in the construction of tunnels, and completion of other works on the Florence North-Florence South section (down €6.6 million) and of the Reno-Setta conduit (down €4.7 million).

Investment in environmental compensation projects (not directly linked to motorway construction) for the *Variante di Valico* continued in 2009 (€12.5 million in 2009, up €2.0 million on 2008).

Investment envisaged under Autostrade per l'Italia's IV Addendum of 2002 is up €14.1 million, primarily due to increased work on the third lane of the Rimini North-Porto Sant'Elpidio section of the A14 (up €42.9 million), on the Tunnel Safety Plan and new junctions (up €23.5 million), in addition to the start of work on the Lainate-Como section (up €14.6 million) and on the Fiano-Settebagni section and the Castelnuovo di Porto junction (up €10.6 million). These increases were partly offset by completion, in 2008, of the remaining work to be carried out on the Milan-Bergamo section of the A4 (down €72.2 million).

Other investment in major works is down €11.5 million on 2008. This primarily reflects completion of the Bologna Ring Road (down €12.5 million on 2008), which was opened to traffic in January 2008.

## Stage of completion of major works being carried out by Autostrade per l'Italia and the other subsidiaries

### The authorisation process for investment projects

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

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

In point of fact, despite the best efforts of Autostrade per l'Italia and its subsidiaries, there are significant hold-ups and delays in carrying out the various works, often due to factors, causes and situations that are totally beyond the control of concessionaires. Progress in executing the works envisaged in the concessionaires' financial plans is held up, at the approval stage, by the complexity of the various authorisation procedures involved and, during execution, by the policies and requests of local authorities, that often result in long delays and suspension of work, and sometimes even the need to start the entire authorisation process over again.

Even when projects have been given approval and agreement has been reached with local communities, further difficulties for construction companies that were awarded the contract for the works can even then be created due to the selection criteria imposed on Autostrade per l'Italia by the Concession Agreement, which, in accordance with current legislation, essentially require contracts subject to public tender to be awarded on a lowest cost basis. This requirement, which focuses exclusively on the cost of the work, often ignores the technical ability and quality of contractors.

Moreover, following enactment of Law 286/06, all motorway concessionaires are required to award contracts for works, supplies and services with a value in excess of the European Community threshold solely to external contractors via public tender.

The recently enacted Law Decree 207 of 30 December 2008, converted with amendments into Law 14 of 27 February 2009<sup>(1)</sup>, has restored application of the Public Contracts Code to the award of contracts for works, supplies and services by motorway concessionaires. As a result of this new legislation, it is now possible to award contracts to subsidiaries or associates, such as Pavimental, for a portion of the network upgrading works to be carried out.

This faculty had already enabled work to be successfully carried out, subject to specific prior authorisations from the Ministry of Infrastructure and ANAS, on extremely congested, highly industrialised and urbanised sections of the network, keeping the motorway open throughout execution of the works and ensuring that disruption was kept to a minimum for both traffic and customers.

During 2009 Autostrade per l'Italia and the Group's other Italian concessionaires awarded Pavimental contracts worth approximately €670 million.

Despite the well-documented difficulties regarding administrative and executive authorisation, Autostrade per l'Italia and its subsidiaries have succeeded in speeding up the pace of investment in 2009.

By the end of 2009 Autostrade per l'Italia had failed to complete only 5% of the investments provided for in the Single Concession Agreement of 2007 (despite the fact that the agreement is based on timescales for obtaining authorisations and contracting out the works that often bore no relation to actual events).

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

The following tables show all major works for the upgrade of the network operated under concession, based on the commitments given in the respective concession agreements.

(1) Art. 29, paragraphs 1-quinquies and 1-sexies of Law Decree 207 of 30 December 2008 relating to the extension of deadlines, converted with amendments into Law 14 of 27 February 2009, establish that motorway concessionaires that are not awarding authorities shall award contracts to third parties in compliance with the provisions of articles 142 and 253 of Legislative Decree 163 of 12 April 2006 (the Public Contracts Code).

The estimated value of each project includes the overall cost (before any government grants) of the works, as assessed at the end of December 2009 and calculated on the basis of the stage of completion reached at this date, based on:

- the value of the base bid price of the works, after actual or expected reductions;
- available funds (for example, for hold-ups, design work, works supervision, etc.);
- recognised reserves;
- early completion bonuses;
- expert appraisals of contract variations.

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

In spite of the Group's determination to push ahead with design work and organisation of the projects, the above complications and problems relating to approvals may well continue to delay completion of works, with the following implications:

- the impossibility of making a reasonable estimate of the date of completion and entry into service of the various works, especially those where construction has yet to begin;
- potential cost overruns due to disputes and eventual changes to designs.

On 22 April 2009 Autostrade per l'Italia's Board of Directors voted to establish a body to be known as the "Committee responsible for the Completion of Projects", with the role of monitoring:

- the performance of infrastructure investment plans in terms of state of progress of the works, the related costs and compliance with the commitments given by the Company and its subsidiaries in the relevant concession agreements;
- the process of awarding contracts for execution of the works;
- the organisational and procedural aspects of execution of the works;
- the state of contract reserves;
- the state of the most important legal disputes.

The Committee responsible for the Completion of Projects has 8 members; the Chairman, the CEO, four Directors of Autostrade per l'Italia and two Directors of Atlantia.

In its first seven months of activity, the Committee has met 8 times in order to monitor the performance of infrastructure investment plans and the state of progress of the works, the award of contracts for execution of the works, the organisational and procedural aspects of execution of the works and the state of contract reserves.

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

Of the works included in Autostrade per l'Italia SpA's Agreement of 1997, at 31 December 2009 approximately 91% of the works have been authorised, over 76% have been contracted out, and approximately 51% of the works have been completed.

### Autostrade per l'Italia: Agreement of 1997

	Km covered by project (km)	Value of project <sup>(a)</sup> (€m)	Km open to traffic (km)	Stage of completion at 31.12.2009 <sup>(b)</sup> (€m)	Status at 31.12.2009
<b>A1 3<sup>rd</sup> lane Casalecchio-Sasso Marconi</b>	<b>4.1</b>	<b>80</b>	<b>4.1</b>	<b>78</b>	Completed
<b>A1 Variante di Valico</b>	<b>62.5</b>	<b>3,519</b>	<b>19.4</b>	<b>2,082</b>	
Sasso Marconi-La Quercia	19.4	571	19.4		Completed
La Quercia-Badia Nuova (Lots: 5A, 5B, 6-7, 8)	21.3	1,118			Work in progress <sup>(1)</sup>
Badia Nuova-Barberino (Lots: Base Tunnel, 12 and Barberino junction, 13)	21.8	1,529			Work in progress
Landscaping		301			Work in progress
<b>A1 3<sup>rd</sup> lane Barberino-Incisa</b>	<b>58.5</b>	<b>1,974</b>	<b>6.2</b>	<b>503</b>	
Barberino-Florence North	17.5	914			Final design under approval by ANAS
Florence North-Florence South	21.9	746	6.2		Work in progress/completed <sup>(2)</sup>
Florence South-Incisa	19.1	284			Services Conference in progress
Access roads		30			
<b>A14 3<sup>rd</sup> lane Bologna Ring Road</b>	<b>13.7</b>	<b>59</b>	<b>13.7</b>	<b>59.4</b>	Completed <sup>(3)</sup>
<b>A1 4<sup>th</sup> lane Modena-Bologna</b>	<b>31.6</b>	<b>177</b>	<b>31.6</b>	<b>143</b>	Completed <sup>(4)</sup>
<b>A1 3<sup>rd</sup> lane Orte-Rome North</b>	<b>37.8</b>	<b>191</b>	<b>37.8</b>	<b>190</b>	Completed
<b>A8 3<sup>rd</sup> and 4<sup>th</sup> lanes Milan-Gallarate</b>	<b>28.7</b>	<b>65</b>	<b>28.7</b>	<b>65</b>	Completed
<b>Other projects</b>	<b>-</b>	<b>28</b>	<b>n.a.</b>	<b>15</b>	Work in progress/completed <sup>(5)</sup>
<b>Total projects under Agreement of 1997</b>	<b>236.9</b>	<b>6,093</b>	<b>141.5</b>	<b>3,135</b>	

(a) Total cost of carrying out the works, as assessed at 31 December 2009, including the base bid price (net of bid or agreed reductions), available funds, recognised reserves and early completion bonuses. The value of works under the Agreement of 1997 are net of an amount included in "Other investments".

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

(1) Also includes lot 8; Environmental Impact Assessment for the project, which is not essential for opening of the Variante di Valico to traffic, was completed on 30 October 2008 and the Services Conference is now in progress.

(2) Section A (lots: 0-2-3), amounting to 6.2 km, now open to traffic.

(3) Total investments of €247 million, of which €59 million in the Major Works Plan of 1997 and €188 million in "Other investments".

(4) Except for construction of the Modena Ring Road, which forms part of the works requested by local authorities and is under approval by the Services Conference.

(5) Work on widening the bridge over the Voltorno, the Rio Tufano viaduct and the Marano viaduct completed. Construction of the Lodi junction and re-routing of Lodi Vecchio section completed (TAV Agreement).

The 1997 Agreement envisaged expenditure of €3,556 million for the above works.

The updated Financial Plan of 2002, which was included in the IV Addendum, entailed revisions to construction schedules and total costs from €3,556 million to €4,500 million as a result of accumulated delays in obtaining approvals. It was, moreover, ruled that the delays were not the fault of Autostrade per l'Italia, the financial benefits of which arising from the delays in executing the works were, in any case, less than the increase in costs to be borne by the Company.

The increase in the costs above the levels originally set out in the Financial Plan annexed to the Agreement of 1997, are primarily the result of the above delays that led to price increases and changes to subsequently issued regulations. Cost increases were also caused by works requested by local authorities involved in the approval and authorisation process. It is not envisaged that past and future costs overruns incurred by Autostrade per l'Italia will be made up by rises in toll charges.

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

From 2002 to date, all authorisations have been obtained, even though much later than predicted in 2002, with the exception of the Florence South-Incisa section.

The delays between 2002 and 2009 have resulted in reduced investment of approximately €1.4 billion. The related financial benefits, net of taxes, are estimated to be approximately €352 million. €284 million of this amount has been credited by Autostrade per l'Italia to an undistributable equity reserve, in accordance with its Single Concession Agreement. The residual €68 million will be the subject of a proposal to be submitted to shareholders at the next Annual General Meeting, where they will be asked to approve an increase of the same amount in the above undistributable equity reserve (as required by the terms and conditions of the concession agreement).

The final cost of the works has, in the meantime, risen. In 2009 alone the final cost of the works (based on contracts in progress and final and executive designs awaiting authorisation) has increased from €5.3 billion to €6.1 billion, primarily due to definition of the final design for the Barberino-Florence North section. Until May 2009, the cost of this section of motorway was based on the figure set out in the IV Addendum of 2002. However, over the lengthy period it has taken to approve the design, a process that began in July 2004 with the Environmental Impact Assessment, the initial cost has almost doubled.

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

Based on the above, it is now estimated that the final cost of the works envisaged in the Agreement of 1997 will reach €6.5 billion, with the section of motorway covered by the *Variante di Valico* project scheduled to open to traffic at the end of 2013.

Compared with the initial estimate of €3.5 billion, on the basis of which the Company was privatised, the additional expense to be borne by the concessionaire amounts to €3.0 billion.

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

- **Casalecchio-Sasso Marconi**  
This section was opened to traffic on 31 December 2009.
- **Variante di Valico**  
Work is continuing.  
This section of motorway is scheduled to open to traffic in 2013, partly thanks to the use of a mechanised EPB tunnelling machine for the Sparvo tunnel (2.5 km).  
On 26 March 2009 the works relating to the Rioveggio junction were delivered.
- **Florence North-Florence South**  
Work on sections B and C is continuing.  
Excavation of the Melarancio tunnel (1.1 km) and the Pozzolatico tunnel (2.4 km) is scheduled for completion in early 2011, enabling the southbound carriageway of the over 13 km section between Florence Scandicci and Florence South to be opened to traffic and thus relieving congestion on one of the busiest stretches of the A1.
- **Barberino-Florence North**  
The final session of the Services Conference was held on 16 February 2009.  
The Ministry of Infrastructure issued the Decree confirming agreement between central government and the regional authority on 26 May 2009. The final design, which takes account of the requirements



arising as a result of the EIA and the Services Conference, was submitted for approval by ANAS on 23 November 2009.

The use of an EPB tunnelling machine is being considered in order to build a single tunnel in place of nine tunnels (originally to be excavated using the traditional method). This will significantly cut construction time, provide enhanced safety guarantees for workers, reduce the environmental impact and save on the final cost of the project.

- **Florence South-Incisa**

On 17 December 2008 the Ministry of the Environment issued its EIA Decree, a process that began on 19 September 2005 when Autostrade per l'Italia submitted its request to the Ministry.

The Ministry of Infrastructure and Transport called the related Services Conference for 5 November 2009. This session was adjourned to a later date, to be fixed following submission of the design to be updated to take account of the requirements agreed on during the first session of the Services Conference. The various entities are expected to take 60 days to examine the new design and, given that Autostrade per l'Italia will require an estimated 90 days to draw up the revised design, the Services Conference should be concluded by April 2010.

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

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

At 31 December 2009 around 66% of the works have been authorised, over 50% have been contracted out and more than 17% have been completed.

The investments included in the IV Addendum are associated with specific toll increases linked to validation of the individual works and based on the stage of completion.

## 2. Report on operations

### Projects included in IV Addendum of 2002 <sup>(\*)</sup>

	Km covered by project (km)	Value of project <sup>(a)</sup> (€m)	Km open to traffic (km)	Stage of completion at 31.12.2009 <sup>(b)</sup> (€m)	Status at 31.12.2009
<b>A1 3<sup>rd</sup> lane Fiano R.-Settebagni and Castelnuovo di Porto junction</b>	<b>15.9</b>	<b>141</b>	<b>0.0</b>	<b>24</b>	
<b>A4 4<sup>th</sup> lane Milan East-Bergamo</b>	<b>33.6</b>	<b>513</b>	<b>33.6</b>	<b>482</b>	Completed
<b>A9 3<sup>rd</sup> lane Lainate-Como Grandate</b>	<b>23.2</b>	<b>426</b>	<b>0.0</b>	<b>23</b>	Work in progress
<b>A14 3<sup>rd</sup> lane Rimini North-Porto Sant'Elpidio</b>	<b>154.7</b>	<b>2,427</b>	<b>0.0</b>	<b>237</b>	
Rimini North-Cattolica - Lot 1A	1.2	81			Work in progress
Rimini North-Cattolica - Lot 1B	27.8	425			Executive design under approval by ANAS
Cattolica-Fano - Lot 2	28.3	525			Tender process in progress
Fano-Senigallia - Lot 3	21.0	340			Work in progress
Senigallia-Ancona North and Marina di Monte Marciano junction - Lot 4	18.9	417			Tender process in progress
Ancona North-Ancona South - Lot 5	17.2	340			Tender process in progress (integrated tender)
Ancona South-Porto Sant'Elpidio - Lot 6A	37.0	145			Work in progress
Ancona South-Porto Sant'Elpidio and Porto Sant'Elpidio junction - Lot 6B	3.3	148			Tender process in progress
Porto Sant'Elpidio-Pedaso - Lots 7A - 7B		6			Project no longer envisaged in the Single Concession Agreement of 2007 (16.6 km)
<b>A8 Access for New Milan Exhibition Centre</b>	<b>3.8</b>	<b>85</b>	<b>3.8</b>	<b>86</b>	Completed
<b>A7/A10 Genoa Bypass <sup>(c)</sup></b>	<b>34.8</b>	<b>1,800</b>	<b>0.0</b>	<b>11</b>	Preliminary design in progress
<b>Other projects</b>	<b>–</b>	<b>240</b>	<b>n.a.</b>	<b>101</b> <sup>(1)</sup>	
<b>Total projects under IV Addendum of 2002</b>	<b>266.0</b>	<b>5,632</b>	<b>37.4</b>	<b>964</b>	

(\*) Final approval in 2004.

(a) Total cost of carrying out the works, as assessed at 31 December 2009, including the base bid price (net of bid or agreed reductions), available funds, recognised reserves and early completion bonuses.

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

(c) A Memorandum of Understanding, giving the go-ahead for the start-up of work, was signed by all the local authorities on 8 February 2010, with the sole exception of Liguria Regional Authority.

An initial estimate, included in the preliminary design, indicates that the total cost of constructing the Genoa Interchange will be €3.1 billion.

(1) Tunnel Safety Plan in progress; Villa Marzana and Ferentino junctions completed; work on Guidonia junction in progress; tender process for Rubicone junction in progress; changes to final design for Padua Industrial Park junction in progress prior to submission to Services Conference; final design for Maddaloni junction under approval by ANAS.

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

- **A4 Milan-Bergamo**

On 2 April 2009 structural repairs to the Adda and Brembo bridges were delivered. The repairs form part of work on widening the A4 Milan East-Bergamo motorway to four lanes, which were opened to traffic in September 2007.

- **A9 Lainate-Como**

On 13 February 2009, the Ministry of Infrastructure issued its Final Ruling, following the Presidential Decree of 13 October 2008 that perfected the agreement between central government and the regional authority regarding the final design.

On 30 April 2009 ANAS approved the final design and on 11 June 2009 the executive design. The site was partially handed over to the subsidiary, Pavimental, for work to begin on 13 July. The entire site is scheduled to be handed over to contractors in March 2010.

- **A14 Rimini North-Porto Sant'Elpidio**

Work on the first phase (37.0 km) of lot 6A between Ancona South and Porto Sant'Elpidio is continuing and should be completed in 2010. On 3 March 2009 the Executive Design for lot 3 Fano-Senigallia (21.0 km) was approved. This lot was handed over to Pavimental S.p.A. on 30 June 2009. Tender procedures are underway for lot 4 Senigallia-Ancona North (18.9 km), lot 5 Ancona North-Ancona South (17.2 km) and lot 6B Ancona South-Porto Sant'Elpidio, second phase (3.3 km).

The Executive Design for the first stage of lot 1 (the Scacciano tunnel, lot 1A) of the Rimini North-Cattolica section (29.0 km) was submitted to ANAS for approval on 10 April 2009. ANAS formally approved the design on 20 July 2009. Work began on 4 September 2009 with the handover of the related sites to the subsidiary, Pavimental.

The Final Design for the second stage (lot 1B) was submitted to ANAS on 25 February 2009. ANAS formally approved the design on 12 October 2009. The Executive Design was then submitted to ANAS on 5 November 2009 and is currently under approval.

The contract for lot 2 Cattolica-Fano (28.3 km) was awarded on 18 December 2009.

- **Fiano-Settebagni di Roma and the Castelnuovo di Porto junction**

The Executive Design received approval from ANAS on 27 February 2009 and the work was contracted to the subsidiary, Pavimental, on 29 April. The site for the Castelnuovo di Porto junction was handed over on 30 April 2009, with the entire site handed over on 14 September 2009.

- **Genoa Bypass**

The public consultation process came to an end on 29 April 2009, after which, at the hearing of 29 May 2009, Autostrade per l'Italia, having reached agreement with ANAS, proposed route "number two". This involves construction of a viaduct over the Polcevera valley close to the location of the wholesale fruit and vegetable market and Bolzaneto toll station, which will benefit from a number of improvements and better efficiency.

Autostrade per l'Italia subsequently drew up a new memorandum of understanding, which was submitted to the relevant entities in July 2009. The new document requires agreement on the new solution arrived at through the public consultation process and identification of the next steps to take in order to proceed with work on the project. On 8 February 2010 the memorandum was signed by the Ministry of Infrastructure and Transport, Genoa Provincial Authority, the Municipality of Genoa, the Genoa Port Authority, ANAS and Autostrade per l'Italia.

On 29 September 2009 Genoa City Council issued its proposal for approval, by the Municipality, of the draft memorandum of understanding.

Initial estimates contained in the preliminary design indicate that the total cost of constructing the Genoa Interchange will be €3.1 billion. This figure will be confirmed in the final and executive designs.

- **Tunnel Safety Plan**

The delivery of all the works forming part of the Tunnel Upgrade Plan took place in the fourth quarter of 2009.

Based on the approved designs, in December 2009 the upgrading of 233 tunnels had been completed, whilst work on a further 317 was underway.

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

With regard to investments in new works by Autostrade per l'Italia's subsidiaries (Raccordo Autostradale Valle d'Aosta, Strada dei Parchi and Autostrade Meridionali), at 31 December 2009 100% of the works have been authorised, around 79% of the works are being carried out or the related contracts are being awarded, and over 67% have been completed.

On 21 May 2009 Autostrade Meridionali opened 3.8 km of the third lane of the A3 Naples-Salerno motorway, which were thus added to the 8.3 km open to traffic on 31 December 2008.

Strada dei Parchi opened the last 1.3 km, including the Carestia Tunnel, to traffic on 28 April 2009, thus completing the stretch of the A24 Rome-L'Aquila-Teramo motorway between Villa Vomano and Teramo.

## Subsidiaries

	Km covered by project (km)	Value of project <sup>(a)</sup> (€m)	Km open to traffic (km)	Stage of completion at 31.12.2009 <sup>(b)</sup> (€m)	Status at 31.12.2009
<b>A5 RAV AO-Mont Blanc Tunnel (A5) Morgex-Entrèves</b>	<b>12.4</b>	<b>430</b>	<b>12.4</b>	<b>407</b>	Completed
<b>A24/A25 Strada dei Parchi RM-AQ-TE and Torano-Pescara <sup>(c)</sup></b>	<b>19.9</b>	<b>384</b>	<b>5.7</b>	<b>129</b>	Tender process in progress/completed
<b>A3 Autostrade Meridionali NA-Pompeii-SA (A3) Naples-Pompeii <sup>(d)</sup></b>	<b>20.0</b>	<b>434</b>	<b>12.1</b>	<b>331</b>	Work in progress/completed
<b>A12 Società Autostrada Tirrenica Livorno-Civitavecchia <sup>(e)</sup></b>	<b>4.0</b>	<b>45</b>	<b>0.0</b>	<b>1</b>	Work in progress
<b>Total projects of subsidiaries</b>	<b>56.3</b>	<b>1,293</b>	<b>30.2</b>	<b>868</b>	

(a) Total cost of carrying out the works, as assessed at 31 December 2009, including the base bid price (net of bid or agreed reductions), available funds, recognised reserves and early completion bonuses.

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

(c) In operation from 2003.

(d) Planned widening on SAM's network regards 24.5 km, including 4.5 km already open to traffic over duration of Agreement of 1972-1992.

(e) Amount relating to the first functional stage Rosignano-San Pietro in Palazzi, on which work began on 15 December 2009.

The Single Concession Agreement was signed by Società Autostrada Tirrenica and ANAS on 11 March 2009. This requires the subsidiary to complete the remaining 200 km of the A12 Livorno-Civitavecchia, amounting to an investment of over €3 billion, subject to defining the terms for the return on investment contained in the financial plan attached to the updated final design, based on the estimated cost of the work, traffic forecasts and market conditions applicable to financing for the project.

### Società Autostrada Tirrenica pA (Autostrade per l'Italia's interest: 94.0%)

The company holds the concession for the Livorno-Civitavecchia motorway, the Livorno-Cecina (37 km) section of which is currently open to traffic. ANAS and SAT signed the new Single Concession Agreement, governing the various stages of the design and construction of the section that will complete the motorway between Rosignano and Civitavecchia, on 11 March 2009. The Preliminary Design was approved by the Interministerial Economic Planning Committee CIPE, subject to certain conditions, on 18 December 2008.

The CIPE approved the final project for the first 4 km of motorway between Rosignano and San Pietro in Palazzi on 3 December 2009. Following approval of the executive design by ANAS, the works were handed over to Pavimental on 15 December 2009.

Work on the final design for the last section from San Pietro in Palazzi (Cecina) to Civitavecchia (approximately 202 km) has begun.

### New motorway initiatives by investee companies

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

### **Infrastrutture Toscane SpA (formerly ATI Prato-Signa 46.0% owned by Autostrade per l'Italia and 0.6% owned by SPEA)**

This is the project company, established on 28 June 2006, which took over the regional concession to carry out the construction and management of the 10-km toll motorway link between Prato and Signa, under a project financing initiative, from ATI.

On 17 July 2006 Società Infrastrutture Toscane signed a Concession Agreement with Tuscany Regional Authority.

The Final Design and the Environmental Impact Assessment were completed and forwarded to the authorities for their opinions as required by law. The approval process that started on 10 October 2007 is in progress.

### **Tangenziale Esterna di Milano SpA (Autostrade per l'Italia's interest: 32%)**

Tangenziali Esterne di Milano SpA submitted a proposal for the project-financed construction and operation of the new Milan East Ring Road, totalling approximately 33 km in length, in June 2002.

In connection with the call for tenders launched by Concessioni Autostradali Lombarde SpA (CAL) in May 2008, a temporary consortium called Tangenziale Esterna di Milano (in which Tangenziali Esterne di Milano has a 57% interest) was established. On completion of the tender process, no bid has been submitted, leading CAL to award the concession to prepare the final and executive designs and to build and operate the new motorway to the temporary consortium set up by the promoter.

On 14 January 2009 the temporary consortium established the project company, Società TEM di Progetto SpA (STP SpA), which was subsequently renamed Tangenziale Esterna SpA (TE SpA) on 25 May 2009.

On 27 March 2009 the above project company and CAL signed an agreement covering the final and executive designs for and construction and operation of the Milan East Ring Road.

Pursuant to article 42 of the Agreement, this will enter into effect on conclusion of the approval process required by law.

The final design for the motorway link is being prepared.

## Service areas

There are currently 258 service areas along the motorway network operated by Autostrada per l'Italia and the Group's other concessionaires (including Stalexport Autostrada Malopolska), 216 of which are on motorways operated by Autostrade per l'Italia. This is three more than at 31 December 2008, following the opening of

new service areas: Le Fonti Ovest (Canosa-Taranto section of the A14), San Pietro (Rome-Naples section of the A1) and Cavour Est (Alessandria-Gravellona section of the A26).

The planned upgrade of service areas, involving both Autostrade per l'Italia and its sub-concessionaires, continues. At the end of 2009 approximately 89% of the works included in the €800 million upgrading programme, covering works to be carried out at service areas by both Autostrade per l'Italia and sub-concessionaires, had either been started or completed. Work on 169 service areas has already been completed, whilst expansion and renovation work is being carried out by Autostrade per l'Italia at a further 40 service areas.

All the new fuel and food service concessions came into effect in early 2009, following expiry of the previous ones in 2008 and award of the new concessions at the end of a competitive tender process, conducted by an independent external adviser in 2008. Among other features, the new contracts include price commitments on both a range of food products and the main fuels sold on a self-service basis.

Royalties received from sub-concessionaires operating on the network managed by Autostrade per l'Italia totalled €230.3 million during 2009, marking growth of approximately 26.2% in current royalties compared with the same period of 2008. This primarily reflects the renewal of concessions expiring at the end of 2008. Including the royalties received from the Group's other concessionaires, service area royalties amount to €244.1 million, marking an increase of 25% in current royalties compared with 2008.

Following renewal of the contracts that expired at the end of 2008, with effect from 1 January 2009 the buildings erected by sub-concessionaires on the Company's land became the property of Autostrade per l'Italia, which has original title, as a result of the relinquishment of these assets provided for in the contracts.

The assets were transferred free of charge, with the exception of certain areas for which – due to contractual obligations – the Company paid sub-concessionaires a consideration in recognition of undepreciated investments carried out close to expiry of the concessions.

The overall value of the properties acquired (as appraised by an independent expert) is €40.0 million, including €7.0 million paid to outgoing sub-concessionaires, with the difference of €33.0 million accounted for in the income statement as operating income.

In 2009 the subsidiary, AD Moving SpA, earned revenue of approximately €16.1 million (down €2.5 million on 2008) from the management and marketing of advertising space along the motorway network (temporary and permanent billboards, the "Infomoving" TV channel and advertising space at service areas, and road travel information along the motorways) and at other locations (ports and airports). The reduction reflects the impact of the current economic downturn on the advertising sector.

### Innovation, research and development

Guaranteeing the development and accessibility of motorway infrastructure in order to contribute to social and economic growth, and to ensure the continuing transport of people and goods, requires a constant focus on improving traffic flows, levels of accessibility and safety and on standards of maintenance and management, all with a view to promoting environmental sustainability.

Autostrade per l'Italia's investments are not, therefore, limited to the upgrade and modernisation of the network but, in line with previous years, also focus on developing innovative, technologically advanced solutions designed to:

- improve safety and traffic flows;
- improve management of the network through the development of dedicated information systems;
- protect and enhance the environment right from the start of the design process;
- promote the sustainable use of resources such as alternative energy sources and eco-efficient materials;
- boost the service quality by minimising, for example, disruption due to road works.

Research and development activities, some of which are long-term in nature, are undertaken by the relevant departments, using the Group's own research laboratories or in collaboration with Research Centres and University Institutes and, on occasion, in conjunction with other companies.

The following projects entered the application phase during 2009:

- the "Green Building": adoption of an integrated action plan for the headquarters building in Rome aimed at improving the building's energy efficiency;
- development of LED technology to light tunnels and thus reduce energy consumption;
- development of new integrated barriers combining noise protection with safety;
- toll collection systems based on satellite positioning of vehicles;
- a Dual Mode module for on-board units with DSRC functions using CEN and Telepass standards.

The most important research projects in progress regard:

- a next generation version of the existing Safety Tutor system, with added functions enabling it to register violations by foreign-registered vehicles;
- a real-time dynamic vehicle weighing system, capable of identifying and weighing vehicles in transit via coils set into the asphalt and piezoelectric sensors;
- new vehicle tracking and identification systems for payment on the road;



- information system for monitoring traffic and accidents to improve traffic management and the planning of road works;
- low-cost WSN (Wireless Sensor Network) systems with acoustic-optical sensors to record traffic conditions on motorways;
- refinements to the systems used by the Group to assess motorway service quality;
- analysis of recorded levels of service and traffic conditions, to interpret future trends in demand for individual sections of motorway and for localised areas;
- the use of materials, such as “light” pavements and bright paints to maximum energy saving in tunnels;
- the assessment of the most long-lived materials for motorway pavements and, in particular, draining pavement;
- integrated systems for managing fixed structures used in transport networks, resulting in improvements to inspection, assessment and maintenance activities, with a consequent reduction in disruption for road users.

The Group also takes part in initiatives in collaboration with other Italian and EU bodies and associations. These projects may relate to the establishment of regulations regarding, for example, “Public safety”, the implementation of intelligent transport systems, automated toll collection or providing input for the preparation of European and national research and development programmes.

Group companies’ total expenditure on innovation, research and development in 2009 amounts to €7.1 million. This amount represents the sum of all the resources dedicated to research and development by Autostrade per l’Italia, covering operating costs, investment and staff costs, including those incurred for staff only partially employed in such activities.

## International operations

### Acquisition of investments from the Itinere group

On 26 June 2009 Autostrade per l’Italia’s acquisition of the investments covered by the agreements of 1 December 2008 and 31 March 2009, between Atlantia, Citi Infrastructure Partners and Sacyr Vallehermoso, was completed.

The total value of the transaction is €434 million and regards the acquisition of the following investments from the Itinere group, via specifically established special purpose companies:

- Autostrade per il Cile owns (directly or indirectly):
  - 50% of Autopista Vespucio Sur SA, the holder of the concession (expiring 2032) for the 23 km southern section of the orbital toll motorway serving the city of Santiago;

- 50% of Litoral Central SA, the holder of the concession (expiring 2031) for the 80 km toll motorway serving the cities of Algarrobo, Casablanca and Cartagena in Chile;
- 100% of Autopista Nororiental SA, the holder of the concession (expiring 2044) for the north-eastern bypass in the city of Santiago;
- 100% of Gestion Vial SA, the company responsible for road maintenance and construction on the sections of motorway operated by Autopista Nororiental, Los Lagos, Autopista Vespucio Sur and Litoral Central;
- 50% of Sociedad de Operacion Y Logistica de Infraestructura SA, the company responsible for road maintenance and construction on the section of motorway operated by Autopista Vespucio Sur;
- Autostrade dell'Atlantico owns (directly or indirectly):
  - 100% of Sociedad Concesionaria de Los Lagos SA, the holder of the concession (expiring 2023) for the 135 km section of toll motorway between Rio Bueno and Puerto Montt in Chile;
  - 50% of Triangulo do Sol SA, the holder of the concession (expiring 2021) for 442 km of toll motorway in the state of São Paulo in Brazil;
  - 100% of Autostrade Concessões e Participações Brasil Limitada (formerly Itinere Brazil), a Brazilian-registered holding company that owns 50% of Triangulo do Sol;
  - 25% of Autoestradas do Oeste, the Portuguese holding company that owns 50% of Autoestradas do Atlantico, the holder of the concession for 170 km of toll motorway to the north of Lisbon in Portugal;
  - 17.2% of Lusoponte, the holder of the concession for two toll bridges of 20 km that cross the river Tagus in the city of Lisbon in Portugal;
  - 12.0% of Via Litoral, the holder of the concession for 44 km of motorway in the south of the island of Madeira, governed by Portugal;
  - 100% of Autostrade Portugal (previously Somague Itinere SA), a Portuguese-registered company that holds investments in Autostrade Concessões e Participações Brasil and in the above concessionaires in Portugal;
  - other minority interests in a number of Portuguese motorway concession holders.

Following this, under subsequent agreements entered into by Autostrade per l'Italia and S.I.A.S. - Società Iniziative Autostradali e Servizi SpA ("SIAS"), on 30 June 2009, after obtaining the go-ahead from the European Commission, SIAS fully subscribed and paid for new shares in Autostrade per il Cile, which, including a share premium component, amounted to €42 million (determined on the basis of an economic valuation of the investments, amounting to approximately €267 million, inclusive of transaction costs). SIAS also paid in a total of €27 million as a contribution for future capital increases. As a result, Autostrade per l'Italia and SIAS each hold 50% of Autostrade per il Cile.

Autostrade per l'Italia's contribution to the special purpose company, Autostrade per il Cile, amounts to €28 million, including €1 million in issued capital and €27 million for future capital increases.

Autostrade per il Cile has raised the balance needed to acquire the above investments in the form of bank debt and a loan from Autopista do Pacifico SA (the Chilean company jointly controlled by Atlantia and SIAS and of which Sociedad Concesionaria Costanera Norte SA is a wholly owned subsidiary).

As a result of the above capital increase restricted to SIAS, in 2009 the Atlantia Group has recognised financial income of €20.5 million.

Autostrade dell'Atlantico is, instead, a wholly owned subsidiary of Autostrade per l'Italia.

### Autostrade dell'Atlantico

During the three months between 1 July and 31 December 2009 the section of motorway managed by the Chilean concessionaire, Los Lagos, recorded an average daily traffic volume of 7,963 vehicles (including both light and heavy components). This represents a total of approximately 196 million km travelled and is 2.7% down on the traffic figures for the same period of the previous year (an average daily traffic volume of 8,185 vehicles, giving a total of 201 million km travelled).

Los Lagos reports revenue of €13.7 million for the second half of 2009, including €9.6 million in toll revenues and €4.1 million in grants related to income from the Chilean Ministry of Public Works. Gross operating profit (EBITDA) for the period is €11.3 million.

During the six months between 1 July and 31 December 2009 the section of motorway managed by Triangulo do Sol SA recorded an average daily traffic volume of 7,467 vehicles (including both light and heavy components). This represents a total of approximately 608 million kilometres travelled and is up 4% on the figure for the same period of the previous year (an average daily traffic volume of 7,179 vehicles, giving a total of 584 million km travelled).

Triangulo do Sol reports revenue of €48.0 million for the six months from 1 July 2009 to 31 December 2009 and gross operating profit (EBITDA) of €35.2 million.

Measurement of the investment in Triangulo do Sol at 31 December 2009 using the equity method has resulted in recognition of a profit of €3.1 million in the income statement for the second half of 2009. This has given rise to an increase of the same amount in the carrying amount of the investment.

### Autostrade per il Cile

Measurement of the investment in Autostrade per il Cile at 31 December 2009 using the equity method has resulted in recognition of a charge of €1.1 million in the other components of income statement for 2009, and of a loss of €3.1 million recognised in the statement of comprehensive income (resulting from exchange rate movements in the period). This has resulted in an overall reduction of €4.2 million in the carrying amount of the investment.

### Autostrade del Sud America - Costanera Norte

Measurement of the investment in Autostrade del Sud America (45% owned by Autostrade per l'Italia and which, via its Chilean sub-holding, Autopista do Pacifico, has full ownership of Costanera Norte SA) at 31 December 2009 using the equity method has resulted in recognition of a profit of €8.4 million in the income statement (including €4.8 million deriving from the performance of the local inflation rate, to which the concessionaire's financial liabilities are indexed), and of a revaluation recognised in the other components of statement of comprehensive income of €5.6 million (reflecting exchange rate movements during the period). This has resulted in a total increase of €14.0 million in the carrying amount of the investment.

During 2009 traffic using the 43 km of motorway operated under concession by Costanera Norte in the city of Santiago (Chile) declined by 0.1%. Toll revenues, however, based on the like-for-like standard toll (toll charges vary based on the time of day), rose 12.2%. From January 2009 the company has introduced the toll charge increase of 12.7% provided for under the concession arrangement (the increase is equal to the factorial product of 100% of consumer price inflation of 8.9% plus 3.5%).

During 2009 Costanera Norte recorded revenue of €64.8 million, marking an increase of 7.1% (9.0% after adjusting for exchange rate movements) on 2008 (€60.5 million). Gross operating profit (EBITDA) is €49.3 million, representing an increase of 7.6% (9.5% after adjusting for exchange rate movements) compared with 2008 (€45.8 million).

### Stalexport Autostrady group

During 2009, the section of motorway managed by the concessionaire, Stalexport Autostrada Malopolska (56.24% owned by Autostrade per l'Italia), registered an average daily traffic volume of 28,603 vehicles (including both light and heavy components), representing a total of approximately 637 million kilometres

travelled. This is down 0.2% on 2008 in terms of the average daily number of vehicles, and down 0.5% in terms of the number of kilometres travelled. The difference is due to the fact that 2008 was a leap year, which resulted in a reduction of 0.3%.

From 1 December 2009 toll charges have been increased for both light vehicles, which have seen a 23% rise compared with 2008 (from 6.50 to 8 zlotys), and heavy vehicles weighing below 12 tonnes, where the rise has been 8% (from 12.50 to 13.50 zlotys). The increases introduced by Stalexport are within the limits provided for in the concession agreements. The current toll amounts to 59.2% of the permitted maximum for light vehicles and 40% for heavy vehicles.

In contrast, the "shadow toll", which is paid by heavy vehicles weighing over 12 tonnes and which account for almost all the heavy vehicles on the group's network, has fallen 21.6% on average (based on the difference between the average toll applied over the twelve months of 2008 and 2009) as a result of the re-alignment provided for in the concession agreement. This was partly offset by the method of indexing the toll. This factor, combined with the above increase in the tolls for light vehicles (up 23%) and for the other categories of heavy vehicle (up 8%), have resulted in a reduction of 5.1% in the average toll.

The Stalexport Autostrady group reports revenue of €35.4 million for 2009, marking a reduction of 25.6% (8.3% after adjusting for exchange rate movements) on 2008 (€47.6 million). Gross operating profit (EBITDA) for 2009, totalling €23.2 million, is down 27.6% (10.8% after adjusting for exchange rate movements) on 2008 (€32.0 million).

The carrying amount of the concession held by Stalexport Autostrady has been impaired by €42.6 million in the consolidated financial statements as at and for the year ended 31 December 2009. This, after the net tax effect of €8.1 million and the loss attributable to the non-controlling interests, amounting to €15.1 million, has resulted in a loss for the Group of €19.4 million. This impairment loss on the carrying amount of Stalexport Autostrady was determined on the basis of more prudent estimates of Poland's economic growth prospects and the exchange rate at the end of 2009.

## Electronic Transaction Consultants (ETC)

Electronic Transaction Consultants (ETC), a US-registered company, is the leading US provider of systems integration, hardware and software maintenance, customer services and consultancy in the field of free flow electronic toll collection systems.

Via its subsidiary, Autostrade International US Holdings, Autostrade per l'Italia holds a 45% stake in the company, which, as a result of a call option on a further 16% of the company's shares, is thus accounted for as a subsidiary under the relevant accounting standards and consolidated in the Group's accounts.

ETC generated revenue of €32.3 million in 2009, marking an increase of 1.6% (down 3.7% after adjusting for exchange rate movements) compared with 2008 (€31.8 million). Gross operating profit (EBITDA) is €1.2 million, marking a reduction of 25% (down 29% after adjusting for exchange rate movements) on 2008 (€1.6 million).

### Pune-Solapur Expressways Private

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

The concession, which has a term of 21 years, envisages application of a direct toll to be paid by users, with annual tariff increases to be applied at a rate of 3% plus 40% of wholesale inflation. The concessionaire, named "Pune-Solapur Expressways Private Limited" (PSEPL), is required to carry out construction work in order to widen the motorway from 2 to 4 lanes, and will be responsible for managing and maintaining the section throughout the concession term.

The total cost of the project was estimated at €214 million at the time of bidding for the concession. Atlantia's equity investment is approximately €16 million.

On 19 May 2009 PSEPL signed the concession agreement with the Indian grantor, with whom the financial close was signed on 14 November 2009. This marked the start of work on the widening of the motorway, which is expected to be completed in two and a half years. On 4 September 2009 Autostrade Indian Infrastructure Development Private Limited was established, with its registered office in Mumbai, India. The company is 99.99% owned by Autostrade per l'Italia SpA, with the remaining 0.01% held by SPEA Ingegneria Europea SpA. The company is responsible for the future operation and maintenance of the Pune-Solapur section of motorway.

## Other events

### IGLI

On 11 June 2009 Autostrade per l'Italia SpA, Immobiliare Lombarda SpA and Argo Finanziaria SpA reached agreement regarding additions to and renewal of the shareholders' agreement governing their investments in IGLI SpA, the company that owns 29.96% of the ordinary shares of Impregilo SpA, a company listed on the Italian Stock Exchange.

The terms and conditions of the renewed shareholders' agreement have remained substantially unchanged, including the right of each party to the agreement to acquire, including as a result of extraordinary transactions and derivative contracts, Impregilo SpA shares representing up to 5% of Impregilo's ordinary issued capital, provided that the purchase does not mean that IGLI and/or the other parties to the agreement are obliged to launch a compulsory tender offer for Impregilo's ordinary shares pursuant to article 105 and subsequent articles of Legislative Decree 58 of 24 February 1998, as subsequently amended.

On 29 July 2009 the European Commission announced that the agreement between Autostrade per l'Italia, Immobiliare Lombarda and Argo Finanziaria signed on 11 June 2009, regarding additions to and renewal of their shareholders' agreement, did not constitute a concentration, and the shareholders' agreement is thus fully effective until 12 June 2010.

Measurement of the Group's investment in IGLI using the equity method at 31 December 2009 has resulted in recognition of a loss of €67.0 million in the other components of income statement and of a loss of €0.4 million in the statement of comprehensive income. This has led the investment to be impaired by €67.4 million. This follows the difference between the carrying amount of the shares in Impregilo held by IGLI and their market value.

### TowerCo

TowerCo is responsible for the construction and management of fully equipped sites located around the motorway network managed under concession by the Group and on land owned by other parties (ANAS, municipal authorities and other road management companies). These sites host antennae and equipment used by commercial operators (mobile communications companies and TV and radio broadcasters) and public services (police, Isoradio or traffic monitoring systems), providing a range of operating and maintenance services.

At the end of December 2009, a total of 265 sites have been built (with 69 providing GSM/UMTS coverage in motorway tunnels), 6 sites are under construction, and a further 57 sites are being designed or are at the authorisation stage. The company earned revenue of €17.9 million in 2009, with gross operating profit (EBITDA) of €10.1 million.

## Alitalia

On 9 January 2009 Atlantia paid in the remaining 75% of the par value of the shares in Alitalia - Compagnia Aerea Italiana subscribed on 10 December 2008, amounting to a total of €44.4 million, raising its total investment to approximately €100 million.

At their general meeting held on 19 January 2009 the shareholders of Alitalia - Compagnia Aerea Italiana SpA approved a capital increase of €167.1 million restricted to Air France - KLM SA, subsequently executed on 25 March 2009. At 31 December 2009 Atlantia's interest in Alitalia - CAI stands at 8.85%.



## Workforce

At 31 December 2009 the Group employs 9,902 staff on open-ended contracts and 511 on fixed-term contracts, resulting in a total workforce of 10,413. This is 103 (1.0%) up on 10,310 units for 2008. In detail, compared with 31 December 2008 the number of open-ended contract staff is up 155 and the number of fixed-term contract down 52.

The increase essentially regards the following Group companies:

- Italian concessionaires (up 5, net of intercompany transfers), reflecting an increase, above all at Autostrade per l'Italia, in maintenance, traffic management and plant operations personnel and the decision to increase the number of technical staff, partially offset by a reduction in the number of toll collectors;
- Pavimental (up 71), essentially due to the start-up of work on widening the section of motorway between Fiano and Rome's Orbital Motorway, on lot 3 of the AI4 and on the A9 between Lainate and Como;
- Pavimental Polska (up 28), the company that carries out non-routine maintenance on the network operated by the Stalexport Autostrady group, and which began operating during the second half of 2008;
- SPEA (up 28), reflecting the expansion of design activities;
- Port Mobility (up 35), which since January 2009 has contracted in traffic and access management services and the issue of access permits for the port of Civitavecchia.

The reduction of 52 in temporary staff primarily regards Autostrade per l'Italia, which employed fewer seasonal staff as toll collectors during the Christmas period.

The Group's average workforce has risen from 9,848 in 2008 to 10,021 in 2009, marking an increase of 173 (up 1.8%).

As above, the main changes regard:

- Italian concessionaires (up 60 on average, net of intercompany transfers), primarily reflecting continuation, above all by Autostrade per l'Italia, of the plan to insource maintenance, traffic management and plant operations, and the decision to increase the number of technical staff from the second half of 2008 (up 122), increases partially offset by a reduction in toll collectors (down 62) as a result of increased automation and progressive improvements in productivity;
- Pavimental (down 61 on average), reflecting the conclusion, in 2008, of work on the Milan-Bergamo section of the A4 (down 72 on average), the start-up of work, during the second half of 2009, on the widening the section of motorway between Fiano and Rome's Orbital Motorway, on lot 3 of the AI4 and on the A9 between Lainate and Como (an increase of 51 staff), and the placement of a number of workers employed in road paving work in the temporary government sponsored lay-off scheme (*Cassa Integrazione*

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*Guadagni or CIG* <sup>(1)</sup> from the end of September to December 2009 (a reduction of 40 on average), due to a decrease in maintenance activities;

- Pavimental Polska (up 88 on average), which began operating during the second half of 2008;
- SPEA (up 48 on average), reflecting the expansion of design activities from 2008;
- Port Mobility (up 36 on average), following the above decision to insource services.

The Group reports a €7.9 million (1.3%) increase in net staff costs, reflecting a rise in gross staff costs (up 2.5% or €15.7 million), partially offset by an increase in capitalised costs (up €7.8 million). The increase in gross staff costs reflects:

- an increase of 173 (1.8%) in the average workforce, as described above;
- an increase in the average unit cost (up 0.7%), primarily relating to renewal (in December 2008) of the labour contract for concessionaires and industrial companies (a 1.8% increase in the average unit cost), offset by a large reduction in the cost of variable staff (resulting in a reduction in the average unit cost of approximately 1.1%).

### Open-ended contract staff

Position	31.12.2009	31.12.2008	Increase/(Decrease)	
			Absolute	%
Senior managers	179	178	1	0.6
Middle managers	696	700	-4	-0.6
Administrative staff	3,811	3,615	196	5.4
Manual workers	1,844	1,789	55	3.1
Toll collectors	3,372	3,465	-93	-2.7
<b>Total</b>	<b>9,902</b>	<b>9,747</b>	<b>155</b>	<b>1.6</b>

### Fixed-term contract staff

Position	31.12.2009	31.12.2008	Increase/(Decrease)	
			Absolute	%
Senior managers	–	1	-1	-100.0
Middle managers	2	3	-1	n.a.
Administrative staff	226	243	-17	-7.0
Manual workers	76	60	16	26.7
Toll collectors	207	256	-49	-19.1
<b>Total</b>	<b>511</b>	<b>563</b>	<b>-52</b>	<b>-9.2</b>

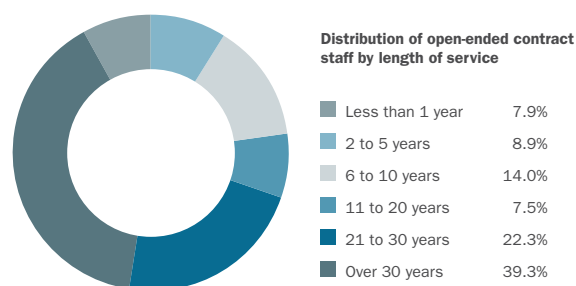
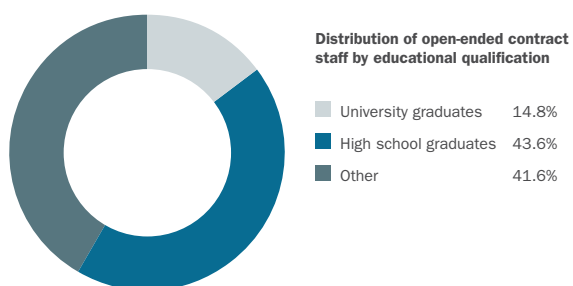
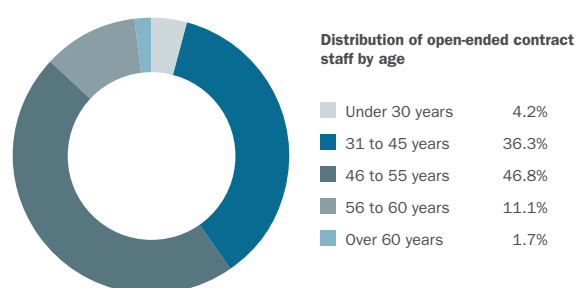
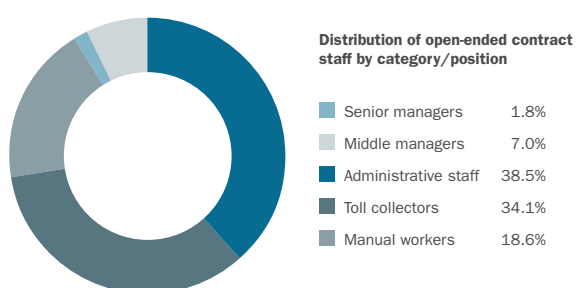
(1) Staff on temporary government sponsored lay-off scheme (CIG) are included in the year-end figure, but not in the average workforce.

## Average workforce

Position	31.12.2009	31.12.2008	Increase/(Decrease)	
			Absolute	%
Senior managers	178	177	1	0.6
Middle managers	694	699	-5	-0.7
Administrative staff	3,937	3,722	215	5.8
Manual workers	1,808	1,771	37	2.1
Toll collectors	3,404	3,479	-75	-2.2
<b>Total</b>	<b>10,021</b>	<b>9,848</b>	<b>173</b>	<b>1.8</b>

## Geographical distribution of open-ended contract staff (2009)

Region	Senior managers	Middle managers	Administrative staff	Manual workers	Toll collectors	Total
Abruzzo	2	11	127	233	146	<b>519</b>
Campania	2	36	317	755	195	<b>1,305</b>
Emilia-Romagna	4	21	218	308	199	<b>750</b>
Friuli-Venezia Giulia	1	12	67	44	35	<b>159</b>
Lazio	108	317	1,355	342	300	<b>2,422</b>
Liguria	2	14	179	245	128	<b>568</b>
Lombardy	17	60	380	507	202	<b>1,166</b>
Marche	-	2	43	91	56	<b>192</b>
Molise	-	-	2	9	2	<b>13</b>
Piedmont	2	18	88	161	89	<b>358</b>
Puglia	-	5	89	103	62	<b>259</b>
Tuscany	16	123	514	349	158	<b>1,160</b>
Umbria	-	1	3	16	26	<b>46</b>
Valle d'Aosta	2	9	66	24	52	<b>153</b>
Veneto	-	-	38	127	64	<b>229</b>
Overseas	23	67	325	58	130	<b>603</b>
<b>Total</b>	<b>179</b>	<b>696</b>	<b>3,811</b>	<b>3,372</b>	<b>1,844</b>	<b>9,902</b>



## Staff development and training

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

- encouraging efforts by employees to improve their performance and professional skills and to aim for speed and quality in achieving their assigned goals, with a view to ongoing improvement;
- increasing the sense of individual responsibility, of the need to be proactive and develop inter-departmental cooperation;
- providing effective systems and tools to ensure that the organisation has access to human resources capable of meeting the new challenges facing the business.

The second year of the Performance Management scheme for middle managers, Professionals and Junior Professionals (young graduates on accelerated development programmes), involving a total of 1,150 staff, was concluded in 2009.

A new round of assessments designed to gauge potential involved 40 staff (middle managers with promotion potential, recently appointed managers, professionals with 4 to 6 years experience with the Group, and young graduates 2 years after joining the Group).

Based on the results of the Performance Management scheme, a number of development programmes have been initiated with a view to improving skills linked to the assigned roles and objectives. The programmes are aimed at people managers, with a total of 94 staff involved, and professionals earmarked for promotion, involving a total of 40 people.

Specific training and refresher courses were also organised with the aim of developing individual and collective expertise. Approximately 86,000 hours of training were provided by Group companies in 2009 (excluding safety training) at an overall cost of €2 million.

The most important training initiatives included:

- professional retraining: a professional retraining programme for people involved in the insourcing project, launched following the agreement with the labour unions of July 2009;
- Formul\_AIsud and Progett\_Azione: training courses for operating personnel (toll collectors, technicians, Punto Blu staff, and plant and traffic management personnel) employed at local section departments (Section 5 Fiano and Section 2 Milan), designed to improve certain key toll collection processes;
- Trainingpass: 2 editions of this induction course were run for young new recruits;
- masters degrees: the Group funded the participation of 18 staff in a range of masters courses, including the Master in Service Operation Management organized by CONSEL and the Polytechnic of Milan for 11 young engineers, and the Executive Master in Business Administration run by MIP - Polytechnic of Milan for 3 staff.

The Group is continuing its highly successful collaborations with a number of technical faculties at Italian universities (primarily engineering and economics) and with technical and specialist masters and MBA programmes. This has resulted in various forms of scientific activity and internships, and enables the Group to make contact with, and eventually recruit, qualified people with "high potential".

### Remuneration system

At their Annual General Meeting held on 23 April 2009, Atlantia's shareholders approved the "2009 Share Option Plan" ("SOP") and the "2008-2010 Three-year Incentive Plan" ("TIP").

In application of the plan approved by the shareholders, on 8 May 2009 and 16 July 2009 Atlantia's Board of Directors identified the 10 executives and Directors who are to be the beneficiaries of the SOP.

The terms and conditions of the SOP provide for the granting of a number of options to employees and/or directors with specific roles in Atlantia and its subsidiaries, as selected from among key managers within the Company and its subsidiaries, having regard to the importance of their positions in relation to the creation of value for the Company. Further details of the SOP and the conditions governing exercise of the options is provided in note 7.12 – Equity in the notes to the consolidated financial statements.

On 11 June 2009, in application of the "2008-2010 three-year incentive plan" approved by the shareholders, the Board of Directors of Atlantia identified the 95 beneficiaries of the plan, consisting of executives and middle managers within the Group.

The TIP aims to foster the loyalty of management and reward the achievement of objectives related to operational and business performance. The plan involves payment of incentives linked to the achievement of objectives linked to the following indicators:

- a) Cumulative profit for the period 2008-2010 (weight 20 points);
- b) Investments in major works during the period 2008-2010 (weight 20 points);
- c) Atlantia's share price (weight 20 points);
- d) International expansion (weight 20 points);
- e) Change management (weight 20 points).

Minimum and maximum achievement thresholds have been established for each objective. The minimum overall points score to qualify for the incentive is 58, whilst the maximum achievable points score is 100. The TIP terms and conditions envisage, among other things, suspension of the plan in the event of a dispute arising between Autostrade per l'Italia and the Grantor, pursuant to art. 7 of Law 241/90.

The SOP and the TIP comply with the European Commission's Recommendations of 30 April 2009.

In 2009 the MBO incentive scheme, which offers beneficiaries an annual cash bonus based on the objectives assigned and achieved during the previous year, involved 167 senior managers and 409 middle managers and administrative staff with roles of responsibility.

## Organisational model

Autostrade per l'Italia's operations were reorganised during 2009, resulting in the creation of a Network Operations Management unit that forms part of Customer Service Operations. The new unit is responsible for traffic management activities, coordinating maintenance, toll collection and improving operating processes. Alongside this change, local section departments now report directly to the Customer Service Operations Director.

2009 saw the insourcing and expansion of certain activities carried out at Autostrade per l'Italia's Rome and Florence offices, involving approximately 50 staff. The transfer of personnel was accompanied by specific training programmes. The insourcing of routine maintenance activities at local section departments proceeded. Both insourcing projects have the dual objective of reducing reliance on external service providers and optimising and improving the deployment of internal staff.

A total of 187 internal procedures were either issued or updated in response to the regulatory or organisational changes introduced. The principal updates reflected recent amendments and additions to Legislative Decree 231/01 "Regulations governing the administrative liability of legal entities, companies and associations without legal status, pursuant to article 11 of Law 300 of 29 September 2000", and the Consolidated Finance Act. A total of 71 internal procedures were issued or updated regarding health and safety at work.

## Industrial relations

In 2009 Autostrade per l'Italia reached important agreements with all the labour unions representing workers in the sector. The main results are as follows:

- activation of a Training and Information Programme to improve Health and Safety at Work, which is to be gradually extended to all operating personnel (agreement of 22 January 2009). The programme will be financed with the funding made available by Autostrade per l'Italia's "Fondimpresa Training Budget";
- continuation of the insourcing project which, in the case of local section departments, primarily regards winter operations and the management of automated toll collection, and, for the Rome and Florence offices, administrative activities that will result in more efficient use of staff and cost savings (agreement of 25 July 2009);

- definition of the Productivity Bonus for 2009 and a commitment, for 2010, to agree on the indicators to be used in establishing the new Productivity Bonus, having already established that the bonus, in taking account of the Company's operating performance, will be based on indicators of service quality, productivity and earnings (agreement of 25 July 2009);
- completion of the process of leasing a business unit to Autostrade Tech from 1 January 2010, including research and development, product modifications and both national and international sales of traffic management, toll collection, access and payment equipment and systems and other traffic-related technologies (agreement of 9 December 2009);
- a series of local agreements that have permitted implementation of the provisions of the national agreement of 25 July 2009, regarding both the insourcing project and productivity improvements at major toll stations and on the Punto Blu network.

### Health and safety

In order to achieve ongoing improvements and excellence with regard to health and safety at work, in compliance with the legislation in force (Legislative Decree 81/08), Autostrade per l'Italia carried out the following activities in 2009:

- implementation of the safety management project known as the "Health and Safety at Work Management System", which aims to achieve levels of excellence in occupational health and safety in accordance with the OHSAS 18001:2007 model, applied by all the Group's subsidiaries, was completed by Autostrade per l'Italia;
- OHSAS 18001:2007 occupational health and safety certification was obtained by the Rome and Florence offices and connected units;
- a fully funded Occupational Health, Safety and Environment training programme was drawn up and launched, with 5,562 people taking part in training and information initiatives and drills during the year (including 520 staff at overseas companies), representing a total of approximately 41,583 hours of training (of which 1,641 at overseas companies);
- the HSE - Health, Safety & Environment portal was implemented;
- work-related stress at the Rome and Florence offices and the connected units was assessed and guidelines drawn up for local section departments;
- the "Consultative Occupational Health and Safety Committee", consisting of a representative from each of the trade unions that signed the National Collective Contract, representatives from Autostrade per l'Italia in relation to the specific issues dealt with, and two external occupational safety experts



selected jointly by the parties concerned, dealt with issues such as the need to update the “ Guidelines for the safety of traffic officers”, progression of the project to create an Integrated Occupational Health and Safety Management System and the information campaign regarding the AH1N1 flu virus.

## Corporate Governance

Atlantia SpA's Corporate Governance system is based on a collection of rules that are in line with the most recent market and regulatory standards. It has been designed to enable stakeholders to share in the Company's strategies. This system has been created and updated over time via the introduction of rules that substantially correspond with the development of the business and the indications provided by Borsa Italiana SpA in its Guidelines to the Corporate Governance Code for Listed Companies.

In accordance with the current Articles of Association, management of the Company is assigned exclusively to the Board of Directors, whilst supervisory functions are the responsibility of the Board of Statutory Auditors and responsibility for auditing the Group's accounts is assigned to the Independent Auditors, all of whose appointments are approved by the shareholders at their general meeting.

Based on the provisions of art. 30 of the Articles of Association, the Chairman and Chief Executive Officer represent the Company.

Separation of the roles of Chairman and Chief Executive Officer means that it is not necessary to appoint a Lead Independent Director.

Based on the provisions of the Company's Corporate Governance Code, the Board of Directors has established the following committees: the Human Resources Committee and the Internal Control and Corporate Governance Committee.

In implementation of the provisions of Legislative Decree 231/2001, Atlantia has adopted the Management and Control Organisational Model and has set up a Supervisory Board.

The following procedures are in operation: the Procedure for Market Announcements, the Procedure for Related Party Transactions, the Procedure for Reporting to the Board of Statutory Auditors and the Code of Conduct for internal dealing.

The Company's corporate governance system is completed by the provisions contained in the Articles of Association and the General Meeting Regulations.

Sintonia SA, via Schemaventotto SpA, directly and indirectly holds a relative majority of the issued capital of Atlantia SpA.

Schemaventotto SpA's transfer of majority control of Atlantia SpA to the Company's current ownership structure was carried in 2008. As the situation stands, therefore, Sintonia SA, in part through Schemaventotto SpA, is deemed to hold sufficient voting rights to exercise dominant influence at the ordinary general meetings

of Atlantia SpA's shareholders, pursuant to art. 2359 of the Italian Civil Code, as referred to by art. 2497-*sexies* of the Code.

The fact that Atlantia is deemed not be subject to management and coordination by the parent, Sintonia SA, was confirmed in a specific joint declaration sent to Atlantia SpA on 12 March 2009 by Sintonia SA and Schemaventotto SpA, on the basis of which the pre-existing circumstances and structure of group relations have not changed. This effectively means that neither Sintonia SA nor Schemaventotto SpA has ever exercised management and coordination of Atlantia or of the Group of which it is the Parent.

On 20 March 2009 Atlantia's Board of Directors thus issued an attestation stating that Atlantia is not subject to the management and coordination of either Sintonia SA or Schemaventotto SpA.

Given that there have not been any further announcements or changes in the relevant facts, the basis for considering Atlantia as not subject to management and coordination by its parents, Sintonia SA and Schemaventotto SpA, is deemed to be unchanged.

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

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

## Sustainability

Atlantia heads a group of companies devoted to the design, operation and construction of motorway networks capable of supporting and driving social and economic development in Italy and in other countries. Indeed, for Autostrade per l'Italia, the operating parent with responsibility for the management of services and infrastructure under concession, sustainability forms an integral part of its corporate culture, driving a process of continual improvement within the company. The Group's activities aim to benefit people's lives, contribute to the development and wellbeing of the communities in which it operates, achieve ongoing improvements in safety and in the quality of the services provided to customers, protect the environment, invest in new technologies and boost energy efficiency.

As a result of its commitment to sustainability, in 2009 Atlantia was included in the Dow Jones Sustainability Index, ranking as one of the best performers in the transport and infrastructure sector, with maximum points scores for Customer Relationship Management, Fuel Efficiency, Environmental Reporting and Occupational Health and Safety.

The results of the Group's commitment to sustainability in 2009, which are reported in brief below based on the three dimensions of sustainability (economic, social and environmental), are contained in Autostrade per l'Italia's Sustainability Report 2009, which is available on the company's website at [www.autostrade.it/sostenibilita](http://www.autostrade.it/sostenibilita).

### Economic responsibility

The Group believes that its economic responsibility should combine the traditional commitment to maximising shareholder value and investor returns with the goal of creating and distributing value among the various categories of stakeholder.

Distribution of the value generated among stakeholders (government, the business, staff, capital providers and shareholders) is measured in terms of Distributable Integrated Added Value (DIAV). This indicator represents the wealth (added value) produced by the business and how it is redistributed among stakeholders in the form of taxation, remuneration, dividends and interest.

The added value to be redistributed is calculated by subtracting operating costs and other expenses from the gross value of production (including toll revenues, the portion attributable to ANAS and other operating income).

DIAV amounts to €2,881 million for 2009.

## Statement of DIAV

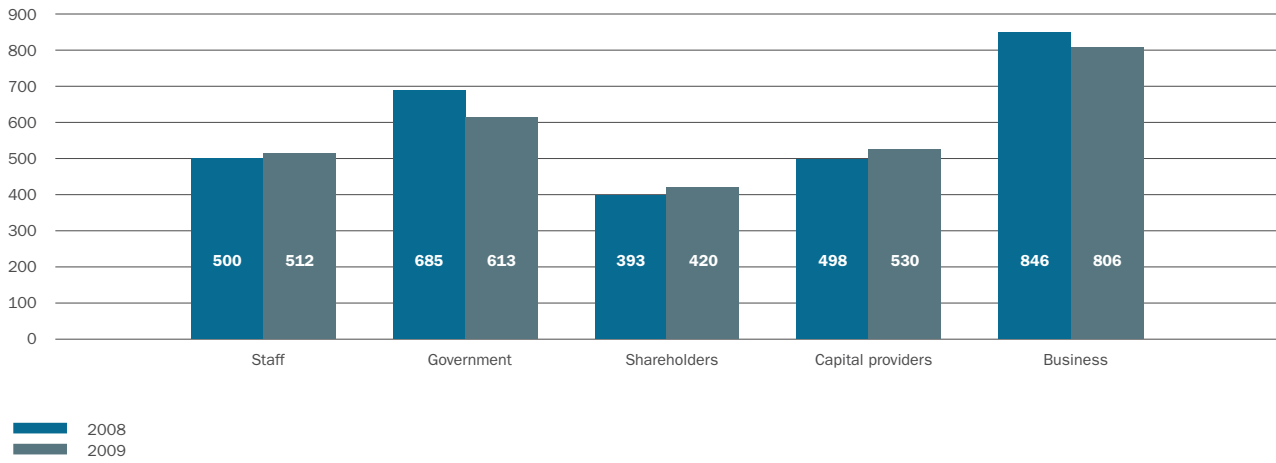
(€m)	2008	2009	% inc./ (dec.) 2008/2009
Net toll revenues	2,853	2,956	3.6
Portion attributable to third-party entities	170	108	-36.5
Other operating income	624	654	4.8
<b>Gross value of production</b>	<b>3,647</b>	<b>3,718</b>	<b>1.9</b>
Operating costs	-911	-940	3.2
<b>Integrated added value</b>	<b>2,736</b>	<b>2,778</b>	<b>1.5</b>
Adjustments	186	103	-44.6
<b>DIAV</b>	<b>2,922</b>	<b>2,881</b>	<b>-1.4</b>

The reduction of 1.4% (€40 million) in DIAV reflects the new legislation introduced by Law Decree 78/2009, which came into effect from 5 August 2009. This has raised the concession fee to be paid to ANAS (€82 million for the period August-December 2009; see following "Significant regulatory aspects").

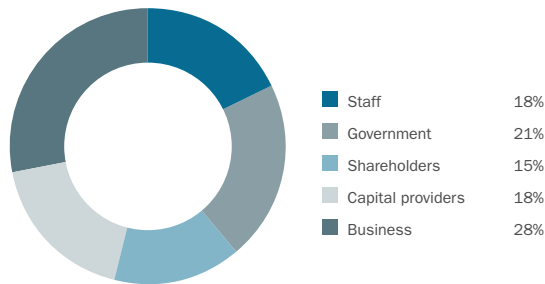
The DIAV of €2,881 million for 2009 was distributed to the Group's stakeholders as follows:

- the largest portion, 28% of the total, amounting to €806 million, was kept by the Group and primarily regards amortisation, depreciation, provisions and self-financing;
- €530 million (18% of the total) was paid to capital providers as interest on borrowings, after deducting financial income;
- staff accounted for 18% (€512 million) in salaries, wages, post-employment benefits and provisions for incentives;
- approximately €613 million (21% of the total) was transferred to the government in the form of direct and indirect taxation, social security contributions and amounts attributable to third-party entities. The government as stakeholder also received approximately €82.3 million in 2009 in concession and sub-concession fees (€80 million in 2008) and additional concession fees paid from toll revenues (€82.3 million) following the new legislation introduced by Law Decree 78/2009 for a total of €164.6 million;
- €420 million was paid to shareholders in the form of the final dividend for 2008 and the interim dividend for 2009 (15%).

### Breakdown of DIAV 2008-2009



### Distribution of DIAV 2009



## Social responsibility

The social dimension of responsibility is concerned with monitoring the social impact generated by the Group within the context in which it operates, considering both the specific features of individual stakeholders involved in the Group’s activities and the multidimensional character of actions that influence the social sphere.

## Workforce

The Group manages its Italian and international workforce in full compliance with the rights established by law and in labour contracts, and without any limitation or discrimination with regard to race, nationality, religion or gender. Every member of the workforce is required to be informed of and comply with Atlantia's Code of Ethics. Every effort is made to ensure that all the people who work for the Group have opportunities for professional growth and development throughout their working lives and at all levels, thanks to training and improvements to working conditions and the working environment.

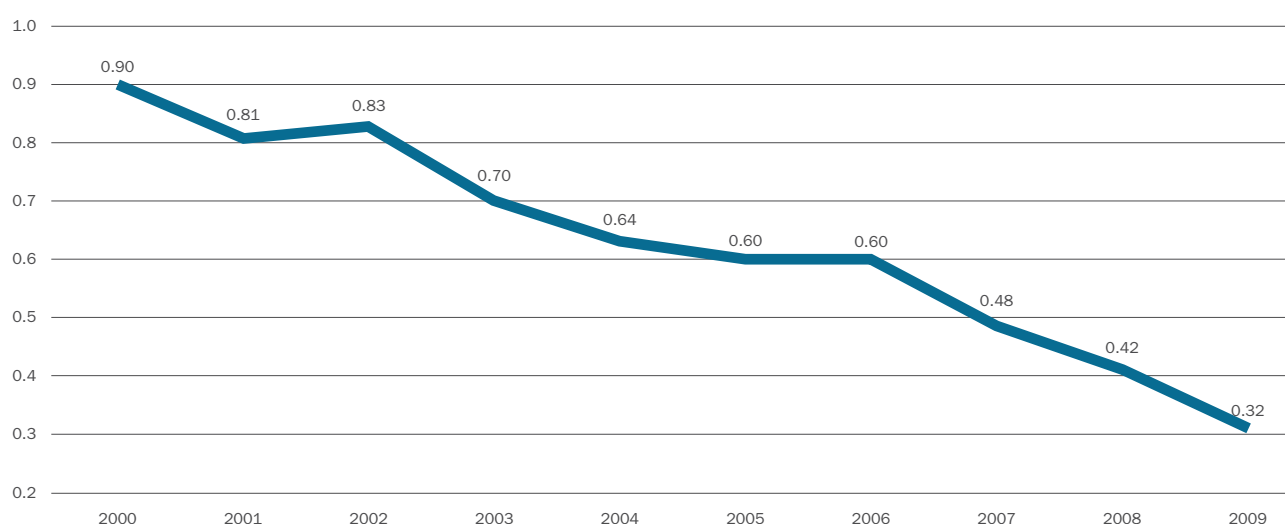
With the aim of improving quality of life for its staff, in addition to the more traditional measures already taken (such as, for example, flexitime working, health insurance and pension provision, services designed to help commuters and sustainable transport), the Group has adopted a series of initiatives targeting employees and their families, in order to help them achieve a better work-life balance and boost the welfare of the Company's workforce. More than €1 million was spent on such initiatives in 2009, which primarily regarded health prevention campaigns, summer camps for the children of employees, and the provision of free advice on legal, tax and pension-related matters.

## Customers

The Group is committed to achieving ongoing improvements in service quality for motorway users, above all in terms of raising safety standards and traffic flow. This commitment takes the form of both work on the motorway network and information and awareness campaigns. The effectiveness of the actions taken is confirmed by continuing reductions in accident and death rates and in traffic congestion, in addition to ongoing improvements in perceived service quality, as shown by customer satisfaction surveys. The Customer Satisfaction Index (CSI), which relates solely to Autostrade per l'Italia in 2009, recorded a score of 6.92 on a scale from 1 to 10 (exactly in line with 2008), thereby confirming that the degree of customer satisfaction is well above satisfactory and has improved compared to previous years.

Among the most important results achieved, the death rate on the network operated by Autostrade per l'Italia and the Group's Italian motorway concessionaires again declined in 2009, falling from 0.48 to 0.32 deaths per 100 million kilometres travelled.

### Death rate on the network operated by Autostrade per l'Italia and the Group's Italian motorway concessionaires (no. of deaths per 100 millions km travelled)



### Government and the community

Government and community relations play a key role in the process of carrying out major infrastructure projects. The Group engages in open dialogue and transparent ongoing discussions with the various parties involved, both throughout the various stages of the authorisation process and during the planning and construction phases.

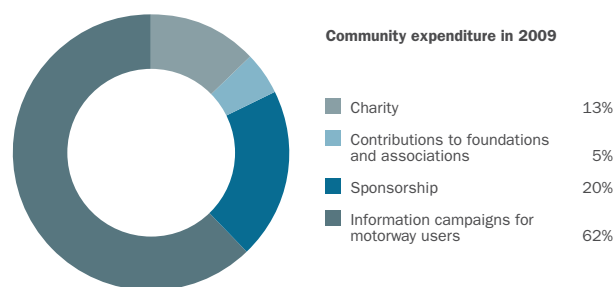
At national level, the Group's main counterparties are ministries, parliamentary committees, regulatory and supervisory bodies and, more in general, political decision-makers.

Relations with international institutions are also of great importance, as they establish the principles, overall objectives and strategies on which EU transport policy is based, as well as issuing specific directives regarding issues directly and indirectly linked to the motorway business.

With regard to community relations, the Group adopts a sustainable approach in managing the motorway network in keeping with the characteristics of the surrounding area, in carrying out infrastructure works and in enhancing the environment for the benefit of local communities, even when not directly connected to the impact of the motorway network. The Group's humanitarian, scientific, cultural, sporting and social initiatives also play an important role, whether implemented independently or in collaboration with



national and international entities and bodies. Over time such initiatives have become more than a simple question of corporate giving, having increasingly taken the form of projects designed to culturally enrich the people and communities involved and spread the adoption of sustainable behaviours. The Group spent almost €4 million on this type of initiative in 2009.



## Suppliers

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

The Group's relations with this category of stakeholder go beyond the "commercial" aspect, with precise supplier selection and management standards having been established in line with its sustainable approach. A preliminary condition of any contract is that suppliers must familiarise themselves with and explicitly agree to comply with the standards set out in the Company's Code of Ethics. This takes the form of a contractual obligation, committing the supplier to adopt environmental and socially responsible practices.

## Environmental responsibility

The Group is fully aware of the impact of its activities on the environment. Considerations regarding environmental responsibility form an integral part of all the stages involved in the core business: the potential effects on ecosystems are examined and assessed during the design stage, and monitored and managed during the construction and operation of motorways.

In 2009 the Group remained committed to the series of initiatives previously launched in accordance with Italian and European Community objectives regarding energy and the environment. These aim to boost production of renewable energy and improve the energy efficiency of its buildings and the infrastructure it manages.

## Use of resources

Optimising the use of the materials employed is a constant concern in managing the Group's activities. One of the essential materials used to ensure that motorways are safe and kept open during the winter months is de-icing salt (sodium chloride and calcium chloride) to prevent ice forming on roads. Annual salt use depends on climatic conditions, which can vary significantly from year to year. In 2009 the Group used a total of 187,348 tonnes of de-icing salt (127,726 in 2008).

Water consumption is not a key environmental factor for the Group, as its activities fall within the services sector and, therefore, do not include industrial production. In 2009 water consumption amounted to 588,292 cubic metres (up 1.2% compared to 2008).

In 2009 the quantity of bitumen conglomerate used for road surface maintenance and in upgrading the motorway network totalled 948,705 tonnes (down 18% on 2008). This was produced and used in the activities carried out by the subsidiary, Pavimental SpA.

In 2009 waste produced by the Group amounted to a total of 90,182 tonnes falling within the typical categories that characterise the Company's core business: road cleaning waste, scrap iron, excavation soil and rocks, and concrete. Of this amount, approximately 65% was produced by Pavimental SpA, which in 2009 took part in the upgrade of the central crash barrier on the AI between Incisa and Arezzo, which produced over 24,000 tonnes of excavation soil and rocks, all of which was recycled. This explains the 57% increase in the volume of waste compared with 2008 (57,382 tonnes).

70% of the waste produced in 2009 was recycled.

Use of resources	2008	2009
De-icing salt in tonnes	127,726	187,348
Water in m <sup>3</sup>	581,033	588,292
Consumption of conglomerate in tonnes	1,270,075	948,705
Waste in tonnes	57,382	90,182
% of waste recycled	59%	70%

The Group's energy consumption depends on the organisation's needs and the amount of energy used in providing the motorway service: the lighting of tunnels, toll stations, junctions and service areas, power for plant and equipment, fuel for service vehicles. In 2009 the Group consumed a total of 505,843 MWh, including electricity, natural gas, LPG, diesel, petrol and fuel oil (down 1.1% on 2008).

Energy consumption by source	2008 (MWh)	2009 (MWh)	% inc./ (dec.) 2008/2009
Diesel	149,646.44	148,812	-0.6
LPG	15,653.98	12,089	-22.8
Natural gas	37,964.97	33,380	-12.1
Petrol	5,986.27	6,558	9.6
Fuel oil	69,795.83	58,705	-15.9
Electricity	232,198.82	246,300	6.1
<b>Total</b>	<b>511,246.31</b>	<b>505,843</b>	<b>-1.1</b>

## Climate change and emissions

The Group's climate change action plan envisages initiatives in the following areas:

- the production of electricity from renewable sources;
- improvements to the energy efficiency of buildings and tunnels;
- actions designed to improve traffic flow and safety;
- the management of green space adjacent to motorways.

In 2009 the Group's CO<sub>2</sub> emissions totalled 194,593 tonnes, marking an increase of 1.6% on 2008 due to a 6% rise in electricity consumption.

Source	CO <sub>2</sub> emissions 2008 (tonnes)	CO <sub>2</sub> emissions 2009 (tonnes)
Vehicle fleet emissions	22,461	23,250
Direct emissions from heating and air-conditioning plant	13,142	13,998
Direct emissions from roadworks	32,564	26,560
Indirect emissions from electricity consumption	123,298	130,785
<b>Total</b>	<b>191,465</b>	<b>194,593</b>

The Group offsets its CO<sub>2</sub> emissions through a number of initiatives. During 2009 the solar panel roof of the car park used by staff at the Rome headquarters began generating electricity, producing an estimated 635,000 kWh a year. In addition, as part of Autostrade per l'Italia's plan to install solar panels at service areas, a further 15 solar power plants entered service at the end of 2009, producing an estimated 1,000 MWh a year. Thanks to all the solar power plants installed so far (including 3 installed in previous years), the Group saved a total of 133 tonnes of CO<sub>2</sub> in 2009.

As part of its energy saving programme, the Group proceeded to replace the traditional high pressure sodium lamps used in permanent motorway tunnel lighting systems with LED lamps. A total of 6,378 lamps were replaced in 2009, saving more than 400 tonnes of CO<sub>2</sub>. The programme for 2010 envisages the installation of a further 10,766 lamps, saving over 2,000 tonnes of CO<sub>2</sub>.

Thanks to adoption of the Telepass and Tutor systems, initiatives designed to improve traffic flow and safety resulted in a CO<sub>2</sub> saving of 83,032 tonnes in 2009, as shown in the following table (the figures for Tutor were arrived at by updating the calculation model with the emission factors from the latest version of the COPERT4 programme for measuring road transport emissions. As a result, the figure for 2008 has also been restated).

	2008	2009
CO <sub>2</sub> (tonnes) saved as a result of use of the Telepass automated toll collection system on the Group's network	27,852	26,732
CO <sub>2</sub> (tonnes) saved as a result of use of the Tutor safety system on the Group's network	42,300	56,300
<b>Total</b>	<b>70,152</b>	<b>83,032</b>

In addition, in August 2009 the Group launched a car pooling scheme on the A8-A9 motorway. The new initiative offers a convenient alternative to traditional road transport, involving the use of just one vehicle to carry several passengers making the same journey. It is much better for the environment, as it reduces the volume of traffic, and cheaper for participants, as the transport costs (fuel, tolls, etc.) are shared among all the passengers.

The scheme, which is Italy's first ever of its kind, includes:

- a special website ([www.autostradecarpooling.it](http://www.autostradecarpooling.it)), where users can enter their journey and find companions, interested in doing the same route, with whom to share the car and the costs;
- a special car pool lane at the Milan North toll station, with a discount of more than 60% on tolls for cars with at least 4 people on board, on the days and at the times covered by the scheme.

Green space (hedges separating carriageways, motorway embankments and greenery at toll stations, service areas and parking areas), covering as much as 29% (6,300 hectares) of the total land occupied by the Group's motorway network, also absorbs approximately 3,000 tonnes of CO<sub>2</sub> a year. Finally, with a view to pursuing ever higher levels of environmental compatibility, as part of motorway widening work and maintenance of the existing network, the Group is trialling the use of plants to reduce CO<sub>2</sub> emissions. This involves the use of indigenous, non-GM herbaceous C4 perennials with deep and highly resistant roots. The aim of this technology is to block the erosion of embankments, the renaturalisation of land, soil conservation, the protection of infrastructure works, and the clean-up of disused and polluted areas. Biochemical and physiological tests of the plants following the above renaturalisation process reveal that an estimated 40 tonnes of CO<sub>2</sub> was absorbed in 2009.

## Significant regulatory aspects

### Single concession agreements between Italian concessionaires and ANAS

During 2009 the Italian concessionaires controlled by Autostrade per l'Italia (with the exception of Società Traforo del Monte Bianco, which operates under a different concession regime, and Autostrade per l'Italia, whose Single Concession Agreement came into effect in 2008) and the Grantor, ANAS, signed the new single concession agreements provided for by Law Decree 262/2006 and subsequent amendments.

Raccordo Autostradale Valle d'Aosta, Società Autostrada Tirrenica, Tangenziale di Napoli, Autostrade Meridionali and Strada dei Parchi asked ANAS to revise the concession conditions pursuant to Interministerial Economic Planning Committee (CIPE) Directive 39/2007.

Autostrada Torino-Savona, on the other hand, has asked ANAS to draw up a single concession agreement based on the previous agreement (without, therefore, altering the concession conditions), informing ANAS of its wish to take advantage of the provisions of art. 3.c.5 of Law Decree 185/2008, subsequently converted into Law 2/2009. This gives motorway concessionaires the option of reaching agreement with ANAS on a simplified formula for calculating the annual adjustment to toll charges based on a fixed percentage of the real inflation rate, to be applied throughout the concession term.

All the single concession agreements entered into by the Group's concessionaires and ANAS in 2009 – with the exception of certain conditions specific to each concessionaire – provide for, among other things:

- a) a list of the concessionaire's obligations;
- b) regulations governing the powers of the Grantor, ANAS, with reference to the supervisory and regulatory tasks and responsibilities provided for by the laws in force;
- c) establishment of the annual concession fee, which has been set at 2.4% of net toll revenues;
- d) inclusion, in a specific annex to the single concession agreement, of a section setting out the contractual sanctions and penalties to be applied in the event of a breach of the agreement, identifying the size of the sanction or penalty for each type of breach;
- e) definition of the situations that may lead to the lapse, revocation, withdrawal or termination of the concession, with explicit reference to the payment of pre-determined damages;
- f) introduction of capital requirements in line with market practice in the sector;
- g) the withdrawal by ANAS and the concessionaires of all pending legal actions at the date the single concession agreement comes into effect.

Art. 2.c.202 of Law 191 of 23 December 2009 (the 2010 Finance Act), which has amended art. 8-*duodecies* of Law Decree 59/2008, approved all the concession agreements with ANAS signed by motorway concessionaires

at 31 December 2009 "on condition that the above agreements comply with the prescriptions contained in the CIPE resolutions approving the agreements, in order to ensure that there is no change in impact on the public finances, without prejudice to the concession agreements already approved". The above mentioned single concession agreements will be applied once the relevant procedure (still in progress as at 31 December 2009 for any company controlled by ASPI) oriented to the acknowledgement of CIPE requirements will be concluded.

### Tariff increases for 2009 and new legislation governing motorway toll surcharges

The toll charge increases for 2009 to be introduced by Autostrade per l'Italia and the Group's Italian motorway concessionaires were applied from 1 May 2009, following their suspension until 30 April by Law Decree 185/2008, converted into Law 2/2009.

The following increases have been applied:

#### Tariff increases effective 1 May 2009

Italian motorway concessionaire	Tariff increase
Autostrade per l'Italia	2.40%
Raccordo Autostradale Valle d'Aosta	0.51%
Autostrada Torino-Savona	0.73%
Società Autostrada Tirrenica	5.14%
Strada dei Parchi	0.00%
Tangenziale di Napoli	6.63%
Autostrade Meridionali	4.89%
Società Italiana Traforo del Monte Bianco	0.00%

The increase in the toll surcharge, to be passed on in full to ANAS, came into effect from the same date, having also been suspended by the above Law Decree 185/2008. The surcharge rose from €0.0025 to €0.0030 per km for vehicles in classes A and B, and from €0.0075 to €0.0090 per km for all other classes.

The regulations governing the above surcharge were abolished from 5 August 2009 by art. 19, paragraph 9-bis of Law Decree 78/2009, converted, with amendments, into Law 102/2009. At the same time, this legislation

introduced an addition to the concession fee to be paid by the motorway concessionaire, calculated on the basis of the number of kilometres travelled by each vehicle using the motorway (3 thousandths of a euro per km for classes A and B, and 9 thousandths of a euro per km for classes 3, 4 and 5). The amount, which is to be passed on to ANAS, is recouped via an equivalent increase in the tolls charged to road users.

Società Italiana Traforo del Monte Bianco did not benefit from any tariff increase in 2009, in that the usual adjustment to take account of inflation, generally applied from 1 July on the basis of the average inflation rate in Italy and France over the previous twelve months, was postponed from 1 July 2009 until 1 January 2010, in accordance with an intergovernmental decision taken on 18 May 2009. As a result, the toll revenues collected by GEIE-TMB on behalf of the two Italian and French concessionaires remained frozen throughout 2009 at the tariff levels fixed at 1 July of the previous year.

## Tariff increases from 1 January 2010

The following annual tariff increases have been introduced by Autostrade per l'Italia and the Group's Italian motorway concessionaires from 1 January 2010.

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

Raccordo Autostradale Valle d'Aosta, Autostrada Torino-Savona, Società Autostrada Tirrenica, Tangenziale di Napoli, Autostrade Meridionali and Strada dei Parchi have been granted the tariff increases due under the respective concession agreements in force at the date the increases were applied for, and include, in the case of Strada dei Parchi, the tariff increases not approved for 2007, 2008 and 2009.

For the above companies, the formulae for calculating tariff increases provided for in the new single concession agreements will be adopted at the time of applying for the increases for 2011.

In accordance with bilateral agreements between Italy and France, and with the resolution approved by the Intergovernmental Committee for the Mont Blanc Tunnel on 20 November 2009, from 1 January 2010 Società Italiana Traforo del Monte Bianco has applied a total increase of 5.55%, resulting from the combination of two elements: 2.05% representing the average inflation rate in Italy (2.52%) and France (1.58%) for the period from 1 March 2008 to 31 August 2009; and 3.50% based on the increase approved by the Intergovernmental Committee on 20 November 2009. The income from this latter increase will be used to finance future investment.

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

The Council of State sentence of 2 April 2009 upheld the appeal brought by the permanent consortium led by SIS ScpA, which had challenged the award of the concession to build and manage the “Pedemontana Veneta” toll highway before Veneto Regional Administrative Court. The concession had been awarded to the temporary consortium set up by Pedemontana Veneta SpA (in which Autostrade per l’Italia holds a direct 28% interest) and other entities, some of whom were already shareholders of Pedemontana Veneta SpA (including Autostrade per l’Italia SpA).

Following the Council of State sentence, at the end of June 2009 Veneto Regional Authority decided to award the concession to the afore-mentioned SIS ScpA. In the meantime, the consortium that includes Pedemontana Veneta SpA appealed the Council of State sentence. This appeal was turned down at the hearing on the merits held on 20 October of last year. Publication of this judgement is currently awaited. The above award to SIS ScpA has also been challenged before Veneto Regional Administrative Court. This action is pending.

In addition, the Pedemontana Veneta temporary consortium has filed for an injunction before Lazio Regional Administrative Court, preventing the government’s Extraordinary Commissioner, who has in the meantime taken over responsibility for infrastructure projects from Veneto Regional Authority, from proceeding to execute the contract.

Lazio Regional Administrative Court granted an injunction blocking execution of the contract on 21 October 2009, as immediately notified to the counterparty. At the hearing held the following day, on 22 October 2009, the Extraordinary Commissioner’s representatives announced that the contract had already been executed on 21 October 2009, just a few minutes before they were notified of the injunction.

A further appeal was filed before Lazio Regional Administrative Court, which has jurisdiction over the Commissioner’s actions, on 16 December 2009, again requesting the court to exclude SIS ScpA from the



tender process for failing to meet the necessary requirements for participation in the tender. This request has also been filed with Veneto Regional Administrative Court, whose judgement is awaited.

## Other ongoing litigation

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

On 23 March 2009 Codacons (a consumers' association) and other private entities filed suit at Lazio Regional Administrative Court against all the public bodies involved and Società Autostrada Tirrenica pA, contesting the minutes of the meeting of 18 December 2008 during which the CIPE approved, subject to certain requirements and recommendations, the preliminary design for the "Rosignano Marittima-Civitavecchia" section of the A12 motorway, in addition to the related documents and assumptions on which the approval was based.

In June 2009, three further actions were brought before Lazio Regional Administrative Court by Codacons and private parties contesting the CIPE resolution of 18 December 2008 (published in the Official Gazette of 14 May 2009). The actions also challenge the documents and assumptions supporting approval of the design. The hearing on the merits of the above appeals is scheduled for 10 March 2010.

In July 2009, a number of private parties and associations representing several interest groups submitted extraordinary appeals to the Head of State, contesting the above CIPE resolution of 18 December 2008.

At a meeting of 23 October 2008, the Antitrust Authority issued ruling 19021, marking the conclusion of procedure A391 regarding the provision of emergency breakdown services, acknowledging, among other things, the commitments given by Autostrade per l'Italia. The procedure had been launched in 2007 in relation to the Authority's investigation of Strada dei Parchi, Società Autostrada Tirrenica, ANAS and AISCAT for alleged abuse of their dominant position, and of ACI Global and Europ Assistance for restrictive practices.

ACI Global SpA and Europ Assistance VAI SpA appealed ruling 19021 in January 2009. The combined appeals were heard on 22 April 2009 by Lazio Regional Administrative Court (First Division), which passed sentences 4994/09 and 5005/09 in part upholding the appeals filed by the two emergency breakdown providers. The Antitrust Authority appealed the above sentences before the Council of State, with the appeals notified on 21 October 2009. Autostrade per l'Italia has appeared before the court hearing held to examine the appeals with file numbers R.G. no. 8813/09 and no. 8814/09.

Finally, Autostrade per l'Italia is the defendant in a number of legal actions regarding expropriations, tenders and claims for damage deriving from motorway activities.

At the present time, the outcomes of the above litigation proceedings are not expected to result in significant charges to be incurred by Group companies, in addition to the amounts already provided for at 31 December 2009 and reported in the consolidated financial statements.

### Law Decree 207/2008 and new provisions regarding contract awards

Law 14 of 24 February 2009, which converted Law Decree 207/08 (the so-called "Thousand postponements" legislation) into law, has reformed the regulations governing contract awards provided for by letter c), paragraph 85 of art. 2 of Law 286/2006, which required motorway concessionaires to act as awarding authorities when selecting contractors to carry out works, and the providers of goods and services over and above the EU threshold. Law 14/2009 has amended letter c), establishing that *"in the case of concessionaires that are not awarding authorities", "contract awards to third parties are to be carried out in compliance with the provisions of articles 142.4 and 253.25 of the regulations introduced by Legislative Decree 163 of 12 April 2006"*. Moreover, the above Law 14/2009 has amended the regulations for tenders, establishing that concessionaires already approved at 30 January 2002 *"are required to award contracts to third parties representing a minimum percentage of 40% of the works to be carried out, acting, solely with regard to this portion, in every respect as an awarding authority"*.

## Related party transactions

The principal transactions entered into by the Group and Atlantia SpA with related parties are described below. All related party transactions are conducted on an arm's length basis and do not include transactions of an atypical or unusual nature.

Neither the Group nor Atlantia SpA engaged in material transactions with Atlantia's direct or indirect parents during 2009.

During 2009 fees, non-monetary benefits, bonuses and other incentives were received by the Chairman, Gian Maria Gros-Pietro (€0.9 million), and the Chief Executive Officer and General Manager, Giovanni Castellucci (€1.9 million), in relation to positions held in Atlantia and in other Group companies.

### Atlantia Group's related party transactions

In compliance with IAS 24, the Autogrill group, which is under the common control of Edizione Srl, is treated as a related party. With regard to relations between the Atlantia Group's concessionaires and the Autogrill group, it should be noted that, at 31 December 2009, Autogrill holds 140 food service concessions for service areas along the Group's motorway network.

In 2009 the Group earned revenue of approximately €101.8 million on transactions with Autogrill, including €27.4 million in the form of non-recurring income from the transfer free of charge of buildings located at 41 service areas (following expiry of the related sub-concessions) and €65.0 million royalties deriving from management of service areas. This income is generated by contracts entered into over the years, of which a large part was entered into after transparent and non-discriminatory competitive tenders.

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

### Atlantia SpA's related party transactions

The Company primarily engages in transactions with the subsidiary, Autostrade per l'Italia, over which it exercises management and coordination.

At 31 December 2009 the Company had granted medium/long-term loans with a total par value of €8,149.2 million to Autostrade per l'Italia on the same terms as those applied to Atlantia's bank borrowings, increased by a spread that takes account of the cost of managing the loans. These loans increased by €234.5 million in 2009, substantially as a result of the disbursement of new medium/long-term loans that replicate, at intercompany level, the bonds issued by Atlantia in 2009, partially offset by the extinction of intercompany loans following the transfer of loans from the European Investment Bank (EIB) to Autostrade per l'Italia.

A portion of these loans is hedged against interest rate risk through the use of specific derivative financial instruments.

The Company also has an intercompany current account with Autostrade per l'Italia, which provides centralised treasury services for the Group. The account has a credit balance of €123.2 million at 31 December 2009. Finally, as a result of the tax consolidation arrangement headed by Atlantia, the statement of financial position at 31 December 2009 includes current tax assets due from Group companies of €20.5 million, and current tax liabilities payable to Group companies of €8.5 million.

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

## Other information

Atlantia SpA holds 11,476,616 treasury shares at 31 December 2009, representing approximately 2.0% of its issued capital. No treasury shares were purchased or sold during 2009.

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

The Company does not operate branch offices.

With reference to CONSOB Ruling 2423 of 1993, regarding criminal proceedings or judicial investigations, the Group is not involved in proceedings, other than those described in the section "Significant regulatory aspects" in this report on operations, that may result in charges or potential liabilities with an impact on the consolidated financial statements.

Finally, in accordance with the Data Protection Act (Legislative Decree 196/2003, annex B, point 26), the Company declares that it has updated its Security Planning Document for 2009.

## Shareholdings of Directors, Statutory Auditors, General Managers and other key managers

Name and surname	Company invested in	No. of shares held at end of 2008	No. of shares purchased	No. of shares sold	No. of shares held at end of 2009
Gian Maria Gros-Pietro (Chairman)	Atlantia SpA	–	–	–	–
Giovanni Castellucci (CEO and General Manager)	Atlantia SpA	–	–	–	–
Gilberto Benetton (Director)	Atlantia SpA	–	–	–	–
Alessandro Bertani (Director)	Atlantia SpA	–	–	–	–
Alberto Bombassei (Director)	Atlantia SpA	–	–	–	–
Stefano Cao (Director)	Atlantia SpA	320	–	–	320
Roberto Cera (Director)	Atlantia SpA	1,500	–	1,500	–
Alberto Clò (Director)	Atlantia SpA	–	–	–	–
Claudio Cominelli (Director) <sup>(1)</sup>	Atlantia SpA	–	–	–	–
Piero Di Salvo (Director) <sup>(1)</sup>	Atlantia SpA	–	–	–	–
Antonio Fassone (Director)	Atlantia SpA	–	–	–	–
Guido Ferrarini (Director) <sup>(1)</sup>	Atlantia SpA	–	–	–	–
Carlo Malinconico (Director)	Atlantia SpA	–	–	–	–
Giuliano Mari (Director)	Atlantia SpA	–	–	–	–
Francesco Paolo Mattioli (Director)	Atlantia SpA	–	–	–	–
Gianni Mion (Director)	Atlantia SpA	–	–	–	–
Giuseppe Piaggio (Director)	Atlantia SpA	1,000	2,000	–	3,000
Luisa Torchia (Director) <sup>(1)</sup>	Atlantia SpA	–	–	–	–
Antonino Turicchi (Director)	Atlantia SpA	–	–	–	–
Marco Spadacini (Statutory Auditor)	Atlantia SpA	3,700	–	–	3,700
Tommaso Di Tanno (Statutory Auditor)	Atlantia SpA	–	–	–	–
Raffaello Lupi (Statutory Auditor)	Atlantia SpA	–	–	–	–
Angelo Miglietta (Statutory Auditor)	Atlantia SpA	–	–	–	–
Alessandro Trotter (Statutory Auditor)	Atlantia SpA	–	–	–	–
Giuseppe Maria Cipolla (Alternate Auditor)	Atlantia SpA	–	–	–	–
Giandomenico Genta (Alternate Auditor)	Atlantia SpA	–	–	–	–

(1) Claudio Cominelli, Piero Di Salvo, Guido Ferrarini and Luisa Torchia served as Directors until the Annual General Meeting of 23 April 2009.

## Events after 31 December 2009

On 26 February 2010 Autostrade Portugal SA, a wholly owned subsidiary of the Group, sold its 25% stake in Autoestradas do Oeste SA to Lena SGPS and Lena Engenharia e Construções SA for a total price of €26.1 million, in line with the carrying amount.

The investment in Autoestradas do Oeste, which in turn holds interests in the Portuguese motorway concessionaires, Autoestradas do Atlantico and Autoestradas Litoral Oeste, was bought by Autostrade per l'Italia (indirectly through Autostrade dell'Atlantico) in June 2009 as part of its acquisition, from the Itinere group, of a number of investments in concessionaires in Chile, Brazil and Portugal.

## Outlook and risks or uncertainties

Despite uncertainty regarding the macroeconomic environment, figures for traffic on the network operated by the Group's concessionaires during the first two months of 2010, toll charge increases and the development of related activities lead us to expect an improvement in the Group's operating performance in 2010 with respect to the previous year. The results will also benefit from the line-by-line consolidation of the companies acquired in 2009 over the full year.

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

As mentioned in the notes to the consolidated financial statements in the section "Accounting policies", with effect from the interim report as at and for the three months ended 31 March 2010, the Group will publish its accounts applying IFRIC 12, the International Accounting Standards Board interpretation governing the method of accounting for and measuring service concession arrangements.

The Group expects the introduction of IFRIC 12 to have a positive effect in terms of gross operating profit (EBITDA), essentially due to inclusion in net toll revenues of the income generated by the tariff components linked to construction works. On the other hand, the Group expects a reduction in consolidated profit in 2010, reflecting increased amortisation of the intangible assets resulting from the recognition of the concession rights, and increased financial expenses needed to discount the provisions for works to be carried out to the present value of commitments for the construction of infrastructure, where the related revenue is contingent on its use. There will be no impact on operating cash flow.



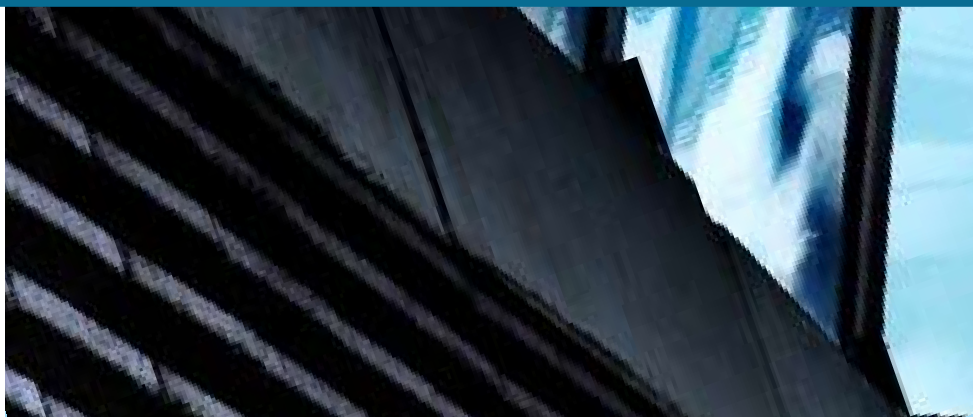
## Proposed resolutions for the Annual General Meeting of Atlantia SpA's shareholders

Dear Shareholders,

In conclusion, we invite you:

- to discuss and approve the Board of Directors' report on operations and the financial statements as at and for the year ended 31 December 2009, which report profit of €482,919,831;
- to appropriate the remaining €284,036,427 in profit for the year, after payment of the interim dividend of €198,883,404 in 2009, to:
  1. pay a final dividend of €0.391 per share for 2009, payable to holders of each of the shares with a par value €1.00 outstanding at the ex dividend date, excluding treasury shares held in portfolio at that date. The total value of the final dividend, based on the number of shares outstanding (560,234,941) and of treasury shares in portfolio (11,476,616), is estimated at €219,051,862;
  2. take the remaining profit for the year, after payment of the final dividend, to the extraordinary reserve. This amount, based on the number of shares outstanding at the ex dividend date, is estimated at €64,984,565;
- to establish the dividend payment date as 27 May 2010 and the ex dividend date as 24 May 2010.

For the Board of Directors  
The Chairman





### 3. Atlantia Group's consolidated financial statements and notes



# Consolidated financial statements

## Consolidated statement of financial position

ASSETS (€000)	Note	31.12.2009	31.12.2008
<b>NON-CURRENT ASSETS</b>			
<b>Property, plant and equipment</b>	7.1	<b>10,033,527</b>	<b>9,145,766</b>
Assets to be relinquished		9,845,041	8,971,354
Property, plant and equipment		185,444	172,537
Property, plant and equipment held under finance leases		1,954	728
Investment property		1,088	1,147
<b>Intangible assets</b>	7.2	<b>4,597,351</b>	<b>4,588,348</b>
Goodwill and other intangible assets with indefinite lives		4,400,157	4,400,752
Other intangible assets		197,194	187,596
<b>Investments</b>	7.3	<b>350,360</b>	<b>187,837</b>
Investments accounted for at cost or fair value		104,463	59,786
Investments accounted for using the equity method		245,897	128,051
<b>Other financial assets</b>	7.4	<b>379,293</b>	<b>583,247</b>
Escrow accounts convertible after 12 months		336,717	540,771
Derivative assets		857	1,825
Other financial assets		41,719	40,651
<b>Deferred tax assets</b>	7.5	<b>1,680,486</b>	<b>1,758,817</b>
<b>Other assets</b>	7.6	<b>38,011</b>	<b>4,816</b>
<b>TOTAL NON-CURRENT ASSETS</b>		<b>17,079,028</b>	<b>16,268,831</b>
<b>CURRENT ASSETS</b>			
<b>Trading assets</b>	7.7	<b>940,011</b>	<b>857,239</b>
Inventories		51,261	57,505
Contract work in progress		25,477	7,284
Trade receivables		863,273	792,450
<i>of which due from related parties</i>		<i>55,104</i>	<i>39,577</i>
<b>Cash and cash equivalents</b>	7.8	<b>1,222,270</b>	<b>129,833</b>
Cash		403,255	95,975
Cash equivalents		819,015	33,858
<b>Other financial assets</b>	7.4	<b>269,518</b>	<b>234,271</b>
Current portion of medium/long-term financial assets		67,834	19,286
Escrow accounts convertible within 12 months		181,620	177,916
Other financial assets		20,064	37,069
<b>Current tax assets</b>	7.9	<b>46,341</b>	<b>37,790</b>
<i>of which due from related parties</i>		<i>11,348</i>	<i>-</i>
<b>Other assets</b>	7.10	<b>87,284</b>	<b>150,322</b>
<b>Non-current assets and disposal groups held for sale</b>	7.11	<b>84,331</b>	<b>-</b>
<i>of which due from related parties</i>		<i>17,076</i>	<i>-</i>
<b>TOTAL CURRENT ASSETS</b>		<b>2,649,755</b>	<b>1,409,455</b>
<b>TOTAL ASSETS</b>		<b>19,728,783</b>	<b>17,678,286</b>

<b>EQUITY AND LIABILITIES (€000)</b>	<b>Note</b>	<b>31.12.2009</b>	<b>31.12.2008</b>
<b>EQUITY</b>			
<b>Equity attributable to owners of the parent</b>		<b>3,865,202</b>	<b>3,615,483</b>
Issued capital		571,712	571,712
Reserves and retained earnings		3,017,346	2,715,063
Treasury shares		-215,644	-215,644
Profit/(loss) for the year after interim dividends		491,788	544,352
<b>Equity attributable to non-controlling interests</b>		<b>390,261</b>	<b>370,609</b>
Issued capital and reserves		398,765	365,247
Profit/(loss) for the year after interim dividends		-8,504	5,362
<b>TOTAL EQUITY</b>	<b>7.12</b>	<b>4,255,463</b>	<b>3,986,092</b>
<b>NON-CURRENT LIABILITIES</b>			
<b>Provisions</b>	<b>7.13</b>	<b>1,230,992</b>	<b>1,150,308</b>
Provisions for employee benefits		173,782	172,939
Provisions for the repair and replacement of assets to be relinquished		1,035,383	947,640
Other provisions		21,827	29,729
<b>Financial liabilities</b>	<b>7.14</b>	<b>11,305,956</b>	<b>9,862,121</b>
Bond issues		7,836,018	6,144,899
Medium/long-term borrowings		3,020,214	3,282,627
Derivative liabilities		374,779	335,295
Other financial liabilities		74,945	99,300
<b>Deferred tax liabilities</b>	<b>7.5</b>	<b>30,934</b>	<b>26,931</b>
<b>Other liabilities</b>	<b>7.15</b>	<b>126,335</b>	<b>101,386</b>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>12,694,217</b>	<b>11,140,746</b>
<b>CURRENT LIABILITIES</b>			
<b>Provisions</b>	<b>7.13</b>	<b>216,164</b>	<b>215,776</b>
Provisions for employee benefits		15,461	17,469
Provisions for the repair and replacement of assets to be relinquished		125,586	117,664
Other provisions		75,117	80,643
<b>Trading liabilities</b>	<b>7.16</b>	<b>720,126</b>	<b>666,000</b>
Contract work in progress		-	45
Trade payables		720,126	665,955
<i>of which due to related parties</i>		<i>19,055</i>	<i>21,872</i>
<b>Financial liabilities</b>	<b>7.14</b>	<b>954,339</b>	<b>840,022</b>
Bank overdrafts		40,990	82,959
Short-term borrowings		185,390	199,379
Current portion of medium/long-term financial liabilities		726,276	538,795
Intercompany current accounts payable		1,453	7,284
Other financial liabilities		230	11,605
<b>Current tax liabilities</b>	<b>7.9</b>	<b>19,303</b>	<b>48,563</b>
<b>Other liabilities</b>	<b>7.17</b>	<b>869,171</b>	<b>781,087</b>
<b>Liabilities included in disposal groups</b>		<b>-</b>	<b>-</b>
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,779,103</b>	<b>2,551,448</b>
<b>TOTAL LIABILITIES</b>		<b>15,473,320</b>	<b>13,692,194</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>19,728,783</b>	<b>17,678,286</b>

## Consolidated income statement

(€000)	Note	2009	2008
<b>REVENUE</b>			
Net toll revenues	8.1	2,956,399	2,853,010
Contract revenue	8.2	50,225	66,728
Other operating income	8.3	603,937	556,962
<i>of which related parties</i>		105,791	68,500
<b>TOTAL REVENUE</b>		<b>3,610,561</b>	<b>3,476,700</b>
<b>COSTS</b>			
<b>Raw and consumable materials</b>	<b>8.4</b>	<b>-137,146</b>	<b>-131,211</b>
Purchases of materials		-165,559	-173,336
Change in inventories of raw and consumable materials and goods		-12,332	200
Capitalised cost of materials		40,745	41,925
<b>Service costs</b>	<b>8.5</b>	<b>-441,525</b>	<b>-505,818</b>
Service costs		-584,162	-651,315
<i>of which related parties</i>		-34,437	-41,408
Capitalised service costs		142,637	145,497
<b>Gain/(loss) on sale of property, plant and equipment</b>		<b>331</b>	<b>1,008</b>
<b>Net staff costs</b>	<b>8.6</b>	<b>-600,437</b>	<b>-592,463</b>
Staff costs		-643,008	-627,259
Capitalised staff costs		42,571	34,796
<b>Other operating costs</b>	<b>8.7</b>	<b>-328,087</b>	<b>-216,011</b>
Concession fees		-164,595	-79,811
Lease expense		-18,846	-17,961
Change in provisions for the repair and replacement of assets to be relinquished		-96,444	-69,624
Other provisions		-4,100	-13,379
Other operating costs		-46,910	-38,086
Other capitalised operating costs		2,808	2,850
<b>Amortisation and depreciation</b>		<b>-424,562</b>	<b>-404,950</b>
Depreciation of assets to be relinquished	7.1	-348,734	-325,052
Depreciation of property, plant and equipment	7.1	-42,936	-47,851
Depreciation of property, plant and equipment held under finance leases	7.1	-345	-285
Depreciation of investment property	7.1	-71	-88
Amortisation of other intangible leases	7.2	-32,476	-31,674
<b>(Impairment losses) and reversals of impairment losses</b>	<b>8.8</b>	<b>-18,555</b>	<b>-11,404</b>
(Impairment losses) and reversals of impairment losses on property, plant and equipment and intangible assets		-13,621	158
(Impairment losses) and reversals of impairment losses on other assets		-4,934	-11,562
<b>TOTAL COSTS</b>		<b>-1,949,981</b>	<b>-1,860,849</b>

(€000)	Note	2009	2008
<b>OPERATING PROFIT</b>		<b>1,660,580</b>	<b>1,615,851</b>
<b>Income from financial assets</b>		<b>140,071</b>	<b>92,489</b>
Income from financial assets		139,434	92,377
Dividends from investments		441	112
Revaluations of financial assets		196	-
<b>Net financial expenses</b>		<b>-618,576</b>	<b>-551,874</b>
Financial expenses		-671,634	-593,833
Capitalised financial expenses		51,018	40,194
Impairment losses on financial assets		-	-271
Grants for interest		2,040	2,036
<b>Foreign exchange gains/(losses)</b>		<b>-997</b>	<b>1,077</b>
<b>FINANCIAL INCOME/(EXPENSES)</b>	<b>8.9</b>	<b>-479,502</b>	<b>-458,308</b>
Share of (profit)/loss of associates and joint ventures accounted for using the equity method	<b>8.10</b>	<b>-56,712</b>	<b>-28,190</b>
<b>PROFIT BEFORE TAX FROM CONTINUING OPERATIONS</b>		<b>1,124,366</b>	<b>1,129,353</b>
<b>Income tax expense</b>	<b>8.11</b>	<b>-442,786</b>	<b>-408,584</b>
Current taxes		-375,724	-389,180
Differences on current tax expense for previous years		13,355	10,149
Deferred tax income and expense		-80,417	-29,553
<b>PROFIT FROM CONTINUING OPERATIONS</b>		<b>681,580</b>	<b>720,769</b>
Profit/(Loss) from discontinued operations/assets held for sale	<b>8.12</b>	<b>807</b>	<b>19,649</b>
<b>PROFIT FOR THE YEAR</b>		<b>682,387</b>	<b>740,418</b>
<i>of which:</i>			
Profit attributable to owners of the parent		<b>690,672</b>	<b>734,832</b>
Profit attributable to non-controlling interests		<b>-8,285</b>	<b>5,586</b>
<b>(€)</b>		<b>2009</b>	<b>2008</b>
<b>Basic earnings per share</b>	<b>8.13</b>	<b>1.23</b>	<b>1.30</b>
<i>of which:</i>			
from continuing operations		1.23	1.26
from discontinued operations/assets held for sale		-	0.04
<b>Diluted earnings per share</b>	<b>8.13</b>	<b>1.23</b>	<b>1.30</b>
<i>of which:</i>			
from continuing operations		1.23	1.26
from discontinued operations/assets held for sale		-	0.04

## Consolidated statement of comprehensive income

(€000)	2009	2008
<b>Profit for the year (A)</b>	<b>682,387</b>	<b>740,418</b>
Fair value gains/(losses) on cash flow hedges	-50,087	-111,226
Actuarial gains/(losses) (IAS 19)	4,815	-4,367
Gains/(losses) from translation of financial statements of foreign operations	618	-21,297
Gains/(losses) from measurement of associates and joint ventures using the equity method	11,794	-7,648
Other fair value gains/(losses)	-466	-678
<b>Other components of comprehensive income for the year, after related tax effects (B)</b>	<b>-33,326</b>	<b>-145,216</b>
<b>Comprehensive income for the year (A + B)</b>	<b>649,061</b>	<b>595,202</b>
<i>of which:</i>		
attributable to owners of the parent	655,866	601,739
attributable to non-controlling interests	-6,805	-6,537

## Statement of changes in consolidated equity

(€000)	Equity attributable to owners of the parent		
	Issued capital	Cash flow hedge reserve	Currency translation reserve
<b>Balance at 31 December 2007</b>	<b>571,712</b>	<b>163,953</b>	<b>5,319</b>
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-109,464</b>	<b>-11,522</b>
<b>Owner transactions and other changes</b>			
Final dividends approved	-	-	-
Retained earnings for the previous year	-	-	-
Interim dividends	-	-	-
Purchase of treasury shares	-	-	-
Change in basis of consolidation, capital contributions and other changes	-	-	150
<b>Balance at 31 December 2008</b>	<b>571,712</b>	<b>54,489</b>	<b>-6,053</b>
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-51,406</b>	<b>566</b>
<b>Owner transactions and other changes</b>			
Final dividends approved	-	-	-
Retained earnings for the previous year	-	-	-
Interim dividends	-	-	-
Change in basis of consolidation, capital contributions and other changes	-	-	-
<b>Balance at 31 December 2009</b>	<b>571,712</b>	<b>3,083</b>	<b>-5,487</b>



	Equity attributable to owners of the parent				Total	Non-controlling interests	Total equity
	Reserve for companies accounted for using the equity method	Other reserves and retained earnings	Treasury shares	Profit/(Loss) for the year			
	-3,533	2,690,892	-	203,460	3,631,803	379,467	4,011,270
	-7,648	-4,459	-	734,832	601,739	-6,537	595,202
	-	-	-	-211,533	-211,533	-2,544	-214,077
	-	-8,073	-	8,073	-	-	-
	-	-	-	-190,480	-190,480	-224	-190,704
	-	-	-215,644	-	-215,644	-	-215,644
	-	-552	-	-	-402	447	45
	-11,181	2,677,808	-215,644	544,352	3,615,483	370,609	3,986,092
	11,794	4,240	-	690,672	655,866	-6,805	649,061
	-	-	-	-207,287	-207,287	-2,593	-209,880
	-	337,065	-	-337,065	-	-	-
	-	-	-	-198,884	-198,884	-219	-199,103
	-	24	-	-	24	29,269	29,293
	613	3,019,137	-215,644	491,788	3,865,202	390,261	4,255,463

## Consolidated cash flow statement

(€000)	Note	2009	2008
<b>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES</b>			
Profit for the year		<b>682,387</b>	<b>740,418</b>
<b>Adjusted by:</b>			
Amortisation and depreciation	7.1–7.2	424,562	404,950
Impairment losses/(Reversal of impairment losses) on non-current financial assets including investments accounted for at cost or fair value		–	76
Share of (profit)/loss of associates and joint ventures accounted for using the equity	8.10	56,712	28,190
Impairment losses/(Reversal of impairment losses) and adjustments of non-current assets		10,386	30,223
(Gain)/Loss on sale of non-current assets		–1,138	–19,363
Net change in deferred tax (assets)/liabilities		80,362	28,768
Other non-monetary costs (income)		–32,823	24,369
Net change in non-current provisions		74,840	59,501
Change in working capital		86,970	362
Net change in other non-current non-financial liabilities and other changes		–6,480	–4,594
<b>Net cash generated from/(used in) operating activities (A)</b>	<b>9.1</b>	<b>1,375,778</b>	<b>1,292,900</b>
<b>CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES</b>			
Purchases of property, plant and equipment	7.1	–1,313,319	–1,139,090
Purchases of intangible assets	7.2	–24,455	–22,379
Acquisition of investments, net of unpaid called-up issued capital	7.3	–91,576	–95,804
Purchase of new consolidated investments, net of acquired net cash	6	–220,492	82
Sale of investments in consolidated companies		1,290	–
Proceeds from sales of property, plant and equipment, intangible assets and unconsolidated investments		12,017	89,243
Change in other non-current assets		–4,639	1,291
Change in current and non-current financial assets not held for trading purposes		176,759	52,121
Government grants related to assets	7.1	241,552	150,737
<b>Net cash generated from/(used in) investing activities (B)</b>	<b>9.1</b>	<b>–1,222,863</b>	<b>–963,799</b>
<b>CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES</b>			
Purchase of treasury shares		–	–215,644
Dividends paid		–420,218	–393,485
Net change in the currency translation reserve and other reserves		133	–6,824
Net change in issued capital and reserves attributable to non-controlling interests		28,008	–9,464
Issuance of bonds	7.14	1,650,195	–
Increase in medium/long term borrowings (excluding finance lease liabilities)		13,771	650,050
Increase in finance lease liabilities	7.14	1,266	2,529
Repayments of medium/long term borrowings (excluding finance lease liabilities)		–138,092	–162,872
Payment of finance lease liabilities		–780	–473
Net change in other current and non-current financial liabilities		–147,385	76,724
<b>Net cash generated from/(used in) financing activities (C)</b>	<b>9.1</b>	<b>986,898</b>	<b>–59,459</b>
Net effect of foreign exchange rate movements on net cash and cash equivalents (D)		422	–4,820
<b>Increase/(decrease) in cash and cash equivalents (A + B + C + D)</b>	<b>9.1</b>	<b>1,140,235</b>	<b>264,822</b>
<b>Net cash and cash equivalents at beginning of year</b>		<b>39,590</b>	<b>–225,232</b>
<b>Net cash and cash equivalents at end of year</b>		<b>1,179,827</b>	<b>39,590</b>

## Additional information on the cash flow statement

	Note	2009	2008
Income taxes paid		394,694	363,772
Interest income and other financial income collected		51,626	84,759
Interest expense and other financial expenses paid		551,390	541,686
Dividends received		441	1,826
Foreign exchange gains collected		878	1,011
Foreign exchange losses incurred		692	490

## Reconciliation of net cash and cash equivalents

	Note	2009	2008
<b>Net cash and cash equivalents at beginning of year</b>		<b>39,590</b>	<b>-225,232</b>
Cash and cash equivalents	7.8	129,833	90,905
Bank overdrafts repayable on demand	7.14	-82,959	-310,744
Intercompany current accounts payable	7.14	-7,284	-5,393
<b>Net cash and cash equivalents at end of year</b>		<b>1,179,827</b>	<b>39,590</b>
Cash and cash equivalents	7.8	1,222,270	129,833
Bank overdrafts repayable on demand	7.14	-40,990	-82,959
Intercompany current accounts payable	7.14	-1,453	-7,284

## Notes to the Atlantia Group's consolidated financial statements

### 1. Introduction

The Atlantia Group's core business is the operation of motorways under concessions granted by the relevant authorities. The concessions provide that the Group's concessionaires are responsible for the construction, management, improvement and upkeep of sections of motorway in Italy and abroad. Further information on the Group's concession agreements is provided in note 4.

The Parent, Atlantia SpA, operates solely as a holding company, and is listed on the Milan Stock Exchange. It is responsible for developing growth and financial strategies in the infrastructure sector, but does not have a direct operational role. The Company's registered office is in Rome, at Via Nibby, 20. The Company does not have branch offices.

At the date of preparation of these consolidated financial statements, the shareholder that, via Schemaventotto SpA, directly and indirectly holds a relative majority of the issued capital of Atlantia SpA is Sintonia SA. Sintonia SA, which is in turn a subsidiary of Edizione Srl, does not exercise management and coordination of Atlantia SpA.

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

The consolidated financial statements were approved by the Board of Directors of Atlantia SpA at its meeting of 5 March 2010.

### 2. Basis of presentation

The consolidated financial statements as at and for the year ended 31 December 2009 are based on the assumption that consolidated companies are going concerns. They have been prepared in compliance with articles 2 and 3 of Legislative Decree 38/2005 and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and endorsed by the European Commission, as in force at that date. These standards reflect the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), in addition to previous International Accounting Standards (IAS) and interpretations issued by the Standard Interpretations Committee (SIC) and still in force at the end of the reporting period. For the sake of simplicity, all the above standards and interpretations are hereinafter referred to as "IFRS".

Moreover, reference was made to the measures introduced by the CONSOB, in application of article 9.3 of Legislative Decree 38/2005.

The consolidated financial statements consist of income statement, statement of comprehensive income, statement of financial position, statement of changes in equity, cash flow statement and these notes, in application of IAS 1 "Presentation of financial statements" and, in general, the historic cost convention with the exception of those items

that are required by IFRS to be recognised at fair value as explained in the notes to the relevant items. The statement of financial position is based on the format that separately discloses current and non-current assets and liabilities, whilst the income statement is classified by nature of expense. The cash flow statement has been prepared in application of the indirect method.

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

CONSOB Resolution 15519 of 27 July 2006 requires that, in addition to the specific requirements of IAS 1 and other IFRS, financial statements must, where material, include separate sub-items providing (i) disclosure of amounts deriving from related party transactions; and, with regard to the income statement, (ii) separate disclosure of income and expenses deriving from events and transactions that are non-recurring in nature, or transactions or events that do not occur on a frequent basis during the normal course of business. In this regard, it should be noted that no material non-recurring, atypical or unusual transactions were entered into during 2009, either with third or related parties.

All amounts are shown in thousands of euros, unless otherwise stated. The euro is both the Group’s functional currency and its presentation currency.

Each item in the financial statements is compared with the corresponding amount for the previous year. These comparative amounts have not been reclassified with respect to amounts previously presented in the financial statements as at and for the year ended 31 December 2008, as there have been no events or changes to the accounting standards applied that would require such reclassification.

### 3. Accounting standards applied

The following most significant accounting policies were used in preparing the consolidated financial statements as at and for the year ended 31 December 2009. They are consistent with those applied in preparation of the consolidated financial statements as at and for the year ended 31 December 2008.

As fully explained in past financial statements, endorsement of Interpretation IFRIC 12 on the method of recognising and measuring concession agreements between public entities and private enterprises, particularly with respect to the manner in which assets to be relinquished and related operations are reported, proved to be extremely complex and was only finalised on 5 November 2008, when the relevant committee formally approved IFRIC 12 and authorised publication in the Official Journal of the European Union on 25 March 2009. Notwithstanding the deadline for application of 1 January 2008 established by IFRIC, in line with the general rule requiring application of IFRS only following their endorsement and publication in the Official Gazette of the European Union, the Atlantia Group intends to adopt IFRIC 12 with effect from statements with the balance sheet date in the aftermath 1 January 2010, as established at the time of endorsement. Very briefly, unlike the practice adopted until now by Italian operators, in the absence of a specific standard issued by the IASB and superseding the concept of the transfer of “risks and rewards” so far adopted throughout the body of IFRS standards, IFRIC 12 establishes that the concessionaire must not account for assets to be relinquished in property, plant and equipment, as it does not exercise “control”, but only holds the right to use the assets to supply the service in accordance with the terms and conditions agreed with the concession provider. This right may be classified as a financial asset or as an intangible asset, depending on whether or not the concessionaire has an unconditional contractual right to receive compensation regardless of effective usage of the assets concerned, as opposed to a right to charge users of the public service.

As a result the concessionaire’s role is to provide services of a dual nature: (i) the construction or upgrading of infrastructure (construction services); (ii) the management, maintenance and use of the infrastructure to supply a public service (operating services). The effect on income of the interpretation will be the recognition of revenue and costs related to construction in accordance with the criteria by IAS 11 for long-term construction contracts whereas toll revenues will be recognised in accordance with IAS 18.

Due to the fact that the compensation received or due under the Atlantia Group’s concessions for construction or upgrading services is generally represented by the right to charge users of the public service, the main impact on the

statement of financial position would be the classification of this right as an intangible asset instead of an asset to be relinquished in property, plant and equipment with amortisation being provided over the various concession terms. The Group will publish its accounts applying IFRIC 12 with effect from the interim report as at and for the three months ended 31 March 2010. The Group expects the introduction of IFRIC 12 to result in a reduction in consolidated profit in 2010, reflecting increased amortisation of the intangible assets resulting from the recognition of the concession rights, and increased financial expenses needed to discount the provisions for works to be carried out to the present value of commitments for the construction of infrastructure, where the related revenue is contingent on its use. There will be no impact on operating cash flow.

## 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. 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 (with the exception of land that will revert, as described below), even if undeveloped or annexed to residential and industrial buildings, is not depreciated as it has an indefinite useful life.

Any property, plant and equipment, to revert to or be relinquished free of charge to the grantor of the concession on expiry or against consideration equal to the residual carrying amount to a replacement concessionaire, is systematically depreciated, in each accounting period:

- a) assets to be relinquished (free of charge or against consideration equal to replacement cost) that have a useful life longer than the residual concession term, are depreciated on a straight-line basis over the concession term or relevant financial plan (so-called financial depreciation);
- b) assets with useful lives that are shorter than the residual concession term such as light constructions, toll collection equipment and other infrastructure, are depreciated over the commercial and physical life of the asset, given that the concession term has no influence on the degree of the asset's physical wear and tear or commercial obsolescence.

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

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

Description	Rate
Assets to be relinquished with useful lives that exceed the concession term	Based on the residual years of individual concession terms (2.38%-25% for those that have already entered service in 2009)
Assets to be relinquished with useful lives that are shorter than the concession term	10%-25%
Buildings	2.5%-10%
Plant and machinery	10%-50%
Industrial and trading machinery	10%-33%
Other assets	10%-40%

The carrying amount at the end of the reporting period of assets to be relinquished, having taken account of provisions for the repair and replacement, adequately represents the residual concession cost at this date, to be allocated over future years. Such cost includes:

- a) surrender to the grantor of the concession of assets to be relinquished with a useful life that exceeds the concession term;
- b) replacement of assets to be relinquished within the residual concession term, where the useful life of such assets is shorter than the term;
- c) the cost of repairing or replacing components subject to wear and tear that will revert.

Future maintenance expense required to repair assets to be relinquished, in accordance with the obligations established in concession arrangements, is covered by "Provisions for the repair and replacement of assets to be relinquished", as described in the notes to "Provisions" (note 7.13).

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

Property, plant and equipment is tested for impairment, as described in the relevant note, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Property, plant and equipment is derecognised on sale or if the facts and circumstances giving rise to the future expected benefits cease to exist. Any gains or losses (determined as the difference between the disposal proceeds, less costs to sell, and the carrying amount of the asset) are recognised in the income statement for the year in which the asset is sold.

## Intangible assets

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

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

Intangible assets are recognised at cost, measured in the same manner as property, plant and equipment, provided that the assets can be identified and their cost reliably determined, are under the entity's control and are able to generate future economic benefits.

Amortisation of intangible assets with finite useful lives begins when the asset is ready for use and is based on remaining economic benefits to be obtained in relation to their residual useful lives.

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

Description	Rate
Development costs	33%
Industrial patents and intellectual property rights	5%-33%
Concessions, licences and similar rights	3.7%-50%

Gains and losses deriving from the disposal of an intangible asset are determined as the difference between the disposal proceeds, less costs to sell, and the carrying amount of the asset and are recognised as income or expense in the income statement at the year of the disposal.

## Goodwill

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

The excess of the cost of acquisition over the Group's share in the fair value of the acquired assets and liabilities is recognised as goodwill. The goodwill, as measured on the date of acquisition, is allocated to each of the cash generating units or groups of cash generating units which are expected to benefit from the synergies derived from the business combination.

A negative difference between the cost of the acquisition and the Group's share in the fair value of the acquired assets and liabilities is accounted for as income in the income statement for the year of acquisition.

Goodwill on acquisitions of non-controlling interests is included in the carrying amount of the relevant investments. After initial recognition, goodwill is no longer amortised and is carried at cost less any accumulated impairment losses, determined as described below.

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

For the purposes of the transition to IFRS and preparation of the opening financial statements (at 1 January 2004) under the IFRS adopted by the Parent, IFRS 3 – Business combinations was not applied retrospectively to acquisitions prior to 1 January 2004. As a result, the carrying amount of goodwill on these acquisitions is that determined under Italian GAAP, which is the net carrying amount at the IFRS transition date, subject, however, to impairment testing and the recognition of any impairment losses.

## Investments

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

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

Impairment losses, identified as described in the note on "Impairment of assets", are reversed (directly through the other components of comprehensive income statement) if the circumstances that resulted in the loss no longer exist.

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

Investments in associates and joint ventures are accounted for using the equity method, and the Group's share of post-acquisition profits or losses is recognised in the income statement for the accounting period to which they relate, with the exception of the effects deriving from other components of comprehensive income statement, when the Group's share is recognised directly as a change in equity attributable to owners of the parent.

Provisions are made to cover the risk that the losses of an associate or joint venture could exceed the carrying amount of the investment, to the extent that the shareholder is required to comply with actual or constructive obligations to cover such losses.

Available-for-sale investments, or those in the process of being sold, are recognised at the lower of their carrying amount and fair value, less any costs to sell.



## Construction contracts and services work in progress

Construction contracts are accounted for on the basis of the contract revenue and costs that can be reliably estimated with reference to the stage of completion of the contract, in accordance with the percentage of completion method, as determined by a survey of the works carried out. Contract revenue is allocated to the individual reporting periods in proportion to the stage of contract completion. Any positive or negative difference between contract revenue and any advance payments received is recognised in assets or liabilities, taking account of any impairment loss on the value of the completed work, in order to reflect the risks linked to the inability to recover the value of work performed on behalf of customers.

In addition to contract payments, contract revenue includes variations in contract work, price reviews and claims to the extent that they can be measured reliably.

Expected losses are fully recognised immediately regardless of the stage of contract completion.

## Inventories

Inventories are measured at the lower of purchase or conversion costs and net realisable value obtained on their sale in the ordinary course of business. The cost of purchase is to be determined using the weighted average cost method.

## Receivables and payables

Receivables are initially recognised at fair value and subsequently measured at amortised cost, using the effective interest method, less provisions for impairment losses. The amount of the provisions is based on the present value of expected future cash flows. These cash flows take account of expected collection times, estimated realisable value, any guarantees, and the expected costs of recovering the amounts due. Impairment losses are reversed in future periods if the circumstances that resulted in the loss no longer exist. In this case, the reversal is accounted for in the income statement and may not in any event exceed the amortised cost of the receivable had no previous impairment losses been recognised.

Payables are initially recognised at cost, which corresponds to the fair value of the liability, less any directly attributable transaction costs. After initial recognition, payables are recognised at amortised cost, using the original effective interest method.

Trade receivables and payables, which are subject to normal commercial terms and conditions, are not discounted to present value.

## Cash and cash equivalents

Cash and cash equivalents are recognised at par value. They include highly liquid demand deposits or very short-term instruments of excellent quality, which are subject to an insignificant risk of changes in value.

## Other financial assets and liabilities

Financial assets that the companies of the Group intends and is able to hold to maturity, in accordance with IAS 39, and financial liabilities are recognised at the fair value of the purchase consideration at the settlement date, with assets being increased and liabilities being reduced by transaction costs directly attributable to the purchase of the asset or issuance of a

financial liability. After initial recognition, financial assets and liabilities are measured at amortised cost using the original effective interest method.

Financial assets and liabilities are derecognised when, following their sale or settlement, the Group is no longer involved in their management and has transferred all risks and rewards of ownership.

Financial assets held for trading are accounted for and measured at fair value through the income statement. Other categories of financial assets are classified as available-for-sale financial instruments, which are accounted for and measured at fair value through the statement of comprehensive income. The financial instruments included in these categories have, to date, never been reclassified.

#### Derivative financial instruments

All derivative financial instruments are recognised at fair value at the end of the reporting period.

As required by IAS 39, derivatives are designated as hedging instruments when the relationship between the derivative and the hedged item is formally documented and the periodically assessed effectiveness of the hedge is high and ranges between 80% and 125%. Changes in the fair value of assets and/or liabilities that are designated and qualify as cash flow hedges are recognised in the other components of statement of comprehensive income, net of any deferred taxation. The gain or loss relating to the ineffective portion is recognised in the income statement.

Changes in the fair value of assets and/or liabilities serving as fair value hedges are recognised in the income statement for the period. Analogously, the hedged assets and liabilities are restated at fair value through the income statement.

Changes in the fair value of derivative instruments that do not qualify for hedge accounting under IAS 39 are recognised in the income statement.

#### Fair value hierarchy of financial instruments

The changes in IFRS 7 "Financial Instruments: Disclosures", published on 5 March 2009 by the International Accounting Standards Board (IASB) and endorsed by EC Regulation 1165/2009, require that financial instruments recognised at fair value in the statement of financial position be classified with reference to a hierarchy of levels, based on the significance of the input of amounts used to determine fair value.

The standard introduced the following levels for financial instruments recognised at fair value:

- a) Level 1 – when the quoted prices are recognised on the active market;
- b) Level 2 – when directly or indirectly observable market inputs other than Level 1 amounts;
- c) Level 3 – when amounts not based on observable market data.

There were no transfers among the fair value hierarchy of different levels in 2009.

No financial instruments moreover have been classified as level 3.

#### Provisions

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

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

In accordance with the contract obligations reflected in the financial plans annexed to the concession arrangements in force, "Provisions for the repair and replacement of assets to be relinquished" reflect provisions made at the end of the reporting period in order to cover the cost of future maintenance obligations, designed to ensure the required

functionality and safety of motorway infrastructure. These provisions are calculated on the basis of the usage and wear and tear of assets to be relinquished, taking into account, if material, the time value of money.

## Employee benefits

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

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

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

Post-employment benefits in the form of defined benefit plans (for Italian companies, primarily post-employment benefits accrued to 31 December 2006 or, where applicable, until the date the employee joins a supplementary pension fund) are recognised in the vesting period, less any plan assets and advance payments made. Such defined benefit plans primarily regard the obligation as determined on the basis of actuarial assumptions and recognised on an accruals basis in line with the period of service necessary to obtain the benefit. The obligation is calculated by independent actuaries. Actuarial gains and losses are recognised in full in the other components of comprehensive income statement in the period to which they relate, net of any deferred taxation.

## Assets and liabilities included in disposal groups and discontinued operations

Where the carrying amount of non-current assets held for sale or of assets and liabilities included in disposal groups is material and is to be recovered primarily through sale rather than through continued use, these items are presented separately in the statement of financial position.

Immediately prior to being classified as held for sale, the above assets and liabilities are recognised under the specific IFRS applicable to each asset and liability, and subsequently accounted for at the lower of the carrying amount and estimated fair value. Any impairment losses are recognised immediately in the income statement.

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

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

Gains and losses resulting from assets held for sale or included in disposal groups, after the related tax effects, are recognised in a specific item in the income statement, together with comparative amounts.

## Revenue

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

- a) toll revenues are recognised on an accruals basis in the accounting period in which they are earned based on motorway usage. Due partially to the fact that the Group's network interconnects with other networks, and that it is consequently necessary to allocate revenues among the various concessionaires, a portion of toll revenues, relating to the last part of the accounting period, are determined on the basis of reasonable estimates;

- b) revenues from sales are recognised when the significant risks and rewards of ownership of the goods have been transferred to the buyer;
- c) revenue from the rendering of services is recognised in proportion to the stage of completion of the transaction based on the same criteria used for construction contracts. When the amount of the revenue cannot be reliably determined, revenue is recognised only to the extent of the expenses recognised that are recoverable;
- d) revenue in the form of rental income or royalties is recognised on an accruals basis, based on the agreed terms and conditions of contract.

Interest income (and interest expense) is recognised on an accruals basis that takes account of the effective yield on the financial asset or liability, based on the effective interest method.

Dividend income is recognised when the right to receive payment is established.

#### Government grants

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

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

Grants related to assets received to fund development projects and activities are accounted for in liabilities, and are subsequently recognised in operating income in the income statement, in line with depreciation of the assets to which they refer.

Grants received to fund investments in motorway assets are accounted for as a reduction in the assets to be relinquished to which they refer and result in a reduction in depreciation.

#### Income taxes

Income taxes are recognised on the basis of a realistic estimate of tax expense to be paid, in compliance with the regulations in force and taking account of any applicable exemptions.

Income tax payables are reported under current tax liabilities in the statement of financial position less any advance payments of taxes. Any overpayments of IRAP are recognised as current tax assets.

Deferred tax assets and liabilities are taxes expected to be recovered or paid on temporary differences between the carrying amounts of assets and liabilities in the company's books, calculated in accordance with the above policies, and the corresponding tax bases, as follows:

- a) deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the asset can be utilised;
- b) deferred tax liabilities are always recognised.

The Parent, Atlantia SpA opted to establish a tax consolidation arrangement for the financial years 2008-2010, in which certain subsidiaries participate. Relations between the Parent and the follower 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.

IRAP (Regional Tax on Productive Activities) liabilities, to be settled directly with the tax authorities, are disclosed as current liabilities in the balance sheet in the item "Current tax liabilities", less any payments on account. Any overpayments of IRAP are recognised as "Current tax assets".

## Share-based payments

The cost of the services rendered by employees and/or directors and paid for in the form of share options is based on the fair value of the options granted at the grant date. The method of calculating fair value takes account of all features of the options at the grant date (the period, exercise price and vesting conditions, etc.) and the instrument underlying the option. The cost is recognised in the income statement, with a contra-entry in equity, over the vesting period, based on a best estimate of the number of options that will vest.

The cost of any services provided by employees and/or directors and remunerated through share-based payments, but settled in cash, is measured at the fair value of the liability recorded in the "Provisions for employee benefits". Fair value is remeasured at the end of the each reporting period until such time as the liability is settled, with any changes recognised in the income statement.

## Impairment of assets (impairment testing)

At the end of the reporting period, the Group tests property, plant and equipment, intangible assets, financial assets and investments for impairment.

If there are indications that these assets have been impaired, the recoverable amounts of such assets are estimated in order to 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 individually, the recoverable amount of the cash-generating unit to which a particular asset belongs is estimated.

This entails estimating the recoverable amount of the asset (represented by the higher of the asset's fair value less costs to sell and its value in use) and comparing it with the carrying amount. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount. In calculating value in use, expected future pre-tax cash flow is discounted using a pre-tax rate that reflects current market assessments of the cost of capital which embodies the time value of money and the risks specific to the business.

Impairment losses are recognised in the income statement, classified according to the nature of the asset written down. Losses are reversed if the circumstances that resulted in the loss no longer exist, provided that the reversal does not exceed the cumulative impairment losses previously recognised, unless the impairment loss relates to goodwill and equity instruments measured at cost, where the related fair value cannot be reliably determined.

## Estimates and judgements

Preparation of financial statements in compliance with IFRS involves the use of estimates and judgements, which are reflected in the measurement of the carrying amounts of assets and liabilities and in the disclosures provided in the notes to the financial statements, including contingent assets and liabilities at the end of the reporting period. These estimates are especially important in determining amortisation and depreciation, impairment testing of assets (including the measurement of receivables), provisions, employee benefits, the fair value of financial assets and liabilities, and deferred tax assets and liabilities.

The amounts subsequently recognised may, therefore, differ from these estimates. Moreover, these estimates and judgements are periodically reviewed and updated, and the resulting effects of each change immediately recognised in the financial statements.

#### Translation of foreign currency items

The financial statements of each consolidated company are prepared using the functional currency of the economy in which the company operates. Transactions in currencies other than the functional currency are recognised by application of the exchange rate at the transaction date. Assets and liabilities denominated in currencies other than the functional currency are, subsequently, remeasured by application of the exchange rate at the end of the reporting period. Any exchange differences on remeasurement are recognised in the income statement. Non-monetary assets and liabilities denominated in foreign currencies and recognised at historical cost are translated using the exchange rate at the date of initial recognition.

#### Earnings per share

Basic earnings per share are computed by dividing profit attributable to owners of the parent by the weighted average number of shares outstanding during the accounting period.

Diluted earnings per share are computed by taking into account, for both profit attributable to owners of the parent and the above weighted average, the effects deriving from the subscription/conversion of all potential shares that may be issued as a result of the exercise of any outstanding share options.

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

In 2009, no new accounting standards or interpretations were approved or existing accounting standards or interpretations revised that would have had a material effect on Atlantia's consolidated financial statements, with the exception of the new version of IAS 1, introduced to improve the quality and comparability of information in financial statements, as part of the IFRS/US GAAP convergence project. The most important of the new requirements under the revised standard is the aggregation of income and costs recognised during the year. This entails addition of a new "statement of comprehensive income" in conformity with the options made available under IAS 1, which shows aggregate income and expenses recognised during the year by adding gains and losses on non-owner transactions to income and expenses reported in the income statement. The statement of changes in consolidated equity thus includes changes arising from transactions with owners and only the total result reported in the statement of comprehensive income.

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

#### **IFRIC 12 – Service Concession Arrangements**

As explained above, IFRIC 12 defines the method of accounting for and measuring concession agreements between a public entity and a private enterprise, with particular regard to the method of accounting for assets to be relinquished, the activities involved in the management of such assets, and the obligation to ensure their upkeep and maintenance. IFRIC 12 is required to be applied from 1 January 2008. As previously explained in detail, however, the interpretation will be applied from 1 January 2010, as established by the European Commission on endorsement.

#### **IFRIC 16 – Hedges of a Net Investment in a Foreign Operation**

The interpretation clarifies that when an entity decides to hedge the net exposure of a foreign operation (i.e., a subsidiary, associate or a branch) to exchange rate differences and such hedge meets the requirements for classification as a cash flow

hedge in accordance with IAS 39, it is permitted to recognise variations in the fair value of the hedge together with gains or losses derived from the conversion of foreign currency items of the foreign operation. The hedge may be arranged by any group entity with exception of the foreign operation.

The interpretation was endorsed by the EU in 2009, and application will be mandatory for the Atlantia Group from 2010.

### **IFRS 3 – Business Combinations and IAS 27 – Consolidated and Separate Financial Statements**

On 10 January 2008 the IASB issued a revised version of IFRS 3 and certain modifications to IAS 27, which were later endorsed by the EU in 2009. The main changes relate to the recognition of acquisitions that take place in stages, the recognition of transaction costs, the determination of goodwill (option to apply the full goodwill method, which involves the recognition of the share of goodwill attributable to minority shareholders), the recognition of the acquisition of further holdings in an entity already controlled or the sale of holdings in a subsidiary whilst maintaining control. Adoption of the main changes will be mandatory for the Atlantia Group from 2010.

### **IAS 38 – Intangible assets**

As part of its Annual Improvements initiative, the IASB published a revision to IAS 38 in 2009 containing guidance on the valuation of intangible assets acquired through a business combination which also permits grouping complementary intangible assets as a single asset.

The revision must be applied by the Atlantia Group from 1 January 2010 which is the date from which the revised version of IFRS 3 - Business Combinations described above must be applied.

### **IAS 39 – Financial Instruments and IFRIC 9 – Reassessment of Embedded Derivatives**

The IASB issued a revised version of IAS 39 on 31 July 2008 in order to provide guidance as to which risks may be hedged and the portion of fair value or cash flow that it is permitted to hedge. It was also clarified that the intrinsic value of an option purchased to hedge a financial instrument may not be perfectly effective since its intrinsic value only reflects the hedge of part of the risks.

The revised standard will become effective for accounting periods commencing on or after 1 July 2009, having been endorsed by the EU in 2009.

The IASB published further revisions to IFRIC 9 and IAS 39 on 12 March 2009, clarifying the treatment of derivative financial instruments embedded in other contracts when hybrid financial assets are classified other than as fair value recognised in the income statement. Briefly, the document provides for the mandatory identification by entities opting to reclassify financial instruments from the category, "Fair value through profit and loss", to the categories, "Loans and receivables" or "Available-for-sale", of any embedded derivatives and to assess the necessity to separate them from the primary instrument in the manner required by IAS 39.

The revised standard was endorsed by the EU on 30 November 2009 and will be applied by the Atlantia Group from 2010.

### **IAS 32 – Financial Instruments: Presentation**

The IASB published a revision to IAS 32 on 8 October 2009 that clarified the accounting treatment of certain rights issues in a currency other than the issuer's functional currency. When rights are issued on a prorated basis to all shareholders for a fixed amount of currency, they must be classified as equity instruments even to the extent that their exercise price is denominated in a currency other than the issuer's functional currency. The previous accounting treatment under IAS 32 was that these instruments should be accounted for as derivative liabilities.

The revisions to the standard were endorsed by the EU on 23 December 2009 and must be applied to accounting periods commencing on or after 1 February 2010. Earlier adoption is permitted.

#### IAS 1 – Presentation of Financial Statements

As part of its Annual Improvements project, the IASB published an amendment to IAS 1 in 2009 clarifying that the potential settlement of a liability through the issuance of an equity instrument was irrelevant with respect to the classification of such liability as either current or non-current. The definition of current liability was also changed in order to permit the classification of a liability as non-current notwithstanding a holder's option to require an entity to repay the amount at any time through the issuance of the entity's equity instruments.

The amendments must be applied to financial statements relating to accounting periods commencing on or after 1 January 2010. Earlier adoption, however, is permitted.

#### IFRS 9 – Financial Instruments

The IASB issued the first part of IFRS 9 on 12 November 2009 that only revised requirements for the classification and measurement of financial assets currently regulated by IAS 39. When completed, IFRS 9 will fully replace IAS 39. In consideration of the current status of IFRS 9, its scope excludes financial liabilities, since the IASB has reserved the right to conduct further investigations into aspects linked to the inclusion of own credit risk in the fair value measurement of financial liabilities.

IFRS 9 only provides two categories for the classification of financial assets. The standard, moreover, foresees two methods of measuring financial assets: amortised cost and fair value.

Classifications should be made with reference to the business model for managing the financial asset and the characteristics of its contractual cash flows.

Initial recognition and subsequent measurement at amortised cost are subject to both of the following conditions:

- a) the asset is held in conjunction with a business model whose objective is to hold assets in order to collect contractual cash flows; and,
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

If either one of the above two conditions is not satisfied, the financial asset is required to be initially recognised and subsequently measured at fair value.

All financial assets in the form of shares are to be measured at fair value. Unlike IAS 39, the revised standard does not admit exception to the general rule. As a result, it is not possible to measure unlisted shares, for which fair value cannot be reliably determined, at cost.

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

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

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



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

The IASB released the amendments to IFRIC 14 and IAS 19 that were required because the effects of any prepayments of minimum contributions had not been considered. The amendment to the IFRIC will make it possible for companies to recognise prepayments of minimum contributions as defined benefit plan assets.

### **IFRIC 19 – Extinguishing Financial Liabilities with Equity Instruments**

IFRIC 19 was published on 26 November 2009. The interpretation determines the mandatory accounting treatment to be applied by a debtor when, following a renegotiation of the terms of the liability, the creditor and the debtor agree to a so-called debt for equity swap in full or partial settlement of a financial liability, through the issuance of equity instruments by the debtor.

IFRIC 19 is required to be applied to financial statements for accounting periods commencing on or after 1 July 2010. Earlier adoption is permitted. The interpretation has not yet been endorsed by the EU.

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

## **4. Concession arrangements**

The Group's core business is the operation of motorways under concession in Italy and overseas, under which the Group's concessionaires are responsible for the construction and operation of motorways.

Compared with the situation at the end of 2008, in 2009 Group companies (with the exception of Società Traforo del Monte Bianco, which operates under a different concession regime) have entered into the new single concession agreements with the Grantor, ANAS, pursuant to the provisions of Law Decree 262/2006 and subsequent amendments. On 11 March 2009, Società Autostrada Tirrenica signed a single concession agreement with ANAS. On 9 June 2009, the companies Autostrade Meridionali and Tangenziale di Napoli also signed single concession agreements, which were again signed by the parties on 28 July 2009 to incorporate certain new requirements by the Ministry of Infrastructure.

Strada dei Parchi and Autostrada Torino-Savona then signed single concession agreements with ANAS on 18 November 2009. The last single concession agreement to be signed was by Raccordo Autostradale Valle d'Aosta on 29 December 2009.

All of these companies had requested ANAS to adjust the terms and conditions of the concessions in line with directive CIPE 39/2007, except for Autostrada Torino-Savona which had, instead, asked ANAS to draw up a single concession agreement based on the previous agreement (without, therefore, altering the concession conditions), informing ANAS of its wish to take advantage of the provisions of art. 3.c.5 of Law Decree 185/2008, subsequently converted into Law 2/2009. This gives motorway concessionaires the option of reaching agreement with ANAS on a simplified formula for calculating the annual adjustment to toll charges based on a fixed percentage of the real inflation rate, to be applied throughout the concession term. All the single concession agreements entered into by the Group's concessionaires and ANAS – with the exception of certain conditions specific to each concessionaire – provide for, among other things:

- a) a list of the concessionaire's obligations;
- b) regulations governing the powers of the Grantor, ANAS, with reference to the supervisory and regulatory tasks and responsibilities provided for by the laws in force;

- c) establishment of the annual concession fee, which has been set at 2.4% of net toll revenues;
- d) inclusion, in a specific annex to the single concession agreement, of a section setting out the contractual sanctions and penalties to be applied in the event of a breach of the agreement, identifying the size of the sanction or penalty for each type of breach;
- e) definition of the situations that may lead to the lapse, revocation, withdrawal or termination of the concession, with explicit reference to the payment of pre-determined damages;
- f) introduction of capital requirements in line with market practice in the sector;
- g) the withdrawal by ANAS and the concessionaires of all pending legal actions at the date the single concession agreement comes into effect.

Art. 2.c.202 of Law 191/ 2009 (the 2010 Finance Act), which has amended art. 8-*duodecies* of Law Decree 59/2008, approved all the concession agreements with ANAS signed by motorway concessionaires at 31 December 2009 "on condition that the above agreements comply with the prescriptions contained in the CIPE resolutions approving the agreements, in order to ensure that there is no change in impact on the public finances, without prejudice to the concession agreements already approved".

The above single concession agreements will thus come into effect once the process of complying with the CIPE's additional requirements has been completed (this was still under way for all of ASPI's subsidiaries at 31 December 2009).

In the meantime, however, Autostrade Meridionali has reflected the impact of the single concession agreement by applying the IFRS requirement to focus on the substance of the agreements over their legal form. This is due to the fact that 2009 is the first year of the regulatory period 2009-2012 (the last period before the concession expires) for the revised concession arrangement, and that the CIPE resolution of 6 November 2009 expressed a "favourable opinion" on the above agreement "subject to compliance with specific requirements". The requirements set out in the CIPE resolution, which is in the process of being published in the Official Gazette, and complied with by Autostrade Meridionali have not had a significant impact on the company, in terms of the financial plan agreed with ANAS and annexed to the single concession agreement.

In the case of Raccordo Autostradale Valle d'Aosta, the effects deriving from the update of the long-term plan prepared on the basis of the financial plan annexed to the single concession agreement signed on 29 December 2009 have been taken account of. The company believes that any requirements imposed by the CIPE will have not a substantial impact on the financial plan annexed to the single concession agreement.

Finally, the financial plans annexed to the above single concession agreements signed by the Group's Italian concessionaires in 2009 have been used as the basis for impairment testing of the related assets, as described in note 7.1 below.

Among the changes regarding the Group's new investments is Società Autostrada Tirrenica's new concession that will regulate the completion of the Rosignano Civitavecchia section. The Preliminary Design was approved by the Interministerial Economic Planning Committee CIPE, subject to certain conditions, on 18 December 2008. The total investment over three years is estimated to be approximately €3.2 billion. The related return on investment will be set out in the financial plan attached to the final design, after being updated to take account of the expenses incurred in carrying out the project and the market cost of financing the investment.

The single concession agreement signed by Strada dei Parchi, on the other hand, also, in addition to operation of the A24 and A25 motorways previously approved in the prior agreement, regulates the construction of parallel motorways between the Rome East toll station and via Palmiro Togliatti and the Pittalunga tunnel. This replaces the widening to three lanes of the A24 motorway between via Palmiro Togliatti and the Rome East toll station, as required by the agreement of 2001. Government grants are expected from central government in relation to construction, as well as grants from Lazio Regional Authority, the Rome Provincial Authority and the Municipality of Rome.

The subsidiary, Port Mobility SpA, holds a concession granted by Civitavecchia Port Authority until 26 May 2035. Under that concession, the company is responsible for carrying out mobility studies, building, managing and maintaining roads and car parks, and for transport services within the port.

Turning to the Group's overseas concessions, the 100% interest in the Chilean company Sociedad Concesionaria de Los Lagos was acquired on 26 June 2009.

The Los Lagos concession is for 135 km from Rio Bueno to Puerto Montt in the south of Chile (approximately 1,000 km from Santiago).

The concession term is 25 years (from 1998 to 2023), with an option for the grantor to extend the concession for an additional ten years.

Tolls are considered to be payment for the right of way and do not, therefore, vary with the number of kilometres travelled. The concession agreement also provides for the payment of a Minimum Guaranteed Amount (MGA) by the state and the reversion to the state of all revenue in excess of a predetermined ceiling (the so-called "Co-participación").

The agreement also provides for an annual government subsidy from 2002 to 2022 of an amount initially of Clp 300 thousand (the equivalent of €12 million), which is increased annually by 5%.

Toll charges are currently based on four classes of vehicle and toll charges are reviewed either once a year (on 1 January) or whenever inflation reaches 15% since the last toll charge increase.

With regard to existing concessions, Group companies are engaged in the implementation of investments in "Major Works" worth approximately €13.0 billion. Works with a value of around €5.0 billion have already been completed and are included in assets for the year ended 31 December 2009. The investment programme, which forms part of concessionaires' financial plans, essentially regards expansion of existing motorways.

The following table lists the Group's motorway concessionaires and the related sections at 31 December 2009, as well as the expiry dates of concessions currently in effect.

Concessionaire	Section of motorway	Kilometres in service	Expiry
Autostrade per l'Italia	A1 Milan-Naples	803.5	
	A4 Milan-Brescia	93.5	
	A7 Genoa-Serravalle	50.0	
	A8/9 Milan-lakes	77.7	
	A8/A26 link road	24.0	
	A10 Genoa-Savona	45.5	
	A11 Florence-coast	81.7	
	A12 Genoa-Sestri Levante	48.7	
	A12 Rome-Civitavecchia	65.4	
	A13 Bologna-Padua	127.3	
	A14 Bologna-Taranto	781.4	
	A16 Naples-Canosa	172.3	
	A23 Udine-Tarvisio	101.2	
	A26 Genoa-Gravellona Toce	244.9	
	A27 Venice-Belluno	82.2	
	A30 Caserta-Salerno	55.3	
		<b>2,854.6</b>	31 December 2038
Società Italiana pA per il Traforo del Monte Bianco	Mont Blanc Tunnel	5.8	31 December 2050
Autostrada Torino-Savona	A6 Turin-Savona	130.9	31 December 2038
Società Autostrada Tirrenica	A12 Livorno-Rosignano	36.6	31 October 2028
Autostrade Meridionali	A3 Naples-Salerno	51.6	31 December 2012
Tangenziale di Napoli	Naples Ring Road	20.2	31 December 2037
Strada dei Parchi	A24 Rome-Teramo	166.5	
	A25 Torano-Pescara	114.9	
		<b>281.4</b>	31 December 2029
Raccordo Autostradale Valle d'Aosta	A5 Aosta-Mont Blanc	32.3	31 December 2032
Stalexport Autostrada Malopolska	A4 Krakow-Katowice (Poland)	61.0	15 March 2027
Sociedad Concesionaria de Los Lagos	Rio Bueno to Puerto Montt	135.0	20 September 2023

## 5. Basis of consolidation

In addition to the Parent, Atlantia SpA, the basis of consolidation includes its direct and indirect subsidiaries. Consolidated entities are those over which Atlantia SpA exercises control, both because it directly or indirectly owns a majority of the voting shares, and because it has the power to govern the financial and operating policies of the entities, obtaining the related benefits, regardless of any equity interest.

Line-by-line consolidation excludes entities whose inclusion, with regard to the size or nature of their operations (for example, companies that are dormant or those whose liquidation is almost complete), would be immaterial, in both quantitative and qualitative terms, in presenting a true and fair view of the Group's results of operations and financial position.

All subsidiaries are consolidated from the date on which control is effectively transferred to the Group and are deconsolidated from the date on which control is transferred out of the Group.

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

The exchange rates used for the translation of foreign currency reporting packages in currency translation, as shown below, are those published by the Bank of Italy:

Currency	2009		2008	
	31 December	Average exchange rate	31 December	Average exchange rate
Euro/US Dollar	1.441	1.395	1.392	1.471
Euro/Polish Zloty	4.105	4.328	4.154	3.512
Euro/Chilean Peso	730.744	776.509 <sup>(a)</sup>	888.086 <sup>(a)</sup>	762.847 <sup>(a)</sup>
Euro/Brazilian Real	2.511	2.6205 <sup>(b)</sup>	–	–
Euro/Indian Rupee	67.040	68.9087 <sup>(c)</sup>	–	–

(a) Exchange rate used to translate the results of the Chilean companies controlled by the Autostrade del Sud America group for 2009 and 2008, which are consolidated by the equity method. The average Euro/Chilean Peso exchange rate for the period 1 July 2009–31 December 2009 of 772.8309 was used to determine exchange rate movements for the Chilean subsidiaries acquired from the Itinere group (the sub-holding companies, Autostrade dell'Atlantico and Autostrade per il Cile).

(b) Exchange rate used for the translation of the results of the Autostrade dell'Atlantico group for the second half of 2009 and for the consolidation of Triangulo do Sol using the equity method.

(c) Exchange rate used for the translation of the results of Autostrade Indian Infrastructure Development Ltd. for the third quarter of 2009 and for the consolidation of Pune-Solapur Expressways Private Ltd. using the equity method.

Compared with 31 December 2008, the basis of consolidation has been added to following inclusion of the newly established sub-holding company, Autostrade dell'Atlantico Srl, and of the companies it has acquired as a result of the transaction described in following note 6. These companies are:

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

These companies' income statements have been consolidated of second half period 2009, the date that the Group obtained control, in the manner prescribed by IFRS 3 and described in note 6, below.

In order to aid understanding of the changes in assets and liabilities during the year and the comments in the following notes, a summary is presented below showing the changes for each balance sheet item as a result of the change in the basis of consolidation from 30 June 2009.

ASSETS (€000)		LIABILITIES (€000)	
<b>Non-current assets</b>		<b>Non-current liabilities</b>	
Property, plant and equipment	136,836	Non-current provisions	11,028
Intangible assets	60,847	Non-current financial liabilities	131,300
Investments	101,639	Deferred tax liabilities <sup>(1)</sup>	64,586
Non-current financial assets	24	Other non-current liabilities	29
Deferred tax assets <sup>(1)</sup>	45,679		
Other non-current assets	28,556		
<b>Total non-current assets</b>	<b>373,581</b>	<b>Total non-current liabilities</b>	<b>206,943</b>
<b>Current assets</b>		<b>Current liabilities</b>	
Trading assets	1,388	Current provisions	1,000
Cash and cash equivalents	12,508	Trading liabilities	5,961
Other current financial assets	7,626	Current financial liabilities	39,506
Current tax assets	632	Current tax liabilities	41
Other current assets	3,758	Other current liabilities	719
Assets and disposal groups held for sale	87,578		
<b>Total current assets</b>	<b>113,490</b>	<b>Total current liabilities</b>	<b>47,227</b>
<b>Total assets</b>	<b>487,071</b>	<b>Total liabilities</b>	<b>254,170</b>

<sup>(1)</sup> Deferred tax assets and liabilities of €45,679 thousand eligible for offset.

The value of the net investment in newly consolidated investments shown in the cash flow statement reflects Autostrade per l'Italia's contributions to Autostrade dell'Atlantico, amounting to €233,000 thousand, net of cash acquired with the newly consolidated companies, totalling €12,508 thousand, resulting in a final amount of €220,492 thousand.

A list of all companies included in the basis of consolidation at 31 December 2009 and of the Group's other investments is contained in Annex I. The list contains key information about each company and the Group's equity interests.

## 6. New acquisitions and new corporate actions

On 26 June 2009 Autostrade per l'Italia's acquisition of the investments covered by the agreements of 1 December 2008 and 31 March 2009, between Atlantia, Citi Infrastructure Partners and Sacyr Vallehermoso, became effective. The transaction was carried out via the two specially established Italian sub-holding companies, Autostrade per il Cile Srl and Autostrade dell'Atlantico Srl.

Autostrade per il Cile Srl directly or indirectly owns:

- a) 50% of Autopista Vespucio Sur SA, the holder of the concession (expiring 2032) for the 23 km southern section of the orbital toll motorway serving the city of Santiago;
- b) 50% of Litoral Central SA, the holder of the concession (expiring 2031) for the 80 km toll motorway serving the cities of Algarrobo, Casablanca and Cartagena in Chile;

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- c) 100% of Autopista Nororient SA, the holder of the concession (expiring 2044) for the north-eastern bypass in the city of Santiago;
- d) 100% of Gestion Vial SA, the company responsible for road maintenance and construction on the sections of motorway operated by Autopista Nororient, Los Lagos, Autopista Vespucio Sur and Litoral Central;
- e) 50% of Sociedad de Operacion Y Logistica de Infraestructura SA, the company responsible for road maintenance and construction on the section of motorway operated by Autopista Vespucio Sur.

Autostrade dell'Atlantico Srl directly or indirectly owns:

- a) 100% of Sociedad Concesionaria de Los Lagos SA, the holder of the concession (expiring 2023) for the 135 km section of toll motorway between Rio Bueno and Puerto Montt in Chile;
- b) 50% of Triangulo do Sol Autoestradas SA, the holder of the concession (expiring 2021) for 442 km of toll motorway in the state of São Paulo in Brazil;
- c) 100% of Autostrade Concessões e Participações Brasil Limitada (formerly Itinere Brazil), a Brazilian-registered holding company that owns 50% of Triangulo do Sol;
- d) 25% of Autoestradas do Oeste, the Portuguese holding company that owns 50% of Autoestradas do Atlantico, the holder of the concession for 170 km of toll motorway to the north of Lisbon in Portugal, and 65% of Autoestradas do Litoral Oeste, the holder of the concession for 109 km of motorway to the south of Leira;
- e) 17.2% of Lusoponte SA, the holder of the concession for two toll bridges of 20 km that cross the river Tagus in the city of Lisbon in Portugal;
- f) 12.0% of Via Litoral SA, the holder of the concession for 44 km of motorway in the south of the island of Madeira, governed by Portugal;
- g) other minority interests in a number of Portuguese motorway concession holders;
- h) 100% of Autostrade Portugal (previously Somague Itinere SA), a Portuguese-registered company that holds investments in Autostrade Concessões e Participações Brasil and in the above concessionaires in Portugal.

Given the Group's intention to sell certain of the investments acquired as a result of the above transaction, and considered minor and not of strategic value, these investments, amounting to €67.3 million, have been accounted for in non-current assets held for sale in the statement of financial position at 31 December 2009. Further details are provided in note 7.II.

Following the above acquisition of 26 June 2009 and in accordance with subsequent agreements entered into by Autostrade per l'Italia and S.I.A.S. - Società Iniziative Autostradali e Servizi SpA ("SIAS"), on 30 June 2009, after obtaining the go-ahead from the European Commission, SIAS fully subscribed and paid for new shares in Autostrade per il Cile, which amounted to approximately €42 million (including a share premium component of €41 million, determined on the basis of an economic valuation of the investments acquired, amounting to approximately €267 million, inclusive of transaction costs). As a result, at 30 June 2009 Autostrade per l'Italia and SIAS each hold 50% of Autostrade per il Cile.

The total cost incurred by Autostrade per il Cile to acquire the above investments from the Itinere group amounts to €203.5 million, including €2.6 million in directly attributable transaction costs, which could rise to up to €15.7 million should the seller incur taxation on the transaction. The acquisition was part funded by bank borrowings of €115.3 million.

The total expense incurred by Autostrade dell'Atlantico to acquire the other investments from the Itinere group amounts to €228.1 million, including €1.7 million in directly attributable transaction costs, in addition to amounts payable to the seller by Los Lagos, totalling €43.2 million.

As described in note 5 above, the subsidiaries controlled by Autostrade dell'Atlantico have been consolidated on a line-by-line basis from 30 June 2009.

For the purposes of preparation of the consolidated financial statements as at and for the year ended 31 December 2009, the combinations have been accounted for using the purchase method, with identification of the fair value of the assets and liabilities acquired. In that respect, the percentage attributable to the owners of the parent of the assets acquired and liabilities assumed (net assets of €168.8 million) was increased by the fair values identified, with the difference of €0.5 million over the total cost of €271.3 million being recognised in income statement as a net gain on acquisition.

The table below shows the carrying amounts of the assets acquired and liabilities assumed (thus excluding those of the sub-holding company, Autostrade dell'Atlantico), in addition to the related fair values identified. Amounts have been translated at the euro/Brazilian real and euro/Chilean peso exchange rates of 30 June 2009.

(€m)	Carrying amount	Fair value adjustments and transaction cost allocation	Fair value
<b>Net assets acquired:</b>			
Property, plant and equipment	136.9	–	136.9
Intangible assets	–	60.8	60.8
Investments in associates and other companies	21.4	80.2	101.6
Cash and cash equivalents	7.9	–	7.9
Deferred tax assets/(liabilities)	1.0	–19.9	–18.9
Other non-current assets	71.8	–	71.8
Assets held for sale	36.9	50.7	87.6
Trading assets and other current assets	11.3	–	11.3
Provisions	–11.0	–1.0	–12.0
Financial liabilities	–168.8	–2.0	–170.8
Other liabilities	–4.4	–	–4.4
	<b>103.0</b>	<b>168.8</b>	<b>271.8</b>
Equity attributable to non-controlling interests			–
			<b>271.8</b>
Goodwill/(Gain on acquisition)			–0.5
<b>Purchase consideration (including directly attributable expenses of €1.7 million)</b>			<b>271.3</b>
Financial expenses incurred			228.1
Cash and cash equivalents acquired			–7.9
<b>Net financial expenses actually relating acquisition</b>			<b>220.2</b>

## 7. Notes to the consolidated statement of financial position

The following notes relate to material items contained in the consolidated statement of financial position as at 31 December 2009. The amounts in brackets in the heading of each note are the 31 December 2008 comparatives.

### 7.1 Property, plant and equipment / €10,033,527 thousand (€9,145,766 thousand)

Property, plant and equipment primarily increased in 2009 due to the combined effect of the following movements:

- new investments of €1,313,319 thousand;
- depreciation of €392,086 thousand;
- government grants of €241,552 thousand received from Autostrade per l'Italia, Autostrada Torino-Savona and Raccordo Autostradale Valle d'Aosta (following RAV);
- change in the basis of consolidation resulting in an increase of €136,836 thousand.

The following tables show movements in property, plant and equipment during the year, including amounts at the beginning and end of the year.

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

Property, plant and equipment at 31 December 2009 were free of mortgages, liens or other charges of significant amount restricting use.

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(€000)	31.12.2008					
	Cost	Gross assets Accumulated impairment losses and reversals of impairment losses	Total	Accumulated government grants	Accumulated depreciation	Carrying amount
<b>Assets to be relinquished in operation:</b>						
Land	395,205	–	395,205	–7,200	–78,252	309,753
Buildings	400,609	–10	400,599	–103	–65,769	334,727
Light constructions	59,025	–	59,025	–	–27,522	31,503
Fixed constructions	9,235,764	–240,353	8,995,411	–1,445,875	–1,335,296	6,214,240
Other constructions	461,727	–	461,727	–11,146	–226,239	224,342
Toll collection systems	165,598	–	165,598	–458	–96,197	68,943
Other assets	50,828	–	50,828	–	–10,968	39,860
<b>Total</b>	<b>10,768,756</b>	<b>–240,363</b>	<b>10,528,393</b>	<b>–1,464,782</b>	<b>–1,840,243</b>	<b>7,223,368</b>
<b>Assets to be relinquished under construction and advances:</b>						
Assets to be relinquished under construction	1,953,877	–978	1,952,899	–216,815	–	1,736,084
Advances for assets to be relinquished	11,902	–	11,902	–	–	11,902
<b>Total</b>	<b>1,965,779</b>	<b>–978</b>	<b>1,964,801</b>	<b>–216,815</b>	<b>–</b>	<b>1,747,986</b>
<b>Total assets to be relinquished</b>	<b>12,734,535</b>	<b>–241,341</b>	<b>12,493,194</b>	<b>–1,681,597</b>	<b>–1,840,243</b>	<b>8,971,354</b>
<b>Property, plant and equipment:</b>						
Land	8,939	–	8,939	–	–	8,939
Buildings	81,631	–	81,631	–	–25,948	55,683
Plant and machinery	71,887	–	71,887	–	–44,145	27,742
Industrial and trading machinery	102,814	–	102,814	–	–63,054	39,760
Other assets	135,490	–	135,490	–	–97,415	38,075
Property, plant and equipment under construction and advances	2,338	–	2,338	–	–	2,338
<b>Total</b>	<b>403,099</b>	<b>–</b>	<b>403,099</b>	<b>–</b>	<b>–230,562</b>	<b>172,537</b>
<b>Property, plant and equipment held under finance leases:</b>						
Property, plant and equipment acquired under finance leases	14,093	–	14,093	–	–14,030	63
Equipment held under finance leases	534	–	534	–	–534	–
Other assets acquired under finance leases	2,327	–	2,327	–	–1,662	665
<b>Total</b>	<b>16,954</b>	<b>–</b>	<b>16,954</b>	<b>–</b>	<b>–16,226</b>	<b>728</b>
<b>Investment property:</b>						
Land	39	–	39	–	–	39
Buildings	3,014	–	3,014	–	–1,906	1,108
<b>Total</b>	<b>3,053</b>	<b>–</b>	<b>3,053</b>	<b>–</b>	<b>–1,906</b>	<b>1,147</b>
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT</b>	<b>13,157,641</b>	<b>–241,341</b>	<b>12,916,300</b>	<b>–1,681,597</b>	<b>–2,088,937</b>	<b>9,145,766</b>



	31.12.2009					Carrying amount
	Cost	Gross assets Accumulated impairment losses and reversals of impairment losses	Total	Accumulated government grants	Accumulated depreciation	
	407,411	–	407,411	–7,200	–88,228	311,983
	448,936	–10	448,926	–103	–79,258	369,565
	62,452	–	62,452	–	–31,621	30,831
	10,056,918	–211,392	9,845,526	–1,731,749	–1,655,660	6,458,117
	518,491	–	518,491	–11,777	–286,533	220,181
	174,139	–	174,139	–446	–109,798	63,895
	55,676	–	55,676	–	–15,193	40,483
	<b>11,724,023</b>	<b>–211,402</b>	<b>11,512,621</b>	<b>–1,751,275</b>	<b>–2,266,291</b>	<b>7,495,055</b>
	2,746,485	–978	2,745,507	–417,777	–	2,327,730
	22,256	–	22,256	–	–	22,256
	<b>2,768,741</b>	<b>–978</b>	<b>2,767,763</b>	<b>–417,777</b>	<b>–</b>	<b>2,349,986</b>
	<b>14,492,764</b>	<b>–212,380</b>	<b>14,280,384</b>	<b>–2,169,052</b>	<b>–2,266,291</b>	<b>9,845,041</b>
	9,054	–	9,054	–	–	9,054
	84,116	–	84,116	–	–29,839	54,277
	74,840	–	74,840	–	–49,768	25,072
	121,929	–	121,929	–	–75,750	46,179
	158,435	–	158,435	–	–112,503	45,932
	5,015	–	5,015	–	–85	4,930
	<b>453,389</b>	<b>–</b>	<b>453,389</b>	<b>–</b>	<b>–267,945</b>	<b>185,444</b>
	14,093	–	14,093	–	–14,084	9
	538	–	538	–	–520	18
	3,828	–	3,828	–	–1,901	1,927
	<b>18,459</b>	<b>–</b>	<b>18,459</b>	<b>–</b>	<b>–16,505</b>	<b>1,954</b>
	39	–	39	–	–	39
	3,052	–	3,052	–	–2,003	1,049
	<b>3,091</b>	<b>–</b>	<b>3,091</b>	<b>–</b>	<b>–2,003</b>	<b>1,088</b>
	<b>14,967,703</b>	<b>–212,380</b>	<b>14,755,323</b>	<b>–2,169,052</b>	<b>–2,552,744</b>	<b>10,033,527</b>

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(€000)	Change in the basis of consolidation			Changes during the year			Cost		
	Gross assets (cost)	Accumulated depreciation	Accumulated government grants	Additions: purchases and capitalisations	Additions: free of charge	Assets entering service	Disposals	Currency translation differences	Reclassifications and other adjustments
<b>Assets to be relinquished in operation:</b>									
Land	–	–	–	4,819	–	7,398	–11	–	–
Buildings	–	–	–	11,614	33,146	3,165	–35	428	9
Light constructions	–	–	–	1,836	–	1,449	–	145	–3
Fixed constructions	463,788	–75,138	–251,978	194,552	–	155,831	–1,658	11,071	–2,430
Other constructions	–	–	–	42,091	–	14,714	–41	–	–
Toll collection systems	–	–	–	8,410	–	131	–	–	–
Other assets	–	–	–	2,393	–	2,503	–58	15	–5
<b>Total</b>	<b>463,788</b>	<b>–75,138</b>	<b>–251,978</b>	<b>265,715</b>	<b>33,146</b>	<b>185,191</b>	<b>–1,803</b>	<b>11,659</b>	<b>–2,429</b>
<b>Assets to be relinquished under construction and advances:</b>									
Assets to be relinquished under construction	–	–	–	977,827	250	–185,190	–833	554	–
Advances for assets to be relinquished	–	–	–	10,450	–	–	–96	–	–
<b>Total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>988,277</b>	<b>250</b>	<b>–185,190</b>	<b>–929</b>	<b>554</b>	<b>–</b>
<b>Total assets to be relinquished</b>	<b>463,788</b>	<b>–75,138</b>	<b>–251,978</b>	<b>1,253,992</b>	<b>33,396</b>	<b>1</b>	<b>–2,732</b>	<b>12,213</b>	<b>–2,429</b>
<b>Property, plant and equipment:</b>									
Land	–	–	–	115	–	–	–	–	–
Buildings	–	–	–	2,470	–	–	–47	62	–
Plant and machinery	–	–	–	4,547	–	669	–2,293	30	–
Industrial and trading machinery	46	–25	–	22,433	–	1,225	–4,618	119	–90
Other assets	7	–7	–	23,642	–	–	–576	–180	52
Property, plant and equipment under construction and advances	88	–	–	4,534	–	–1,895	–50	–	–85
<b>Total</b>	<b>141</b>	<b>–32</b>	<b>–</b>	<b>57,741</b>	<b>–</b>	<b>–1</b>	<b>–7,584</b>	<b>31</b>	<b>–123</b>
<b>Property, plant and equipment held under finance leases:</b>									
Property, plant and equipment acquired under finance leases	223	–168	–	–	–	–	–223	–	–
Equipment acquired under finance leases	–	–	–	17	–	–	–19	6	–
Other assets acquired under finance leases	–	–	–	1,566	–	–	–88	23	–
<b>Total</b>	<b>223</b>	<b>–168</b>	<b>–</b>	<b>1,583</b>	<b>–</b>	<b>–</b>	<b>–330</b>	<b>29</b>	<b>–</b>
<b>Investment property:</b>									
Land	–	–	–	–	–	–	–	–	–
Buildings	–	–	–	3	–	–	–	35	–
<b>Total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>3</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>35</b>	<b>–</b>
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT</b>	<b>464,152</b>	<b>–75,338</b>	<b>–251,978</b>	<b>1,313,319</b>	<b>33,396</b>	<b>–</b>	<b>–10,646</b>	<b>12,308</b>	<b>–2,552</b>

Reversals of impairment losses	Changes during the year								
	Reversals during the year	Additions	Grants Assets entering service	Reclassifications and other adjustments	Currency translation differences	Additions	Disposals	Depreciation Currency translation differences	Reclassifications and other adjustments
-	-	-	-	-	-	-9,978	2	-	-
-	-	-	-	-	-	-13,354	2	-138	1
-	-	-	-	-	-	-4,071	-	-28	-
28,961	-39,204	-737	11,420	-5,375	-243,225	94	-2,180	85	
-	-631	-	-	-	-60,310	16	-	-	
-	-18	-	30	-	-13,579	-	-	-22	
-	-	-	-	-	-4,217	8	-16	-	
<b>28,961</b>	<b>-39,853</b>	<b>-737</b>	<b>11,450</b>	<b>-5,375</b>	<b>-348,734</b>	<b>122</b>	<b>-2,362</b>	<b>64</b>	
-	-201,699	737	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	
-	-201,699	737	-	-	-	-	-	-	
<b>28,961</b>	<b>-241,552</b>	<b>-</b>	<b>11,450</b>	<b>-5,375</b>	<b>-348,734</b>	<b>122</b>	<b>-2,362</b>	<b>64</b>	
-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-3,895	35	-31	-
-	-	-	-	-	-	-7,253	1,655	-25	-
-	-	-	-	-	-	-16,242	3,547	-78	102
-	-	-	-	-	-	-15,546	387	80	-2
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-42,936	5,624	-54	100
-	-	-	-	-	-	-56	170	-	-
-	-	-	-	-	-	-	19	-5	-
-	-	-	-	-	-	-289	74	-24	-
-	-	-	-	-	-	-345	263	-29	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-71	-	-26	-
-	-	-	-	-	-	-71	-	-26	-
<b>28,961</b>	<b>-241,552</b>	<b>-</b>	<b>11,450</b>	<b>-5,375</b>	<b>-392,086</b>	<b>6,009</b>	<b>-2,471</b>	<b>164</b>	

The increase in assets to be relinquished during the year reflects the recognition of buildings transferred free of charge from sub-concessionaires, following the expiry of a number of the related sub-concessions at service areas at the end of 2008.

With regard to investments made by the subsidiary, RAV, which represents a Cash Generating Unit (CGU), as do all the other concessionaires, at the end of 2008 the balance of the company's assets to be relinquished included a total impairment loss of €238,910 thousand accounted for in previous years, before the related deferred taxation adjustment of €75,018 thousand. This was the result of the impairment tests required by IAS 36, and was essentially due to the modest value of the cash flows expected in future years through to the end of the concession term. RAV signed a new single concession agreement with the Grantor in 2009, which has revised the financial terms of the concession to the benefit of the company, as described in note 4. An impairment test in that respect was performed at 31 December 2009 (using the method described below), based on the financial plan annexed to the single concession agreement. This resulted in a reversal of impairment losses of €28,961 thousand with respect to assets to be relinquished and a consequent release of deferred tax assets of €9,094 thousand.

With regard to the recoverability of the carrying amounts of the assets to be relinquished reported by the Group's concessionaires, the CGUs for which there are indications of impairment and those to which goodwill or other intangible assets with indefinite useful lives have been allocated have been tested for impairment.

The impairment tests are carried out using the following method:

- a) as noted above, each concessionaire represents a specific CGU, as the cash flows generated by the sections of motorway operated under the specific concessions are closely linked. Subsidiaries that do not hold motorway concessions have also been identified as individual CGUs;
- b) the impairment tests of the recoverability of the carrying amounts of the Group's motorway concessionaires have confirmed the recoverability of the carrying amounts of the assets allocated to each CGU, based on their estimated value in use, with the exception of the Polish concessionaire, Stalexport Autostrada Malopolska. In this case, the process resulted in a total impairment loss of €42,547 thousand (before the related deferred tax effect of €8,084 thousand), which has been attributed in full as an impairment loss on the carrying amount of the intangible asset represented by the value of the concession held by the company.

Finally, the impairment test of the CGU represented by the subsidiary, RAV, resulted in a partial reversal of write-downs applied in previous years, as mentioned above

Value in use was determined by using the long-term business plans approved by the respective boards of directors, which were based on the financial plans annexed to the individual concession agreements entered into with the Grantor. These contain projections for traffic, investment, costs and revenue throughout the related concession terms. The estimated after-tax cash flows of the Italian concessionaires were discounted to present value using a discount rate of 5.9%, which is the Group's (after-tax) WACC (6.0% in 2008). A discount rate of 9.0% was, instead, used to determine the present value of the cash flows of the Polish concessionaire, Stalexport Autostrada Malopolska, a rate that corresponds to that company's (after-tax) WACC.

After-tax cash flows and discount rates were used as this produces results that are substantially the same as those deriving from the use of pre-tax figures;

- c) the impairment test of the CGU represented by the subsidiary, ETC, confirmed the recoverability of the carrying amounts of the assets allocated to this CGU by estimating the fair value of this entity, derived from an economic appraisal carried out by an independent expert.

Investment property refers to land and buildings, not used for operations, of €1,088 thousand measured at cost.

The fair value of these assets is estimated to be €4 million on the basis of independent professional appraisals, based on real estate market trends for the relevant types of property.

## 7.2 Intangible assets / €4,597,351 thousand (€4,588,348 thousand)

Intangible assets primarily increased in 2009 due to the combined effect of the following movements:

- a) new investments of €24,455 thousand;
- b) amortisation of €32,476 thousand;
- c) a €42,547 thousand impairment loss on the Stalexport Autostrada Malopolska concession which had originally been recognised by allocation of the purchase consideration in December 2007 as determined through the discounting of projected cash flows expected to the end of the concession (March 2027);
- d) change in the basis of consolidation resulting in an increase of €60,847 thousand, relating to the recognition of the concession held by Los Lagos, a company acquired from the Itinere Group, following completion of the allocation, in accordance with IFRS 3, of the purchase premium (see note 6 for details).

Goodwill is not amortised on a systematic basis but is subject to impairment tests at least on an annual basis.

This item consists primarily of the carrying amount of goodwill, equal to €4,395,895 thousand (€4,396,341 thousand at 31 December 2008).

Goodwill of €4,382,941 thousand (the same as at 31 December 2008) relates to the acquisition of a majority interest in the former Autostrade – Concessioni e Costruzioni Autostrade SpA in 2003. The value of this goodwill has been determined under Italian GAAP and is consistent with the net carrying amount at 1 January 2004, the IFRS transition date. It has been allocated entirely to the Cash Generating Unit represented by the concessionaire, Autostrade per l'Italia. The remaining goodwill of €12,954 thousand includes €12,871 thousand relating to the excess of purchase consideration for the controlling interest in ETC at the end of 2007 following the identification of the fair value of the assets acquired and liabilities assumed.

That amount of goodwill and the value of the ETC brand name (€4,234 thousand at 31 December 2009) were tested for impairment, which confirmed their recoverability with the exception of the concession held by Stalexport Autostrada Malopolska for which was recognised an impairment loss of €42,547 thousand, before the related tax adjustment of €8,084 thousand, based on value in use.

Impairment tests are carried out using the method described in note 7.1.

In 2009, finally, research and development expenditure of approximately €2.5 million was recognised in the income statement. These activities are carried out in order to improve infrastructure, the services offered, safety levels and protection and enhancement of the environment.

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The following statement shows intangible assets at the beginning and end of the year and movements in the different categories of intangible asset during 2009.

	31.12.2008			Carrying amount	Change in the basis of consolidation Cost	Changes during the year				Reclassifications and other adjustments
	Cost	Accumulated impairment losses	Accumulated amortisation			Cost	Additions: purchases and capitalisations	Assets entering service	Disposals	
<b>Goodwill and other intangible assets with indefinite lives:</b>										
Goodwill	4,396,341	–	–	4,396,341	–	23	–	–	–454	–
Trademarks	4,411	–	–	4,411	–	–	–	–	–149	–
<b>Total</b>	<b>4,400,752</b>	<b>–</b>	<b>–</b>	<b>4,400,752</b>	<b>–</b>	<b>23</b>	<b>–</b>	<b>–</b>	<b>–603</b>	<b>–</b>
<b>Other intangible assets:</b>										
Development costs	95,851	–	–76,900	18,951	–	14,776	1,947	–	–77	–
Industrial patents and intellectual property rights	38,230	–	–28,411	9,819	–	4,962	6	–	–65	11
Concessions and licenses	186,591	–	–33,691	152,900	60,847	705	164	–67	2,273	–
Advances for intangible assets	209	–	–	209	–	31	–170	–	–5	–
Other	4,168	–	–377	3,791	–	3	–	–	–139	–
Intangible assets under development	2,084	–158	–	1,926	–	3,955	–1,947	–	–31	–33
<b>Total</b>	<b>327,133</b>	<b>–158</b>	<b>–139,379</b>	<b>187,596</b>	<b>60,847</b>	<b>24,432</b>	<b>–</b>	<b>–67</b>	<b>1,956</b>	<b>–22</b>
<b>Total intangible assets</b>	<b>4,727,885</b>	<b>–158</b>	<b>–139,379</b>	<b>4,588,348</b>	<b>60,847</b>	<b>24,455</b>	<b>–</b>	<b>–67</b>	<b>1,353</b>	<b>–22</b>

### 7.3 Investments / €350,360 thousand (€187,837 thousand)

The table on the next page shows carrying amounts at the beginning and end of the year, grouped by category, and the movements in investments in 2009.

The increase in investments accounted for at cost or fair value, amounting to €44,677 thousand, is primarily due to payment of €44,374 thousand for the remaining shares of Alitalia – Compagnia Aerea Italiana SpA subscribed by the Group, which at 31 December 2009 holds 8.85% of the airline.

The net increase in equity carried investments of €117,846 was predominantly caused by the following movements:

- acquisition by the sub-holding company Autostrade dell'Atlantico of a 50% shareholding in the Brazilian company Triangulo do Sol Autoestradas for €101,639 thousand (as at 31 December 2009);
- recognition of a shareholding in Autostrade per il Cile, the carrying amount of which at 31 December 2009 (€44,375 thousand) also includes financial income of €20,465 thousand following a rights issue at a premium taken up by SIAS;
- impairment loss on the carrying amount of the investment in IGLI (a loss of €67,045 thousand recognised in the income statement following measurement of the investment using the equity method) as a result of impairment, as explained following in details;

Impairment losses		Changes during the year				Cost	Accumulated revaluations	31.12.2009		Carrying amount
Additions	Currency translation differences	Additions	Disposals	Currency translation differences	Accumulated impairment losses			Accumulated amortisation		
-15	-	-	-	-	4,395,910	-	-15	-	4,395,895	
-	-	-	-	-	4,262	-	-	-	4,262	
-15	-	-	-	-	<b>4,400,172</b>	-	<b>-15</b>	-	<b>4,400,157</b>	
-	-	-17,269	-	29	112,497	-	-	-94,140	18,357	
-20	-	-5,846	-	18	43,144	-	-20	-34,239	8,885	
-42,547	-2,314	-9,023	67	-327	250,513	-	-44,861	-42,974	162,678	
-	-	-	-	-	65	-	-	-	65	
-	-	-338	-	22	4,032	-	-	-693	3,339	
-	-	-	-	-	4,028	-	-158	-	3,870	
-42,567	-2,314	-32,476	67	-258	<b>414,279</b>	-	<b>-45,039</b>	<b>-172,046</b>	<b>197,194</b>	
-42,582	-2,314	-32,476	67	-258	<b>4,814,451</b>	-	<b>-45,054</b>	<b>-172,046</b>	<b>4,597,351</b>	

- d) recognition of the Group's share of the profits or losses, for the year, of associates and joint ventures, other than those already cited, amounting to a profit of €11,475 thousand and gains recognised in the other components of statement of comprehensive income of €11,794 thousand;
- e) payments for additional shareholdings in investments already in portfolio the most important of which were shareholdings in Tangenziali Esterne di Milano for €6,586 thousand and IGLI for €5,000 thousand.

The process of accounting for investments using the equity method was based on the latest available approved financial statements of associates and joint ventures, supplemented by certain estimates, based on available information, if the financial statements as at and for the year ended 31 December 2009 were not available and, where necessary, adjusted to be consistent with Group accounting policies.

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(€000)	Gross amount	31.12.2008 Accumulated impairment losses/ (reversals of impairment losses)	Carrying amount	Changes during the year		
				Change in the basis of consolidation Gross amount	Cost New acquisitions	Disposals and redemptions
Investments accounted for at cost or fair value	68,172	-8,386	59,786	-	45,093	-416
Investments accounted for using the equity method	168,615	-40,564	128,051	101,639	46,483	-754
<b>Total</b>	<b>236,787</b>	<b>-48,950</b>	<b>187,837</b>	<b>101,639</b>	<b>91,576</b>	<b>-1,170</b>

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

(€000)	31.12.2009		31.12.2008	
	% interest	Carrying amount	% interest	Carrying amount
<b>Investments accounted for at cost or fair value</b>				
Alitalia - Compagnia Aerea Italiana SpA	8.85%	100,000	12.70%	55,626
Firenze Parcheggio SpA	5.36%	2,582	5.36%	2,582
Tangenziale Esterna SpA	1.25%	625	-	-
Uirnet SpA	1.70%	427	1.70%	400
Emittente Titoli SpA	6.02%	277	-	-
Veneto Strade SpA	5.00%	258	5.00%	258
Other smaller companies		294		920
		<b>104,463</b>		<b>59,786</b>
<b>Investments accounted for using the equity method</b>				
Triangolo do Sol Autoestradas SA	50.00%	108,601	-	-
Autostrade per il Cile Srl	50.00%	44,375	-	-
Autostrade del Sud America Srl	45.00%	38,638	45.00%	24,595
IGLI SpA	33.33%	28,249	33.33%	90,684
Tangenziali Esterne di Milano SpA	32.00%	8,342	32.00%	1,667
Società Infrastrutture Toscane SpA	46.60%	6,614	46.60%	4,631
Bologna & Fiera Parking SpA	32.50%	4,338	32.50%	4,244
Pune Solapur Expressways Private Limited	50.00%	3,785	-	-
Pedemontana Veneta SpA	28.00%	1,438	28.00%	600
GEIE del Traforo del Monte Bianco	50.00%	1,000	50.00%	1,000
Other smaller companies		517		630
		<b>245,897</b>		<b>128,051</b>
<b>Total</b>		<b>350,360</b>		<b>187,837</b>

Annex I contains an analysis of all investments held by the Group at 31 December 2009.

With specific reference to the investment in IGLI, which is the main shareholder of Impregilo SpA, measurement of the related value was based on the balance sheet and income statement of the Impregilo Group at 30 September 2009, given that the financial statements as at and for the year ended 31 December 2009 were not yet available. Moreover, as a result of the existence of evidence of impairment, the investment was tested exclusively with reference to its fair value (determined on the basis of stock price) since the estimated value in use evidenced by the above-mentioned impairment was not considered reliable.

Updated information for the year in connection with the pending administrative and penal cases regarding the recycling of urban refuse in the Region of Campania in which Impregilo is involved, which was described in previous Atlantia consolidated financial statements, is that the Naples Court of Review, acting under the orders of the United Divisions of the Court of Cassations, fully revoked the sequestration order of 26 July 2008 by the Naples Preliminary Investigating



Changes during the year				Gross amount	31.12.2009 Accumulated impairment losses/ (reversals of impairment losses)	Carrying amount
Impairment losses/(Reversals of impairment losses)						
Disposals	Measurement using equity method deferred to equity	Recognised through profit or loss	Other movements			
-	-	-	-	112,849	-8,386	104,463
701	11,794	-36,247	-5,770	315,983	-70,086	245,897
<b>701</b>	<b>11,794</b>	<b>-36,247</b>	<b>-5,770</b>	<b>428,832</b>	<b>-78,472</b>	<b>350,360</b>

Magistrate. The decision was appealed to the Supreme Court by the Prosecutor of Naples. The Court of Cassations overturned the Court of Review decision but only with respect to the amounts collected by the former sub-concessionaires in excess of the tariff prior to the date of termination. The Supreme Court, in fact, rejected the appeal by the Prosecutor of Naples with respect to those amounts. A press release was issued on 3 February 2010 announcing that the Naples Court of Review had filed a new order reducing the preventive seizure with respect to the previous concession companies by approximately one half to €266 million (from the original €750 million) further stating that no crime had been detected in connection with the construction of the Acerra waste-to-energy plant. The companies intend to appeal the order since they remain convinced that they persistently acted within the law. Moreover, a subsequent administrative court ruling overturned the orders of the commission that the former sub-concessionaires, which are subsidiaries of Impregilo, should reacquire the temporary and permanent storage sites.

The directors of Impregilo stated in the Impregilo group interim report on operations of 30 September 2009 that, notwithstanding the improvement in the legal and judicial environment, Impregilo reserved the right to examine the evolution of the case in greater detail since the outcome is still uncertain due to the presence among the plaintiffs in the criminal proceedings and alleged claimants of environmental damage of various regional entities and third parties. Notwithstanding these uncertainties, Impregilo's legal counsel is of the opinion that the proceedings will eventually show that operations were within the law. In the interim report on operations of 30 September 2009, therefore, the adjustments made to the carrying amounts of available-for-sale assets related to the RSU Campania project were maintained as well as the provisions of €50 million made with respect to the pending court cases.

Finally, on 4 March 2009, it was announced that penal sentence handed down by the court of first instance ordered certain directors and executives of the Consortium CAVET (in which Impregilo held approximately 75.98% and which was awarded the contract for the construction of the high-speed railway line between Bologna and Florence) to provisionally pay fines totalling €150 million for crimes against the environment against which the Consortium has petitioned an injunction and filed an appeal. The petition for an injunction was accepted by the Florence Appeal Court on 23 November 2009.

At the date of preparation of these consolidated financial statements, Impregilo has not announced any further significant developments or any potential effects on the group's results of operations, financial position or cash flows.

## 7.4 Other financial assets

(non-current) / €379,293 thousand (€583,247 thousand)

(current) / €269,518 thousand (€234,271 thousand)

The following table shows the composition of other financial assets for 2008 and 2009.

(€000)	Note	31.12.2009			31.12.2008		
		Total financial assets	Current portion	Non-current portion	Total financial assets	Current portion	Non-current portion
Escrow accounts	(1)	518,337	181,620	336,717	718,687	177,916	540,771
Derivative assets	(2)	67,826	66,969	857	20,252	18,427	1,825
Loans and receivables due from ANAS	(3)	16,499	–	16,499	16,853	–	16,853
Staff loans	(3)	8,644	111	8,533	6,956	96	6,860
Other loans and receivables	(1)	14,822	949	13,873	13,777	112	13,665
Other financial assets	(4)	22,683	19,869	2,814	40,993	37,720	3,273
<b>Total</b>		<b>648,811</b>	<b>269,518</b>	<b>379,293</b>	<b>817,518</b>	<b>234,271</b>	<b>583,247</b>

(1) These assets have been classified as "available-for-sale" financial instruments under level 2 of the fair value hierarchy and are carried at fair value.

(2) The derivative financial instruments have been classified in accordance with IAS 39 in the "fair value through profit or loss" category under level 2 of the fair value hierarchy.

(3) These assets are classified as "loans and receivables" in accordance with IAS 39 and are carried at fair value.

(4) The item primarily consists of classifiable as "available-for-sale" financial instruments under level 1 of the fair value hierarchy.

Short-term escrow accounts essentially regard disbursements by Intesa-Sanpaolo and Crediop of the loans taken out to access the government grants provided under Laws 662/1996, 345/1997 and 135/1997. The deposits decreased by €203,482 thousand as a result of the amounts released during the year consistent with the percentage of completion of the related works.

The increase in derivative financial assets during the year of €47,574 thousand was primarily caused by the increase in accrued income mainly in connection with new derivative contracts hedging bonds issued by the Group in 2009. Details of derivatives subscribed to by the Group for hedging purposes are contained in note 9.3 "Financial risk management".

€12,668 thousand of other non-current loans and receivables relates to an amount receivable from Assicurazioni Generali under a single premium endowment policy, subsequently provided as collateral by Autostrade per l'Italia (€4,904 thousand) and Strada dei Parchi (€7,764 thousand) as collateral for any payment obligations arising under a guarantee of €76,363 thousand (€45,818 thousand of which relate to Autostrade per l'Italia) expiring on 31 December 2029 issued by Assicurazioni Generali to ANAS in connection with a concession agreement between ANAS and Strada dei Parchi for the operation of the A24 and A25 motorways. The carrying amount of this class of asset substantially coincides with fair value.

Other current loans and receivables of €19,869 thousand at 31 December 2009, essentially regard the investments of the Stalexport Autostrady group, whose assets are managed by major financial institutions.

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

## 7.5 Deferred tax assets and liabilities

Deferred tax assets / €1,680,486 thousand (€1,758,817 thousand)

Deferred tax liabilities / €30,934 thousand (€26,931 thousand)

The following tables show the amount of deferred tax assets and liabilities both eligible and ineligible for netting in addition to movements on the deferred tax account in 2009 with respect to temporary timing differences between carrying amounts and the corresponding tax bases.

(€000)	31.12.2009	31.12.2008
Deferred tax assets	1,752,393	1,763,211
Offsettable deferred tax liabilities	71,907	4,394
<b>Net deferred tax assets</b>	<b>1,680,486</b>	<b>1,758,817</b>
<b>Non-offsettable deferred tax liabilities</b>	<b>30,934</b>	<b>26,931</b>

(€000)	31.12.2008	Changes during the period					31.12.2009
		Provisions	Releases	Deferred tax assets/liabilities on gains and losses recognised in equity	Other movements	Change in the basis of consolidation	
<b>Deferred tax assets on:</b>							
Deductible intercompany goodwill	1,305,325	–	–105,800	–	–	–	1,199,525
Provisions	260,441	64,733	–33,325	–	–980	250	291,119
Impairment losses on and depreciation/amortisation of non-current assets	109,809	7,804	–9,767	–	–8,296	2,332	101,882
Tax loss carryforwards	9,435	422	–89	–	–2,164	6	7,610
Measurement of cash flow hedges	29,957	–	–	28,248	–29	–	58,176
Impairment losses on receivables and inventories	23,822	6,101	–4,672	–	–5	–	25,246
Other temporary differences	24,422	4,661	–4,227	–212	1,100	43,091	68,835
<b>Deferred tax assets</b>	<b>1,763,211</b>	<b>83,721</b>	<b>–157,880</b>	<b>28,036</b>	<b>–10,374</b>	<b>45,679</b>	<b>1,752,393</b>
<b>Deferred tax liabilities on:</b>							
Accelerated depreciation	–112	–226	343	–	–18	–1,001	–1,014
Fair value measurement of assets and liabilities deriving from business combinations	–17,499	–	9,874	–	1,038	–20,483	–27,070
Measurement of cash flow hedges	–	–	–	–10,944	–	–	–10,944
Other temporary differences	–13,714	–6,402	1,523	–157	–1,961	–43,102	–63,813
<b>Deferred tax liabilities</b>	<b>–31,325</b>	<b>–6,628</b>	<b>11,740</b>	<b>–11,101</b>	<b>–941</b>	<b>–64,586</b>	<b>–102,841</b>

As shown in the table the 31 December 2009 balance primarily consists of residual deferred tax assets that were recognised in connection with the reversal of intercompany gains that arose in 2003 following the conferment of the portfolio of motorways on Autostrade per l'Italia (€1,199,525 thousand). The balance also includes deferred tax assets of €291,119 thousand relating to the non-deductible portion of provisions primarily consisting of provisions for the repair and replacement of assets to be relinquished, and deferred tax assets totalling €101,882 thousand in connection essentially with RAV impairment losses and non-deductible depreciation of property, plant and equipment.

Movements during the year included:

- the release of deferred tax assets amounting to €105,800 thousand, being the deductible portion of the goodwill in Autostrade per l'Italia that arose in 2003 on the above-mentioned contribution;
- the change in the basis of consolidation that arose through the inclusion of Autostrade dell'Atlantico from 30 June 2009 resulted in the recognition of €64,586 thousand in deferred tax assets (€20,483 thousand of which on the

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allocation of the purchase consideration, as described in greater detail in note 6) and €45,679 in deferred tax assets predominantly in connection with the Chilean concessionaire, Los Lagos;

- c) the net increase in deferred tax assets of €31,408 thousand relating to the non-deductible portion of provisions mainly for expenditure on the repair and replacement of Autostrade per l'Italia's assets to be relinquished;
- d) the net increase in deferred tax assets, totalling €17,303 thousand, derives from the measurement of cash flow hedges;
- e) the release of deferred tax assets totalling €9,094 thousand in connection with the above-mentioned reversal of impairment losses by RAV during the year;
- f) the release of deferred tax assets in connection with the write-down of the concession held by Stalexport Autostrada Malopolska (including the release relating to amortisation and depreciation for the year) totalling €8,931 thousand as shown in note 7.2;
- g) the provision of deferred taxes of €5,628 thousand on financial income of €20,465 thousand recognised when SIAS became a 50% shareholder of Autostrade per il Cile.

#### 7.6 Other non-current assets / €38,011 thousand (€4,816 thousand)

Other non-current assets increased principally due to the change in the basis of consolidation and the resultant increase in non-current receivables due from the Grantor of the concession to Los Lagos (equal to €28,556 thousand). The receivables relate to Addendum 2 signed by the parties in 2005 and which, at the option of the Grantor, may be settled through extension of the concession term rather than a cash payment.

#### 7.7 Trading assets / €940,011 thousand (€857,239 thousand)

Trading assets include inventories (stocks and spare parts used for the maintenance or assembly of plant), contract work in progress and trade receivables which are the most important component.

The following table shows the composition of trade receivables at the end of the two reporting periods compared, in addition to the aging of receivables outstanding at 31 December 2009.

(€000)	31.12.2009				31.12.2008			
	Amounts due from customers	Other trade receivables	Other trading assets	Total	Amounts due from customers	Other trade receivables	Other trading assets	Total
Direct debit road users and similar: outstanding bills	578,712				557,210			
Road users for unpaid tolls	60,749				57,474			
Service area concessionaires	151,143				112,498			
Receivable from various customers and retentions	141,556				134,327			
<b>Gross trade receivables</b>	<b>932,160</b>	<b>17,271</b>	<b>10,359</b>	<b>959,790</b>	<b>861,509</b>	<b>17,572</b>	<b>8,638</b>	<b>887,719</b>
Provision for doubtful debts	93,554	2,963	–	96,517	91,810	3,459	–	95,269
<b>Trade receivables</b>	<b>838,606</b>	<b>14,308</b>	<b>10,359</b>	<b>863,273</b>	<b>769,699</b>	<b>14,113</b>	<b>8,638</b>	<b>792,450</b>

(€000)	Total receivables	Total not yet due and payable	More than 90 days overdue	Between 90 and 365 days overdue	More than one year overdue
Trade receivables	959,790	775,937	24,052	46,946	112,855

Receivables due from customers, after provisions for doubtful debts, have increased by €68,907 thousand since 31 December 2008, principally due to the increase in the amounts due from road users who pay by direct debit and service area concessionaires.

Overdue receivables regard uncollected and unpaid tolls, in addition to royalties due from service area concessionaires and other various goods and services such as authorisations to cross motorways, sale of services and proprietary assets, the lease of land and buildings. The relevant provisions are adequate and have been determined with reference to experience gained with

specific customers and historical data regarding losses on receivables, taking guarantee deposits and other collateral given by customers into account.

Movements during the year in provisions for doubtful debts are shown in the following table:

(€000)	31.12.2008	Additions	Uses	Reclassifications and other changes	31.12.2009
Provisions for doubtful debts	95,269	22,691	22,507	1,064	96,517

The carrying amount of trade receivables approximates fair value.

## 7.8 Cash and cash equivalents / €1,222,270 thousand (€129,833 thousand)

The €1,092,437 thousand increase in cash and cash equivalents was primarily due to the cash generated by the cited €1,500 million bond issue of 6 May 2009, which is held in demand deposits with banks and in deposits with terms of no more than three months.

## 7.9 Current tax assets and liabilities

Current tax assets / €46,341 thousand (€37,790 thousand)

Current tax liabilities / €19,303 thousand (€48,563 thousand)

Current tax assets and liabilities are shown below:

(€000)	Assets		Liabilities	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
IRAP	22,149	8,869	3,605	24,365
IRES	13,804	12,963	10,164	11,218
Other income taxes	10,388	15,958	5,534	12,980
<b>Total</b>	<b>46,341</b>	<b>37,790</b>	<b>19,303</b>	<b>48,563</b>

With effect from 1 January 2009 and for the three-year period 2009–2011, the following Group companies participate in the tax consolidation arrangement headed by the Parent, Atlantia SpA, on the basis of Legislative Decree 344/2003: Autostrade Meridionali SpA, Tangenziale di Napoli SpA, EsseDiEsse Società di Servizi SpA, TowerCo SpA, Autostrada Torino-Savona SpA, SPEA - Ingegneria Europea SpA, Infoblu SpA, AD Moving SpA, Autostrade dell'Atlantico Srl, Pavimental SpA, Port Mobility SpA, Società Autostrada Tirrenica pA and Telepass SpA.

As a result, these companies' current tax assets and liabilities for IRES are consolidated by Atlantia SpA, in addition to those of Autostrade per l'Italia SpA, which already participated in the tax consolidation arrangement for the three-year period 2008–2010.

### 7.10 Other current assets / €87,284 thousand (€150,322 thousand)

This item consists of current receivables and other current assets that are not eligible for classification as trading or financial. An analysis of the balance is shown below:

(€000)	31.12.2009	31.12.2008	Increase/(Decrease)
Receivables due from end users for damages	26,624	25,911	713
Other tax assets	15,479	13,348	2,131
Receivable from operators of interconnecting networks	18,046	16,546	1,500
Receivable from public entities	4,829	6,376	-1,547
Automated cashier service receivables	4,232	4,457	-225
Receivable from discontinued operations	-	64,000	-64,000
Other current assets	47,652	52,035	-4,383
	<b>116,862</b>	<b>182,673</b>	<b>-65,811</b>
Provisions for doubtful debts	29,578	32,351	-2,773
<b>Total</b>	<b>87,284</b>	<b>150,322</b>	<b>-63,038</b>

At 31 December 2008, the balance of receivables from discontinued operations regarded the residual amount of €64,000 thousand, guaranteed by a major bank, to be collected on the sale of the investments in Autostrade del Brennero and Autovie Venete.

### 7.11 Assets and disposal groups held for sale / €84,331 thousand (-)

This item regards assets acquired as part of the transaction entered into with the Itinere group and held for sale in the short term.

The balance at 31 December 2009 consists of:

- the value of certain minority interests in Portuguese motorway concessionaires, totalling €67,255 thousand, details of which are provided in Annex I;
- loans and receivables due to the above companies, totalling €17,076 thousand.

The balance includes €9,509 thousand in investments and loans and receivables that will be sold to the Sacyr group under the agreements entered into at the time of the acquisition.

### 7.12 Equity / €4,255,463 thousand (€3,986,092 thousand)

Atlantia's issued capital is fully subscribed and paid-in and consists of 571,711,557 ordinary shares of a par value of €1 each. The total value of €571,712 thousand is unchanged, in terms of both amount and composition, compared with 31 December 2008.

Equity attributable to owners of the parent, totalling €3,865,202 thousand, has increased by €249,719 thousand compared with 31 December 2008. The main changes during the year were:

- net comprehensive income for the year (€655,866 thousand) as a result of the profit for the year (€690,672 thousand), which was only partly offset by the recognition of net losses (€34,806 thousand), primarily due to the combined effects of the decrease in the cash flow hedge reserve (€51,406 thousand) and the recognition of translation gains on the measurement of associates and joint ventures using the equity method (€11,794 thousand);
- payment of the final dividend of €207,287 thousand for 2008 (equal to €0.37 per share) and the interim dividend of €198,884 thousand for 2009 (equal to 0.36 per share).

Equity attributable to non-controlling interests of €390,261 thousand has increased by €19,652 thousand from 31 December 2008 (€370,609 thousand), principally in connection with the capital contributions by minority shareholders (€28,000 thousand), primarily relating to the capital increase carried out by Strada dei Parchi partially offset by net comprehensive loss for the year (€6,805 thousand) and approved dividends (€2,593 thousand).

Atlantia's aims to manage its capital in order to create value for shareholders, ensure the Company remains a going concern, safeguard the interest of stakeholders, and guarantee efficient access to external sources of funding to adequately support the growth of the Group's businesses and comply with the commitments signed in concessions.

The section "Consolidated financial review" in the report on operations accompanying these financial statements includes the reconciliation of Atlantia SpA's equity and profit for the year with the corresponding consolidated figures.

### Other components of the statement of comprehensive income

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

The following table shows the gross amounts of other components and the related tax effects.

(€000)	2009			2008		
	Before tax	Tax effect	After tax	Before tax	Tax effect	After tax
Fair value gains/(losses) on cash flow hedges	-67,390	17,303	-50,087	-152,833	41,607	-111,226
Actuarial gains/(losses) (IAS 19)	5,184	-369	4,815	-6,234	1,867	-4,367
Gains/(losses) from translation of financial statements of foreign operations	618	-	618	-21,297	-	-21,297
Gains/(losses) from measurement of associates and joint ventures using the equity method	11,794	-	11,794	-7,648	-	-7,648
Other fair value gains/(losses)	-466	-	-466	-516	-162	-678
<b>Other components of comprehensive income for the year</b>	<b>-50,260</b>	<b>16,934</b>	<b>-33,326</b>	<b>-188,528</b>	<b>43,312</b>	<b>-145,216</b>

### Disclosures regarding share-based payments

The Group has put in place a plan to provide incentives for personnel and foster the loyalty of certain directors and managers of the Atlantia Group, linked to the achievement of pre-established corporate and individual objectives, and designed to boost their entrepreneurial spirit and creation of value for shareholders. With effect from 2009, the Group has launched incentive schemes entailing, on the achievement of certain pre-established objectives for the period 2009-2013, the granting of rights to shares in Atlantia SpA.

The share option plan ("SOP") approved by the shareholders at their Annual General Meeting of 23 April 2009 envisages the granting of options to buy up to 850,000 of the Company's ordinary shares, each of which gives the right to purchase 1 ordinary Atlantia share held by the Company at that date, at a price equal to the normal value of the shares at the date on which Atlantia's Board of Directors selects the beneficiary and establishes the number of options to be granted. The terms and conditions of the SOP are detailed in the Information Memorandum prepared pursuant to art. 84-bis of CONSOB Regulation 11971/1999 and subsequent amendments and additions.

A total of 709,601 options had been awarded to Directors and Group employees prior to 31 December 2009, of which:

- 534,614 were awarded by resolution of the Board of Directors at their meeting of 8 May 2009, at an exercise price of €12.97 per share;
- 174,987 were awarded by resolution of the Board of Directors at their meeting of 16 July 2009, at an exercise price of €14.03 per share.

### 3. Atlantia Group's consolidated financial statements

The vesting period is from 8 May 2009 to 23 April 2013 and the options may be exercised between 24 April 2013 and 30 April 2014.

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

Final share price (€)	Percentage of options granted that have vested
15	20%
16	27%
17	35%
18	42%
19	49%
20	56%
21	64%
22	71%
23	78%
24	85%
25	93%
26	100%
Above 26	A percentage calculated on the basis of the following formula: $\frac{[(26 - \text{Exercise Price}) / (\text{Closing Value} - \text{Exercise Price})] \times 100}{}$

The terms and conditions of the SOP expressly state that any capital gains realised as a result of the exercise of vested options may under no circumstances exceed twice (three in the case of the Chief Executive Officer) the beneficiary's gross annual fixed salary at 1 January 2009.

The options are under no circumstances transferable inter vivos and their non-transferability only ceases on the unilateral termination of employment by the beneficiary within three years of the date of giving such a commitment.

The weighted average price of Atlantia's ordinary shares in the period between 23 April and 31 December 2009 is €15.987 per share. At 31 December 2009 the price was €18.25 per share.

The fair value of each share option at the grant date, as determined by a specially appointed expert, is €1.66 for 534,614 options and €1.32 for 174,987 options. The Monte Carlo model was used to determine fair value using the following parameters:

– risk free interest rate:	2.41 - 2.52%
– expected expiry:	4.8 - 5 years
– expected volatility (equal to historic volatility):	25.8 - 26.45%
– expected dividends:	3.09 - 3.44%
– share price on grant date:	€14.03 - €14.27

As a result of implementation of this incentive plan, at 31 December 2009 the Group has recognised, in accordance with the requirements of IFRS 2, an increase in equity reserves of €173 thousand, based on the accrued fair value of the options granted at that date, with a contra entry in the income statement in staff costs.



### 7.13 Provisions

(non-current) / €1,230,992 thousand (€1,150,308 thousand)

(current) / €216,164 thousand (€215,776 thousand)

The table on the next page shows provisions at the beginning and end of the year, 2009 movements the non-current and current portions.

#### Provisions for employee benefits

(non-current) / €173,782 thousand (€172,939 thousand)

(current) / €15,461 thousand (€17,469 thousand)

At 31 December 2009 this item essentially consists of provisions for post-employment benefits and long-term staff incentive plan.

Provisions for post-employment benefits, including both current and non-current components, decreased €10,340 thousand. This is essentially the difference between:

- operating and financial provisions totalling €8,758 thousand;
- actuarial gains recognised in the statement of comprehensive income, totalling €5,184 thousand;
- uses of €13,158 thousand for benefits and advances paid.

The main actuarial assumptions applied in estimating provisions for post-employment benefits at 31 December 2009 are shown below:

#### financial assumptions:

– annual discount rate:	4.0%
– annual inflation rate:	2.0%
– annual turnover rate:	2.0 - 5.0%
– annual rate of advances paid:	2.0 - 3.5%

#### demographic assumptions:

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

Provisions for the three-year incentive plan (2008-2010) for the Group's management have risen €9,316 thousand due to provisions to cover the estimated cost for the year.

#### Provisions for repair and replacement of assets to be relinquished

(non-current) / €1,035,383 thousand (€947,640 thousand)

(current) / €125,586 thousand (€117,664 thousand)

This item regards provisions for the repair and replacement of assets to be relinquished, in accordance with commitments given by the Group's concessionaires in agreements with the related Grantors.

There was a net increase in total provisions, including current and non-current portions, of €95,665 thousand being the difference between additions for the year (€501,684 thousand) and uses (€417,834 thousand) in connection with repairs and replacements carried out during 2009.

**Other provisions**

**(non-current)** / €21,827 thousand (€29,729 thousand)

**(current)** / €75,117 thousand (€80,643 thousand)

Other provisions primarily include liabilities expected to be incurred in connection with pending litigation, including disputes with maintenance contractors regarding contract reserves.

Uses during the year, totalling €5,678 thousand, relate to the change in the "shadow toll" applied to almost all heavy vehicles by the concessionaire, Stalexport Autostrada Malopolska, following completion of its re-negotiation with the Grantor in 2009.

Group companies are party to a number of disputes with the tax authorities. The related amounts are not significant.

(€000)	31.12.2008			Change in the basis of consolidation and corporate actions
	Balance	Non-current	Current	
<b>Provisions for employee benefits</b>				
Post-employment benefits	176,107	158,739	17,368	–
Long-term staff incentive plan	14,056	14,056	–	–
Pensions and similar obligations	245	144	101	–
	<b>190,408</b>	<b>172,939</b>	<b>17,469</b>	<b>–</b>
<b>Provisions for the repair and replacement of assets to be relinquished</b>	<b>1,065,304</b>	<b>947,640</b>	<b>117,664</b>	<b>11,028</b>
<b>Other provisions</b>				
Provisions for impairment losses exceeding carrying amounts of investments	3,604	–	3,604	–
Provisions for disputes, liabilities and sundry charges	106,768	29,729	77,039	1,000
	<b>110,372</b>	<b>29,729</b>	<b>80,643</b>	<b>1,000</b>
<b>Total provisions</b>	<b>1,366,084</b>	<b>1,150,308</b>	<b>215,776</b>	<b>12,028</b>

Operating provisions	Financial provisions	Changes during the year					Currency translation differences	31.12.2009		
		Actuarial gains/(losses) deferred to equity	Reductions due to post-employment benefits paid and advanced	Uses	Reclassifications and other changes	Balance		Non-current	Current	
827	7,931	-5,184	-13,158	-186	-570	-	165,767	150,454	15,313	
9,316	-	-	-	-282	-457	-44	22,589	22,589	-	
702	-	-	-	-46	-	-14	887	739	148	
<b>10,845</b>	<b>7,931</b>	<b>-5,184</b>	<b>-13,158</b>	<b>-514</b>	<b>-1,027</b>	<b>-58</b>	<b>189,243</b>	<b>173,782</b>	<b>15,461</b>	
<b>501,684</b>	<b>941</b>			<b>-417,834</b>	<b>-212</b>	<b>58</b>	<b>1,160,969</b>	<b>1,035,383</b>	<b>125,586</b>	
-	-	-	-	-25	-	-	3,579	-	3,579	
4,100	-	-	-	-12,518	-5,789	-196	93,365	21,827	71,538	
<b>4,100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-12,543</b>	<b>-5,789</b>	<b>-196</b>	<b>96,944</b>	<b>21,827</b>	<b>75,117</b>	
<b>516,629</b>	<b>8,872</b>	<b>-5,184</b>	<b>-13,158</b>	<b>-430,891</b>	<b>-7,028</b>	<b>-196</b>	<b>1,447,156</b>	<b>1,230,992</b>	<b>216,164</b>	

### 7.14 Financial liabilities

(non-current) / €11,305,956 thousand (€9,862,121 thousand)

(current) / €954,339 thousand (€840,022 thousand)

The following two tables provide an analysis of financial liabilities.

The first compares balances at 31 December 2009 with those at 31 December 2008 in terms of maturity (current and non-current portions).

(€000)	31.12.2008		
	Total financial liabilities	Current portion	Non-current portion
<b>Medium/long-term financial liabilities</b>			
<b>Bond issues</b>			
Bond 2004-2011	1,978,462	–	1,978,462
Bond 2004-2014	2,684,374	–	2,684,374
Bond 2004-2022 (Gbp)	511,256	–	511,256
Bond 2004-2024	970,807	–	970,807
Bond 2009-2016	–	–	–
Bond 2009-2038 (Jpy)	–	–	–
<b>Total bond issues</b>	<b>6,144,899</b>	<b>–</b>	<b>6,144,899</b>
<b>Medium/long-term borrowings</b>			
<b>Bank borrowings</b>			
Term Loan Facility	782,587	–	782,587
EIB	1,119,338	79,368	1,039,970
Cassa Depositi e Prestiti	149,700	–	149,700
Other banks	32,209	7,930	24,279
Total borrowings linked to grants	456,711	36,849	419,862
<b>Total bank borrowings</b>	<b>2,540,545</b>	<b>124,147</b>	<b>2,416,398</b>
<b>Other borrowings</b>			
ANAS	1,003,558	193,994	809,564
Central Guarantee Fund	56,978	313	56,665
<b>Total other borrowings</b>	<b>1,060,536</b>	<b>194,307</b>	<b>866,229</b>
<b>Total medium/long-term borrowings</b>	<b>3,601,081</b>	<b>318,454</b>	<b>3,282,627</b>
<b>Non-current derivative liabilities</b>	<b>335,295</b>		<b>335,295</b>
<b>Other financial liabilities</b>	<b>106,440</b>	<b>7,140</b>	<b>99,300</b>
<b>Accrued expenses on medium/long-term financial liabilities</b>	<b>213,201</b>	<b>213,201</b>	<b>–</b>
<b>Total medium/long-term financial liabilities</b>	<b>10,400,916</b>	<b>538,795</b>	<b>9,862,121</b>
<b>Short-term financial liabilities</b>			
Bank overdrafts	82,959	82,959	–
Short-term borrowings	199,379	199,379	–
Intercompany current accounts payable	7,284	7,284	–
Other current financial liabilities	11,605	11,605	–
<b>Total short-term financial liabilities</b>	<b>301,227</b>	<b>301,227</b>	<b>–</b>
<b>Total</b>	<b>10,702,143</b>	<b>840,022</b>	<b>9,862,121</b>

Total financial liabilities	31.12.2009		Non-current maturities at 31.12.2009	
	Current portion	Non-current portion	Maturing between 13 and 60 months	Maturing after 60 months
1,987,211	–	1,987,211	1,987,211	
2,695,077	–	2,695,077	2,695,077	
550,148	–	550,148	–	550,148
971,989	–	971,989	–	971,989
1,482,040	–	1,482,040		1,482,040
149,553	–	149,553		149,553
<b>7,836,018</b>	<b>–</b>	<b>7,836,018</b>	<b>4,682,288</b>	<b>3,153,730</b>
786,086	76,504	709,582	549,970	159,612
1,039,969	89,338	950,631	171,250	779,381
143,532	–	143,532	4,957	138,575
173,517	15,776	157,741	62,305	95,436
419,867	38,698	381,169	201,598	179,571
<b>2,562,971</b>	<b>220,316</b>	<b>2,342,655</b>	<b>990,080</b>	<b>1,352,575</b>
821,540	180,835	640,705	76,194	564,511
56,664	19,810	36,854	2,230	34,624
<b>878,204</b>	<b>200,645</b>	<b>677,559</b>	<b>78,424</b>	<b>599,135</b>
<b>3,441,175</b>	<b>420,961</b>	<b>3,020,214</b>	<b>1,068,504</b>	<b>1,951,710</b>
<b>374,779</b>		<b>374,779</b>	97,510	277,269
<b>102,926</b>	<b>27,981</b>	<b>74,945</b>	17,031	57,914
<b>277,334</b>	<b>277,334</b>	–	–	–
<b>12,032,232</b>	<b>726,276</b>	<b>11,305,956</b>	<b>5,865,333</b>	<b>5,440,623</b>
40,990	40,990	–	–	–
185,390	185,390	–	–	–
1,453	1,453	–	–	–
230	230	–	–	–
<b>228,063</b>	<b>228,063</b>	–	–	–
<b>12,260,295</b>	<b>954,339</b>	<b>11,305,956</b>	<b>5,865,333</b>	<b>5,440,623</b>

### 3. Atlantia Group's consolidated financial statements

The second table compares the aggregate carrying amount (current and non-current portions) of medium/long-term financial liabilities with relevant par and fair values. This table also summarises the terms and conditions applied to each financial liability.

The fair value of bond issues was measured on the basis of closing market prices, whilst the fair value of other financial liabilities was measured by discounting expected future cash flows, using the yield curve at the end of the year.

(€000)	Par value at 31.12.2008 <sup>(1)</sup>	Carrying amount at 31.12.2008 <sup>(2)</sup>	Fair value at 31.12.2008
<b>Bond issues</b>			
Bond 2004-2011	2,000,000	1,978,462	1,878,600
Bond 2004-2014	2,750,000	2,684,374	2,644,125
Bond 2004-2022 (Gbp)	750,000	511,256	732,750
Bond 2004-2024	1,000,000	970,807	1,021,600
Bond 2009-2016	–	–	–
Bond 2009-2038 (Jpy)	–	–	–
<b>Total bond issues (A)</b>	<b>6,500,000</b>	<b>6,144,899</b>	<b>6,277,075</b>
<b>Medium/long-term borrowings</b>			
<b>Bank borrowings</b>			
Term Loan Facility	800,000	782,587	811,957
EIB	1,119,338	1,119,338	1,202,853
Cassa Depositi e Prestiti SpA	150,000	149,700	159,425
Other banks	32,209	32,209	32,482
Total borrowings linked to grants	456,751	456,711	456,751
<b>Total bank borrowings</b>	<b>2,558,298</b>	<b>2,540,545</b>	<b>2,663,468</b>
<b>Other borrowings</b>			
<b>ANAS</b>			
Autostrade per l'Italia SpA	316,297	316,297	316,297
Strada dei Parchi SpA	687,261	687,261	880,397
Central Guarantee Fund	109,965	56,978	56,978
<b>Total other borrowings</b>	<b>1,113,523</b>	<b>1,060,536</b>	<b>1,253,672</b>
<b>Total medium/long-term borrowings (B)</b>	<b>3,671,821</b>	<b>3,601,081</b>	<b>3,917,140</b>
<b>Medium/long-term bond issues and borrowings (C = A + B)</b>	<b>10,171,821</b>	<b>9,745,980</b>	<b>10,194,215</b>
<b>Non-current derivative liabilities (D)</b>		<b>335,295</b>	<b>335,295</b>
<b>Other financial liabilities (E)</b>	<b>53,453</b>	<b>106,440</b>	
<b>Accrued expenses on medium/long-term financial liabilities (F)</b>	<b>213,201</b>	<b>213,201</b>	
<b>Total medium/long-term financial liabilities (G = C + D + E + F)</b>	<b>10,438,475</b>	<b>10,400,916</b>	

(1) The carrying amounts of the medium/long-term financial liabilities shown in the table include both the non-current and current portions.

(2) Interest rate and foreign exchange hedges with a notional value of €5,216 million at 31 December 2009 are, in accordance with IAS 39, classified as cash flow hedges or fair value hedges depending on the type of risk hedged.

(3) The face value in euros takes account of the exchange rate fixed at the time of entering into the cross currency swaps.

(4) These are loans maturing between 2010 and 2033.

(5) These financial instruments are classified as financial liabilities measured at amortised cost, in accordance with IAS 39.

(6) These are easy-term loans maturing in 2016 and 2017. ANAS is responsible for effecting repayments of principal and interest.

(7) These financial instruments are classified as financial liabilities measured at fair value, in accordance with IAS 39.

(8) These instruments are classified as hedging instruments in accordance with IAS 39 and are classified in level 2 in the fair value hierarchy.

(9) This item includes borrowings classified as financial liabilities measured at amortised cost, in accordance with IAS 39.

	Par value at 31.12.2009 <sup>(4)</sup>	Carrying amount at 31.12.2009 <sup>(4)</sup>	Fair value at 31.12.2009	Reference interest rate	Effective interest rate	Note	Spread	Maturity
	2,000,000	1,987,211	1,998,200	3M Euribor	1.63%	(2)(3)	0.45%	09.06.2011
	2,750,000	2,695,077	2,925,450	5.00%	5.52%			09.06.2014
	750,000	550,148	785,250	5.99%	6.47%	(2) (3)		09.06.2022
	1,000,000	971,989	1,099,700	5.88%	6.17%			09.06.2024
	1,500,000	1,482,040	1,632,150	5.63%	5.71%	(2)		06.05.2016
	149,176	149,553	183,155	5.30%	5.47%	(2) (3)		10.12.2038
	<b>8,149,176</b>	<b>7,836,018</b>	<b>8,623,905</b>			(4)		
	800,000	786,086	810,156	6M Euribor	1.82%	(2)	0.33%	30.06.2015
	1,039,969	1,039,969	1,123,043			(5)		
	150,000	143,532	170,492	6M Euribor	2.231%		1.231%	19.12.2034
	173,517	173,517	173,687			(2)		
	419,901	419,867	419,901	Non-interest bearing		(6)		
	<b>2,583,387</b>	<b>2,562,971</b>	<b>2,697,279</b>			(4)		
	148,902	148,902	148,902	Non-interest bearing		(4)		
	672,638	672,638	798,096	6.000%		(4)		2030
	106,376	56,664	56,664			(7)		
	<b>927,916</b>	<b>878,204</b>	<b>1,003,662</b>					
	<b>3,511,303</b>	<b>3,441,175</b>	<b>3,700,941</b>					
	<b>11,660,479</b>	<b>11,277,193</b>	<b>12,324,846</b>					
		<b>374,779</b>	<b>374,779</b>			(8)		
	<b>53,170</b>	<b>102,926</b>				(9)		
	<b>277,334</b>	<b>277,334</b>						
	<b>11,990,983</b>	<b>12,032,232</b>						

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The following table shows the par value of medium/long-term debt by currency and changes in the par values of medium/long-term debt.

(€000)	Par value at 31.12.2008	Par value at 31.12.2009
Euro	9,404,910	10,597,308
Gbp	750,000	750,000
Jpy	–	149,176
Pln	68,076	81,006
Cip	–	134,279
Usd	2,288	1,880
<b>Total <sup>(1)</sup></b>	<b>10,225,274</b>	<b>11,713,649</b>

(1) Accrued expenses on medium/long-term financial liabilities not included.

(€000)	Par value at 31.12.2008	Repayments	Change in basis of consolidation	New issues	Exchange rate differences	Other changes	Par value at 31.12.2009
Bond issues	6,500,000	–	–	1,649,176	–	–	8,149,176
Bank borrowings	2,558,298	–129,335	136,829	13,864	3,937	–206	2,583,387
Other borrowings	1,113,523	–197,583	–	–	–	11,976	927,916
Other financial liabilities	53,453	–	–	–	500	–783	53,170
Accrued expenses on medium/long-term financial liabilities	213,201	–	–	–	–	64,133	277,334
<b>Total</b>	<b>10,438,475</b>	<b>–326,918</b>	<b>136,829</b>	<b>1,663,040</b>	<b>4,437</b>	<b>75,120</b>	<b>11,990,983</b>

The Group uses derivative financial instruments to hedge the risks associated with certain financial liabilities, including interest rate swaps (IRS) and Cross Currency Swaps (CCS), which under IAS 39 are classified as cash flow hedges or fair value hedges depending on the type of risk hedged. The market value of the above hedging instruments at 31 December 2009 is shown in the item "Derivative financial instruments" below.

More detailed information on financial risks and the manner in which they are managed in addition to outstanding financial instruments is contained in note 9.3 "Financial risk management".

#### Bond issues

**(non-current)** / €7,836,018 thousand (€6,144,899 thousand)

**(current)** / - (-)

This item refers to bonds issued by the Parent as part of its €10 billion Medium Term Note (MTN) Programme. The outstanding balance at 31 December 2009, after transaction costs, is €7,836,018 thousand (€6,144,899 thousand at 31 December 2008). The €1,691,119 thousand increase was principally a result of new issues on 6 May 2009 and 10 December 2009, which had par values of €1,500.0 million (paying annual coupon interest of 5.625%, with a re-offer price of €99.932 and maturing on 6 May 2016) and ¥20,000 million equal to about €149 million (paying six-monthly coupon interest of 2.73% and maturing on 10 December 2038).

#### Medium/long-term borrowings

**(non-current)** / €3,020,214 thousand (€3,282,627 thousand)

**(current)** / €420,961 thousand (€318,454 thousand)

These liabilities, which were detailed in the previous tables, include a non-current portion of €3,020,214 thousand, which has decreased by €262,413 thousand despite the consolidation of new medium/long-term borrowings of €131,282 thousand assumed by the Chilean concessionaire, Los Lagos, more than offset by reclassifications to the current portion of financial liabilities (€227,016 thousand) that will mature over the next twelve months, and borrowings from ANAS of €168,859 thousand, mainly due to the new releases planned to be certified during the next twelve months.



The current portion of €420,961 thousand has increased by €102,507 thousand, principally as a result of the above-mentioned reclassifications to the current portion of financial liabilities that will mature over the next twelve months. The Term Loan Facility Agreement (€786,086 thousand outstanding at 31 December 2009) contains certain covenants with which the borrower must comply throughout the term of the facility and which have to date not been breached. In particular, the ratios of Operating Cash Flow (FFO) to other net financial expenses and FFO to net debt and the borrower's equity must remain within a certain range. The variables used for the calculation of the ratios are specifically defined in the agreement.

**Non-current derivative liabilities / €374,779 thousand (€335,295 thousand)**

This item represents the negative fair value of outstanding derivatives at 31 December 2009, classified as cash flow hedges or fair value hedges depending on the hedged risk, as required by IAS 39.

Cash flow hedges include a Cross Currency Interest Rate Swap (CCIRS) entered into by Atlantia to hedge exposure to foreign exchange and interest rate risk associated with the medium/long-term bond issue with a par value of Gbp500,000 (the fair value of which reflects the impact of the movement in the euro/sterling exchange rate, amounting to €38,065 thousand, thereby offsetting the movement in the underlying liability) and new medium/long-term bonds with a par value ¥20,000 billion issued in 2009 (the fair value includes the €1,019 thousand movement in the Yen/euro exchange rate, thereby offsetting the movement in the underlying liability). Cash flow hedges also include interest rate swaps entered into by certain Group companies, hedging interest rate risk on the non-current financial liabilities set out below:

- a) a medium/long-term bond issue with a par value of €2,000,000 thousand issued by Atlantia on 9 June 2004;
- b) a Senior Secured Long Term Facility (Term Loan Facility) with a par value of €800,000 thousand on the books of Autostrade per l'Italia;
- c) Project Financing with a par value of €31,673 thousand on the books of the Stalexport Autostrady group.

Fair value hedges, on the other hand, include interest rate swaps hedging fair value risk on the above-mentioned new bond issue with a par value of €1,500,000 thousand. Credit risk is not covered by this hedge.

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

**Other medium to long-term financial liabilities**

**(non-current) / €74,945 thousand (€99,300 thousand)**

**(current) / €27,981 thousand (€7,140 thousand)**

Other medium to long-term financial liabilities consist predominantly of long-term deferred income of €25,464 thousand (€52,989 thousand at 31 December 2008) in connection with interest rate subsidies for future years. The decrease was a result of the reclassification by Tangenziale di Napoli SpA of a loan from the Central Guarantee Fund to current liabilities. Other medium to long-term financial liabilities also include €45,347 thousand (€49,317 thousand at 31 December 2008) payable by the Stalexport Autostrady group to other creditors mainly consisting of payables to the Polish government: the decrease during the year was the result of repayments and exchange rate variations.

#### Short-term financial liabilities / €505,397 thousand (€514,428 thousand)

Short-term financial liabilities include accrued financial expenses on medium/long-term borrowings, amounting to €277,334 thousand (€213,201 thousand at 31 December 2008) and other short-term financial liabilities of €228,063 thousand (€301,227 thousand at 31 December 2008).

The decrease during the year was principally a result of reductions in overdrafts and short-term loans of €55,958 thousand and in dividends payable of €11,235 thousand. This was partially offset by an increase of €53,333 thousand in accrued interest payable on bond issues in 2009, and a €4,008 thousand increase in differentials on hedges.

#### 7.15 Other non-current liabilities / €126,335 thousand (€101,386 thousand)

This item primarily regards:

- a) tolls of €69,899 thousand collected by Autostrade per l'Italia (€45,220 thousand at 31 December 2008) and €23,313 thousand by Autostrade Meridionali (€22,484 thousand at 31 December 2008), due to toll charge increases treated as long-term deferred income, in that it relates to future financial years as required by the related legislation and regulations;
- b) deferred income of €32,035 thousand (€33,282 thousand at 31 December 2008) to be released over several years primarily relating to advance payments of rents, grants and repayments to be recognised in future years.

The increase during the year primarily related to tolls collected and deferred by Autostrade per l'Italia, totalling €24,679 thousand, as explained in point a), above.

Following Autostrade Meridionali's signing of the amended Single Concession Agreement, from 2009 it no longer includes the X variable in its deferred income, partially releasing previous deferrals of €3,867 thousand to toll revenues (up €8.8 million on 2008).

#### 7.16 Trading liabilities / €720,126 thousand (€666,000 thousand)

This item primarily consists of €686,961 thousand (€640,056 thousand at 31 December 2008) in Group trade payables, which principally regard invoices received and progress payments for new investments and maintenance works, plus retentions.

The increase of €54,126 thousand reflects essentially the increased investments of the Atlantia Group in 2009.

The carrying amount of trading liabilities approximates their fair value, in that the effect of discounting to present value is not significant.

### 7.17 Other current liabilities / €869,171 thousand (€781,087 thousand)

An analysis of the balance is shown below:

(€000)	31.12.2009	31.12.2008	Increase/(Decrease)
Payable to operators of interconnecting motorways	420,433	371,851	48,582
Tolls in the process of settlement	117,835	112,838	4,997
Taxation other than income taxes	57,747	63,858	-6,111
Guarantee deposits by users who pay by direct debit	50,103	48,847	1,256
Payable to staff	50,449	51,222	-773
Payable to expropriated companies	50,773	43,151	7,622
Social security contributions payable	36,229	34,766	1,463
Other current liabilities	85,602	54,554	31,048
<b>Total</b>	<b>869,171</b>	<b>781,087</b>	<b>88,084</b>

The increase compared with 31 December 2008 is primarily due to the increase in amounts payable to operators of interconnecting motorways, totalling €48,582 thousand, as a result of the above-mentioned increase in toll charges with effect from 1 May 2009. The change also reflects a €7,622 thousand increase in amounts payable as a result of expropriations linked to infrastructure works.

## 8. Notes to the consolidated income statement

This section analyses the main income statement items. Amounts for 2008 are shown in brackets.

### 8.1 Net toll revenues / €2,956,399 thousand (€2,853,010 thousand)

Net toll revenues of €2,956,399 thousand are up €103,389 thousand (3.6%) on 2008 primarily due to the combined effect of the following:

- the toll surcharge of €82,309 payable by the concessionaires to ANAS, recognised in toll revenues and operating costs for August to December 2009;
- the tariff increases from 1 May 2009 applied by Italian concessionaires (2.4% for Autostrade per l'Italia and an average of 2.4% for Italian concessionaires) and postponed until 30 April by Law Decree 185/2008, converted into Law 2/2009;
- the 0.1% reduction in traffic recorded by Italian concessionaires compared with the previous year;
- a worsening traffic mix, with "light" traffic up 1.9% and "heavy" vehicles down 7.1%, which combined to account for a 1.2% reduction in toll revenues.

Further information on toll charge increases applied by the Group's concessionaires and traffic trends is provided in the relevant section of the report on operations.

The portion of toll revenues relating to the latter part of the period is calculated on the basis of reasonable estimates.

### 8.2 Contract revenue / €50,225 thousand (€66,728 thousand)

Contract revenue includes the change in contract work in progress as determined by the stage of completion of contracts included in the change in work in progress.

The reduction of €16,503 thousand essentially reflects completion in 2008 of contracts awarded to Pavimental for the upgrading and restructuring of airport runways at Fiumicino and Cagliari.

### 8.3 Other operating income / €603,937 thousand (€556,962 thousand)

An analysis of other operating income is set out in the table below.

(€000)	2009	2008	Increase/(Decrease)
Income from service areas	244,129	237,433	6,696
Revenues from Telepass and Viacard fees	104,472	97,553	6,919
Reimbursements	49,423	54,506	-5,083
Income from transfer free of charge of buildings located at service areas	33,396	1,030	32,366
Advertising revenues	13,116	16,301	-3,185
Revenue on the sale of technology devices and services and other operating income	159,401	150,139	9,262
<b>Total</b>	<b>603,937</b>	<b>556,962</b>	<b>46,975</b>

Other operating income of €603,937 thousand has risen €46,975 thousand (8.4%) on the figure for 2008 (€556,962 thousand). The increase was essentially a result of:

- a €48,486 thousand increase in current royalties from service areas, primarily due to the renewal of sub-concessions that expired at the end of 2008;
- a €32,366 thousand increase in income deriving from the transfer, free of charge, of a number of buildings located at service areas, following renewal of the related sub-concessions;
- a reduction in income (down €41,790 thousand) in the form of one-off payments deriving from the renewal, in 2008, of sub-concessions on expiry.

### 8.4 Raw and consumable materials / €137,146 thousand (€131,211 thousand)

This item, which consists of material purchases, changes in inventory levels of raw and consumable materials and the net capitalised cost of materials.

### 8.5 Service costs / €441,525 thousand (€505,818 thousand)

This item includes construction, transport and professional services primarily relating to motorway maintenance. The balance, after excluding the capitalised portion, is broken down as follows:

(€000)	2009	2008	Increase/(Decrease)
Construction and similar	254,253	276,952	-22,699
Professional services	81,389	101,344	-19,955
Transport and similar	66,578	76,368	-9,790
Utilities	43,742	56,582	-12,840
Insurance	17,721	16,332	1,389
Statutory auditors' fees	1,447	1,531	-84
Prestazioni diverse	119,032	122,206	-3,174
	<b>584,162</b>	<b>651,315</b>	<b>-67,153</b>
Capitalised service costs	-142,637	-145,497	2,860
<b>Total</b>	<b>441,525</b>	<b>505,818</b>	<b>-64,293</b>

The €64,293 thousand decrease in net service costs principally reflects a decline in maintenance costs, the lower volume of work carried out by Pavimental and SPEA for third parties and widespread savings in general and administrative costs (totalling €32,795 thousand). The reduction in maintenance costs is primarily due to completion, in 2008, of the planned laying of draining pavement throughout the network, which was only partially offset by an increase in winter operations and by a rise in the cost of non-routine maintenance of bridges and viaducts and the installation of New Jersey safety barriers.

## 8.6 Net staff costs / €600,437 thousand (€592,463 thousand)

An analysis of staff costs is set out below:

(€000)	2009	2008	Increase/(Decrease)
Wages and salaries	434,775	428,910	5,865
Social security contributions	130,936	127,659	3,277
Post-employment benefits (including payments to supplementary pension funds or to INPS)	24,365	23,325	1,040
Directors' fees	7,246	10,881	-3,635
Other staff costs	45,686	36,484	9,202
	<b>643,008</b>	<b>627,259</b>	<b>15,749</b>
Capitalised staff costs	-42,571	-34,796	-7,775
<b>Total</b>	<b>600,437</b>	<b>592,463</b>	<b>7,974</b>

The increase in staff costs of €15,749 thousand compared with 2008 was primarily caused by:

- an increase of 173 (1.8%) in the average workforce;
- an increase in the average unit cost (up 0.7%), primarily due to renewal (in December 2008) of the labour contract for concessionaires and industrial companies (a percentage rise in the average cost of 1.8%), the impact of which was reduced by a decrease in the use of variable staff (resulting in a reduction of approximately 1.1% in the average cost).

Capitalised staff costs rose from €34.8 million to €42.6 million in accordance with the increase of investing activities managed from staff.

Staff costs for 2009 include €173 thousand corresponding to the fair value of share options vesting at 31 December 2009 under the plan approved by the shareholders at their Annual General Meeting, which is more fully described in note 7.12, to which reference should be made.

The Group's average workforce by category is shown in the following table.

(no.)	2009	2008	Increase/(Decrease)
Senior managers	178	177	1
Middle managers and administrative staff	4,631	4,421	210
Toll collectors	3,404	3,479	-75
Manual workers	1,808	1,771	37
<b>Total</b>	<b>10,021</b>	<b>9,848</b>	<b>173</b>

## 8.7 Other operating costs / €328,087 thousand (€216,011 thousand)

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

(€000)	2009	2008	Increase/(Decrease)
Concession fees	164,595	79,811	84,784
Change in provisions for the repair and replacement of assets to be relinquished	96,444	69,624	26,820
Lease expense	18,846	17,961	885
Grants and donations	11,929	10,619	1,310
Direct and indirect taxes	11,231	7,757	3,474
Provisions	4,100	13,379	-9,279
Non-recurring operating costs	8,588	9,735	-1,147
Other operating costs	15,162	9,975	5,187
	<b>330,895</b>	<b>218,861</b>	<b>112,034</b>
Other capitalised operating costs	-2,808	-2,850	42
<b>Total</b>	<b>328,087</b>	<b>216,011</b>	<b>112,076</b>

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The €112,076 thousand increase in other operating costs was principally caused by the increase in concession-related expenses recognised by Italian Group concessionaires, primarily due to the increase in concession fees following the introduction of changes in legislation regarding tariff surcharges, as described in the note 10.5, and the net change in provisions for the repair and replacement of assets to be relinquished, as explained in note 7.13.

#### 8.8 Impairment losses/(Reversal of impairment losses) / €18,555 thousand (-€11,404 thousand)

This amount essentially relates to the €42,547 thousand impairment loss on the carrying amount of the concession held by Stalexport Autostrada Malopolska, which was recognised on allocation of the purchase consideration in December 2007, as explained in note 7.2. This was in part offset by the €28,961 thousand reversal of previous impairment losses on the carrying amount of the infrastructure owned by Raccordo Autostradale Valle d'Aosta, as explained in note 7.1.

#### 8.9 Financial income/(expenses) / -€479,502 thousand (-€458,308 thousand)

Income from financial assets / €140,071 thousand (€92,489 thousand)

Net financial expenses / -€618,576 thousand (-€551,874 thousand)

Foreign exchange gains/(losses) / -€997 thousand (€1,077 thousand)

An analysis of financial income and expenses is set out below:

(€000)	2009	2008	Increase/(Decrease)
Gains on transaction in derivative financial instruments	96,049	53,233	42,816
Interest and fees on bank and post office deposits	9,934	29,842	-19,908
Dividends from investments	441	112	329
Revaluations of financial assets	196	-	196
Other financial income	33,451	9,302	24,149
<b>Income from financial assets</b>	<b>140,071</b>	<b>92,489</b>	<b>47,582</b>
Interest on bonds	-356,328	-353,705	-2,623
Interest on medium/long-term borrowings	-132,827	-145,730	12,903
Losses on transactions in derivative financial instruments	-155,609	-47,821	-107,788
Expense on the discounting of non-current financial liabilities	-13,674	-15,205	1,531
Interest and fees on bank and post office deposits	-3,122	-14,066	10,944
Other financial expenses	-10,074	-17,306	7,232
<b>Financial expenses</b>	<b>-671,634</b>	<b>-593,833</b>	<b>-77,801</b>
Capitalised financial expenses	51,018	40,194	10,824
Grants for interest	2,040	2,036	4
<b>Net financial expenses</b>	<b>-618,576</b>	<b>-551,874</b>	<b>-66,702</b>
<b>Foreign exchange gains</b>			
Unrealised foreign exchange gains	39,533	158,058	-118,525
Realised foreign exchange gains	1,312	1,291	21
	<b>40,845</b>	<b>159,349</b>	<b>-118,504</b>
<b>Foreign exchange losses</b>			
Unrealised foreign exchange losses	-40,075	-156,871	116,796
Realised foreign exchange losses	-1,767	-1,401	-366
	<b>-41,842</b>	<b>-158,272</b>	<b>116,430</b>
<b>Foreign exchange gains/(losses)</b>	<b>-997</b>	<b>1,077</b>	<b>-2,074</b>
<b>Total</b>	<b>-479,502</b>	<b>-458,308</b>	<b>-21,194</b>

Net financial expenses, after deducting financial income, amount to €531,563 thousand, representing an increase of €30,229 thousand (6.0%) compared with 2008 (€501, 334 thousand). This primarily reflects the increase in the average level of debt during 2009, and the differential between returns on the investment of liquidity and the cost of borrowing incurred in order to provide the financial resources to be used to repay bond issues maturing in 2011 and 2014. These factors were partially offset by an increase in other financial income, which benefitted from the item (€20,465 thousand) recognised following the SIAS group's acquisition of 50% of Autostrade per il Cile, the company set up by Autostrade per l'Italia at the beginning of 2009 and used as a vehicle through which to acquire certain investments from the Itinere group.

Capitalised financial expenses, amounting to €51,018 thousand, are up €10,824 thousand (26.9%) on the previous year, reflecting the progressive increase in accumulated payments made for investments underway on the Group's network. Capitalised interest in 2009 was calculated using the average interest rate applicable to the borrowings assumed to fund investment, equal to 4.54%.

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

### 8.I0 Share of profit/(loss) of associates and joint ventures accounted for using the equity method / -€56,712 thousand (-€28,190 thousand)

This item relates to the recognition in the income statement of the variation of the Group's interest in associates and joint ventures accounted for using the equity method, as explained in note 7.3.

The increase in the net loss recognised in 2009 was essentially due to the impairment loss of €67,045 thousand on the investment in IGLI, as already explained in note 7.3.

The impairment was only partially offset by the profit on the investment in Autostrade del Sud America of €8,428 thousand in 2009, compared with a loss of €27,987 thousand in 2008. In 2009 Autostrade del Sud America benefitted from the performance of its Chilean subsidiary, Costanera Norte, partly due to movements in exchange rates. In contrast, the result for 2008 reflected the charge (€15,537 thousand) incurred in purchasing the call option held by the Impregilo group on 10% of the shares of Autopista do Pacifico.

### 8.II Income tax expense / -€442,786 thousand (-€408,584 thousand)

A comparison of the tax charge for 2009 and 2008 is shown in the following table:

(€000)	2009	2008
IRES	275,555	272,617
IRAP	99,928	112,002
Other taxes	1,495	4,561
Current tax benefit of tax loss carry forwards	-1,254	-
<b>Current taxes</b>	<b>375,724</b>	<b>389,180</b>
Recovery of previous year's income taxes	-16,221	-23,503
Previous year's income taxes	2,866	13,354
<b>Differences on current tax expense for previous years</b>	<b>-13,355</b>	<b>-10,149</b>
Provisions	-83,721	-75,712
Releases	157,880	120,022
Change in estimates for previous years	11,489	85
<b>Deferred tax income</b>	<b>85,648</b>	<b>44,395</b>
Provisions	6,628	1,150
Releases	-11,740	-4,219
Change in estimates for previous years	-119	-11,773
<b>Deferred tax expense</b>	<b>-5,231</b>	<b>-14,842</b>
<b>Total</b>	<b>442,786</b>	<b>408,584</b>

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Whilst profit before tax was in line with the figure for 2008, the net increase in the tax charge of €34,202 thousand was essentially due to the immaterial nature of the reduction in the carrying amount of investments. The figure for 2009 has benefitted from income (€13.1 million) in the form of a rebate of IRES as a result of deductible IRAP, whilst the figure for 2008 included the net tax benefit (€16.8 million) deriving from the franking of certain off-book items deducted by certain Group companies in previous years.

The following table shows a reconciliation of the applicable rate of IRES and the effective charge for 2009.

(€000)	Taxable income	2009		Taxable income	2008	
		Tax expense Amount	Effective tax rate		Tax expense Amount	Effective tax rate
<b>Profit from continuing operations</b>	<b>1,124,366</b>			<b>1,129,353</b>		
Applicable income tax expense/(credit)		309,201	27.50%		310,572	27.50%
Temporary differences deductible in future years	207,077	56,946	5.06%	188,945	51,960	4.60%
Temporary differences taxable in future years	-20,706	-5,694	-0.51%	-246	-68	-0.01%
Reversal of temporary differences arising in previous years	-452,939	-124,558	-11.08%	-389,816	-107,199	-9.49%
Permanent differences	139,658	38,406	3.42%	63,097	17,352	1.54%
<b>Taxable income for purposes of IRES</b>	<b>997,456</b>			<b>991,333</b>		
<b>Current IRES for year (after deduction of tax losses)</b>		<b>274,301</b>	<b>24.40%</b>		<b>272,617</b>	<b>24.14%</b>
<b>Current IRAP for year</b>		<b>99,928</b>	<b>8.89%</b>		<b>112,002</b>	<b>9.92%</b>
<b>Other income taxes for the year payable by non-Italian companies</b>		<b>1,495</b>	<b>0.13%</b>		<b>4,561</b>	<b>0.40%</b>
<b>Current tax charge for the year</b>		<b>375,724</b>	<b>33.42%</b>		<b>389,180</b>	<b>34.46%</b>

### 8.12 Profit/(Loss) from discontinued operations/assets held for sale / €807 thousand (€19,649 thousand)

The net profit recognised in 2008 was essentially attributable to the sale of investments in Autostrade del Brennero and Autovie Venete, which resulted in a total after-tax profit of €18,072 thousand.



## 8.13 Earnings per share

The following table shows the calculation of basic and diluted earnings per share with comparative amounts.

	2009	2008
Number of shares in issue	571,711,557	571,711,557
Weighted average of treasury shares in portfolio	-11,476,616	-5,305,364
<b>Weighted average of shares in circulation for the calculation of basic earnings per share</b>	<b>560,234,941</b>	<b>566,406,193</b>
Weighted average share options held under incentive scheme for the calculation of diluted earnings per share	47,840	-
<b>Weighted average of shares in circulation for the calculation of diluted earnings per share</b>	<b>560,282,781</b>	<b>566,406,193</b>
<b>Profit for the year attributable to owners of the parent (€000)</b>	<b>690,672</b>	<b>734,832</b>
Basic earnings per share (€)	1.23	1.30
Diluted earnings per share (€)	1.23	1.30
<b>Profit from continuing operations attributable to owners of the parent (€000)</b>	<b>689,865</b>	<b>715,183</b>
Basic earnings per share from continuing operations (€)	1.23	1.26
Diluted earnings per share from continuing operations (€)	1.23	1.26
<b>Profit from discontinued operations attributable to owners of the parent (€000)</b>	<b>807</b>	<b>19,649</b>
Basic earnings per share from discontinued operations (€)	-	0.04
Diluted earnings per share from discontinued operations (€)	-	0.04

## 9. Other financial information

### 9.1 Notes to the consolidated cash flow statement

Consolidated cash flow in 2009, compared with the previous year, is analysed below and shown in the cash flow statement included in the "Consolidated financial statements".

Cash flows during 2009 generated net cash and cash equivalents of €1,140.2 million (€264.8 million in 2008).

Cash from operating activities amounted to €1,375.8 million, compared with €1,292.9 million in 2008. The €87.0 million increase in cash from operating activities compared with the €0.4 million increase in 2008 primarily reflects an increase of €70.9 million in trade receivables. This is largely due from service area sub-concessionaires as a result of increased royalties following the renewal of the contracts that had expired in 2008 by public tender, and to deferred toll collections. These changes were accompanied by an increase in revenue and a €54.1 million increase in trade payables, primarily as a result of the Group's increased capital expenditure in 2009, and an €88.1 million increase in other current liabilities, mainly due to the increase in amounts payable to the operators of interconnecting motorways and third parties as a result of expropriations for infrastructure works.

Cash used in investing activities totalled €1,222.9 million (€963.8 million in 2008). The €259.1 million increase in cash used in investing activities is due to the acquisition of investments in consolidated companies, including net cash acquired (€220.5 million), and to the increase in current and non-current financial assets as a result of the residual cash generated (€1,500 million) by the bond issue of 6 May 2009, which was placed in short-term bank deposits.

Financing activities generated cash flows of €986.9 million in 2009, representing an increase of €1,046.4 million on 2008, which recorded a net cash outflow of €59.5 million. The increase was mainly caused by the above-mentioned €1,500 million bond issue, compared with new borrowings in 2008 of €650.1 million and cash outflows of €215.6 million to purchase treasury shares in 2008.

## 9.2 Notes to the analysis of consolidated net debt

The following statement shows the Group's net debt broken down into its principal components, already commented in the above notes to the financial balance sheet categories, and amounts due to and from related parties, as required by CONSOB Communication DEM/6064293 of 28 July 2006.

### Consolidated (net funds)/net debt

(€m)	31.12.2009	31.12.2008	Increase/(Decrease)
<b>Non-current financial liabilities</b>	<b>11,305.9</b>	<b>9,862.1</b>	<b>1,443.8</b>
Bond issues	7,836.0	6,144.9	1,691.1
Medium/long-term borrowings	3,020.2	3,282.6	-262.4
Derivative liabilities	374.8	335.3	39.5
Other financial liabilities	74.9	99.3	-24.4
<b>Current financial liabilities</b>	<b>954.4</b>	<b>840.0</b>	<b>114.4</b>
Bank overdrafts	41.0	82.9	-41.9
Short-term borrowings	185.4	199.4	-14.0
Current portion of medium/long-term borrowings	726.3	538.8	187.5
Intercompany current accounts payable	1.5	7.3	-5.8
Other financial liabilities	0.2	11.6	-11.4
<b>Total financial liabilities</b>	<b>12,260.3</b>	<b>10,702.1</b>	<b>1,558.2</b>
<b>Cash and cash equivalents</b>	<b>-1,222.3</b>	<b>-129.8</b>	<b>-1,092.5</b>
Cash	-403.3	-96.0	-307.3
Cash equivalents	-819.0	-33.8	-785.2
<b>Other current financial assets</b>	<b>-286.6</b>	<b>-234.3</b>	<b>-52.3</b>
Current portion of medium/long-term financial assets	-67.8	-19.3	-48.5
Escrow accounts convertible within 12 months	-181.6	-177.9	-3.7
<b>Other financial assets</b>	<b>-20.1</b>	<b>-37.1</b>	<b>17.0</b>
<i>of which due from related parties</i>	<i>-6.2</i>	<i>-4.4</i>	<i>-1.8</i>
<i>of which due from others</i>	<i>-13.9</i>	<i>-32.7</i>	<i>18.8</i>
<b>Financial assets included in disposal groups</b>	<b>-17.1</b>	<b>-</b>	<b>-17.1</b>
<i>of which due from related parties</i>	<i>-17.1</i>	<i>-</i>	<i>-17.1</i>
<b>Total current financial assets</b>	<b>-1,508.9</b>	<b>-364.1</b>	<b>-1,144.8</b>
<b>(Net funds)/Net debt in accordance with CESR Recommendation of 10 February 2005</b>	<b>10,751.4</b>	<b>10,338.0</b>	<b>413.4</b>
<b>Non-current financial assets</b>	<b>-379.3</b>	<b>-583.2</b>	<b>203.9</b>
Escrow accounts convertible after 12 months	-336.7	-540.8	204.1
Derivative assets	-0.9	-1.8	0.9
Other financial assets	-41.7	-40.6	-1.1
<b>(Net funds)/Net debt</b>	<b>10,372.1</b>	<b>9,754.8</b>	<b>617.3</b>

The Group's net debt, as defined in the CESR Recommendation of 10 February 2005, amounts to €10,751.4 million at 31 December 2009, compared with the €10,338.0 million at 31 December 2008.

### 9.3 Financial risk management

#### The Atlantia Group's financial risk management objectives and policies

In the normal course of business, the Atlantia Group is exposed to:

- a) market risk, principally with respect to the effect of variations of interest and foreign currency rates on financial assets acquired and financial liabilities assumed;
- b) liquidity risk, with regard to ensuring the availability of sufficient financial resources to fund the Group's operating activities and repayment of the liabilities assumed;
- c) credit risk, linked to both ordinary trading relations and the likelihood of defaults by financial counterparties.

The Atlantia Group's financial risk management strategy is derived from and consistent with the business goals set by the Atlantia Board of Directors that are contained in the various strategic plans approved by the Board. The strategy aims to both manage and control such risks.

#### Market risk

The adopted strategy for each type of risk aims, wherever possible, to eliminate interest rate and foreign currency risks and minimise borrowing costs, whilst taking account of stakeholders' interests, as defined in the Hedging 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 strategic plan from the effect of exposure to foreign currency and interest rate risks, identifying the best combination of fixed and floating rates;
- b) to pursue a potential reduction of the Group's borrowing costs within the risk limits determined by the Board of Directors;
- c) to manage derivative financial instruments taking account of their potential impact on the results of operations and financial position in relation to their classification and presentation.

The hedging components of the Group's derivatives portfolio are classified, in application of IAS 39, as cash flow hedges or fair value hedges depending on the type of risk hedged.

The fair value of financial derivative instruments is based on expected discounted cash flows, using the market yield curve at the measurement date. Amounts in foreign currencies other than the euro are translated at closing exchange rates communicated by the European Central Bank.

The residual average term to maturity of the Group's debt is around 7 years.

The average cost of medium/long-term borrowings in 2009 was approximately 5%.

Monitoring is, moreover, intended to assess, on a continuing basis, counterparty creditworthiness and the degree of risk concentration.

#### Interest rate risk

Interest rate risk is linked to uncertainty regarding the performance of interest rates, and takes two forms:

- a) cash flow risk: this is linked to financial assets and liabilities with cash flows indexed to a market interest rate. In order to reduce floating rate debt, the Group has entered into interest rate swaps (IRS), classified as cash flow hedges. The hedging instruments and the underlying financial liabilities have matching terms to maturity and notional amounts. Tests have shown that the hedges were fully effective during 2009. Changes in fair value are recognised in the other

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components of comprehensive income statement, with no recognition of any ineffective portion in the income statement. Interest income or expense deriving from the hedged instruments is recognised simultaneously in the income statement;

- b) fair value risk: this represents the risk of losses deriving from an unexpected change in the value of a financial asset or liability fixed rate following an unfavourable shift in the market interest rate curve. In order to eliminate this type of risk linked to the bond issue with a par value of €1,500 million carried out in 2009, the Group has entered into interest rate swaps (IRS), classified as fair value hedges. The hedging instruments and the underlying financial liabilities have matching terms to maturity and notional amounts. Changes in the fair values of both the underlying financial liability and the hedging instruments are therefore recognised in the income statement. Tests have shown that the hedges were fully effective during 2009, with the change in the fair value of these derivatives completely offset by the change in the fair value of the underlying liability. Credit risk is not covered by the fair value hedges.

82% of interest bearing debt is fixed rate.

#### Foreign currency risk

Exposure to foreign currency risk breaks down as follows:

- a) exposure to economic currency risk represented by cash flows and payments in currencies other than the presentation currency;
- b) exposure to translation currency risk linked to the net investment of capital in subsidiaries with presentation currencies other than the euro;
- c) exposure to translation currency risk deriving from deposits and/or loans denominated in currencies other than the presentation currency.

Fair values of derivative financial instruments Type (€000)	Purpose of hedge	Currency	Contract term
<b>Cash flow hedges</b>			
Cross Currency Swap	Exchange rate fluctuations	Eur	2004-2022
Cross Currency Swap	Exchange rate fluctuations	Eur	2009-2038
Interest Rate Swap	Interest rate fluctuations	Eur	2004-2011
Interest Rate Swap	Interest rate fluctuations	Eur	2004-2015
Interest Rate Swap	Interest rate fluctuations	Eur	2008-2020
<b>Cash flow hedges</b>			
<b>Fair value hedges</b>			
Interest Rate Swap	Interest rate fluctuations	Eur	2009-2016
<b>Fair value hedges</b>			
<b>Negative fair values of derivative financial instruments</b>			
<b>Derivatives not accounted for as hedges</b>			
Eur Put/Usd Call option	Exchange rate fluctuations	Eur	2007-2011
<b>Derivatives not accounted for as hedges</b>			
<b>Positive fair values of derivative financial instruments</b>			
<b>Total derivatives</b>			

(1) The fair value of hedging derivatives is stated net of accruals at the end of the reporting period.

The main aim of the Group's foreign currency risk hedging strategy is to minimise translation currency risk, which is linked to the assumption of financial liabilities denominated in currencies other than the euro. In particular, cross currency swaps (CCS) with notional amounts and maturities matching those of the underlying financial liabilities were entered into specifically to eliminate the currency risk of the sterling bond and the new yen denominated bond issued in 2009. These swaps also qualify as cash flow hedges and tests have shown that they are fully effective.

10% of the Group's medium/long-term debt is denominated in currencies other than the euro. Taking account of the above foreign currency hedges, the percentage of foreign currency debt exposed to foreign currency risk on translation into euros is 2%. This regards the portion of foreign currency debt denominated in the accounting currency of the country in which the debtor Group company operates.

Translation risks deriving from the net investment of capital in subsidiaries with presentation currencies other than the euro are not hedged.

The following table summarises outstanding derivative financial instruments at 31 December 2009 (compared with 31 December 2008) and shows the corresponding market value and the hedged financial liability. In order to provide full disclosure regarding outstanding derivative instruments, this table also includes the derivative instrument relating to the forward purchase of US dollars. This was entered into to hedge the eventual need to raise US\$21,800 thousand in order to finance the possible exercise of the call option on a further 16% of ETC's share capital. Given that this agreement does not qualify for hedge accounting under IAS 39, this derivative has been classified as a trading asset, with changes in fair value recognised in the income statement.

Notional amount		Fair value <sup>(4)</sup>		Description	Hedged financial liabilities	
31.12.2008	31.12.2009	31.12.2008	31.12.2009		Par value	Term
750,000	750,000	-251,736	-247,596	Bond 2004-2022 (Gbp)	750,000	2004-2022
-	149,176	-	-6,890	Bond 2009-2038 (Jpy)	149,176	2009-2038
2,000,000	2,000,000	-59,737	-75,680	Bond 2004-2011	2,000,000	2004-2011
800,000	800,000	-19,618	-32,962	Term Loan Facility	800,000	2004-2015
15,461	17,054	-4,204	-321	50% Project Loan Agreement (Pln)	31,673	2008-2020
		<b>-335,295</b>	<b>-363,449</b>			
-	1,500,000	-	-11,330	Bond 2009-2016	1,500,000	2009-2016
		-	<b>-11,330</b>			
		<b>-335,295</b>	<b>-374,779</b>			
15,561	15,133	1,825	857	Option to acquire an additional 16% of ETC	15,133	2007-2011
		<b>1,825</b>	<b>857</b>			
		<b>1,825</b>	<b>857</b>			
		<b>-333,470</b>	<b>-373,922</b>			

#### Sensitivity analysis

Sensitivity analysis describes the impact that the interest rate and foreign currency movements to which the Group is exposed would have had on the income statement and on equity during the year.

The interest rate sensitivity analysis is based on the exposure of derivative and non-derivative financial instruments at the end of the reporting period, assuming, in terms of the impact on the income statement, a 0.10% (10 bps) shift in the interest rate curve at the beginning of the year, whilst, with regard to the impact of changes in fair value on equity, the 10 bps shift in the curve was assumed to have occurred at the measurement date. The following outcomes resulted from the analysis carried out:

- a) in terms of interest rate risk, an unexpected and unfavourable 10 bps shift in market interest rates would have resulted in a negative impact on the income statement, totalling €145 thousand, and on the other components of comprehensive income statement, totalling €6,453 thousand, before the related tax effects;
- b) in terms of foreign currency risk, an unexpected and unfavourable 10% shift in the exchange rate would have resulted in a negative impact on the income statement, totalling approximately €86 thousand, before the related tax effects.

#### Liquidity risk

Liquidity risk relates to the risk that cash resources may be insufficient to fund the payment of liabilities as they fall due. The Group believes that its ability to generate cash assures an ample diversification of funding sources and the availability of committed and uncommitted lines of credit provides sufficient alternative sources of finance to meet projected financial needs.

The Group's cash reserves at 31 December 2009 were estimated at €4,590 million made up of:

- a) €1,222 million in cash and/or investments maturing within six months;
- b) €518 million in escrow accounts to finance the execution of specific works;
- c) €2,850 million in undrawn committed lines of credit, details of which are shown in the following table.

(€m)	Drawdown period	Final maturity	31.12.2009		
			Available	Drawn	Undrawn lines
Committed Revolving Credit Facility	May 2015	June 2015	1,000	–	1,000
Medium/long-term committed EIB line	30.11.2011	31.12.2036	1,000	500	500
Medium/long-term committed CDB/EIB line	01.08.2013	19.12.2034	500	150	350
Medium/long-term committed CDB/SACE line	23.09.2014	23.12.2024	1,000	–	1,000
<b>Total lines of credit</b>			<b>3,500</b>	<b>650</b>	<b>2,850</b>

The following tables show the time distributions of financial liabilities by term to maturity at 31 December 2009 and comparable figures at 31 December 2008.

31.12.2009 (€000)	Carrying amount	Total contractual flows	Financial liabilities			
			Within 12 months	Between 1 and 2 years	Between 3 and 5 years	After 5 years
<b>Non-derivative financial liabilities <sup>(1)</sup></b>						
<b>Bond issues</b>						
Bond 2004-2011	-1,987,211	-2,035,464	-23,664	-2,011,800	-	-
Bond 2004-2014	-2,695,077	-3,437,500	-137,500	-137,500	-3,162,500	-
Bond 2004-2022 (Gbp)	-550,148	-1,020,437	-35,187	-35,187	-105,562	-844,499
Bond 2004-2024	-971,989	-1,881,250	-58,750	-58,750	-176,250	-1,587,500
Bond 2009-2016	-1,482,040	-2,090,625	-84,375	-84,375	-253,125	-1,668,750
Bond 2009-2038 (Jpy)	-149,553	-269,105	-4,100	-4,100	-12,301	-248,603
<b>Total bond issues (A)</b>	<b>-7,836,018</b>	<b>-10,734,381</b>	<b>-343,577</b>	<b>-2,331,713</b>	<b>-3,709,738</b>	<b>-4,349,353</b>
<b>Bank borrowings</b>						
Term Loan Facility	-786,086	-841,162	-90,521	-89,427	-500,104	-161,110
EIB	-1,039,969	-1,534,783	-135,288	-92,360	-236,651	-1,070,484
Cassa Depositi e Prestiti SpA	-143,532	-200,970	-4,244	-3,337	-16,957	-176,432
Other banks	-173,517	-172,145	-1,735	-11,517	-53,889	-105,004
Total borrowings linked to grants	-419,867	-801,104	-40,640	-160,991	-179,572	-419,901
<b>Total bank borrowings</b>	<b>-2,562,971</b>	<b>-3,550,164</b>	<b>-272,428</b>	<b>-357,632</b>	<b>-987,173</b>	<b>-1,932,931</b>
<b>Other borrowings</b>						
ANAS	-821,540	-1,321,954	-204,762	-55,860	-167,579	-893,753
Central Guarantee Fund	-56,664	-101,892	-39,576	-2,353	-7,843	-52,120
<b>Total other borrowings</b>	<b>-878,204</b>	<b>-1,423,846</b>	<b>-244,338</b>	<b>-58,213</b>	<b>-175,422</b>	<b>-945,873</b>
<b>Total medium/long-term borrowings (B)</b>	<b>-3,441,175</b>	<b>-4,974,010</b>	<b>-516,766</b>	<b>-415,845</b>	<b>-1,162,595</b>	<b>-2,878,804</b>
<b>Other financial liabilities (C)</b>	<b>-102,926</b>	<b>-71,071</b>	<b>-3,927</b>	<b>-3,745</b>	<b>-8,856</b>	<b>-54,543</b>
<b>Total non-derivative financial liabilities (D = A + B + C)</b>	<b>-11,380,119</b>	<b>-15,779,462</b>	<b>-864,270</b>	<b>-2,751,303</b>	<b>-4,881,189</b>	<b>-7,282,700</b>
<b>Derivative liabilities <sup>(2) (3)</sup></b>						
IRS <sup>(4)</sup>	-120,293	41,768	-63,308	-25,627	48,355	82,348
CCS	-254,486	-435,033	-14,298	-14,342	-42,996	-363,397
<b>Total derivatives</b>	<b>-374,779</b>	<b>-493,265</b>	<b>-77,606</b>	<b>-39,969</b>	<b>5,359</b>	<b>-281,049</b>

(1) Future cash flows relating to floating rate loans have been calculated on the basis of the latest established rate and applied and held constant to final maturity.

(2) Includes derivative instruments hedging the interest rate and foreign currency risks associated with bond issues and loans outstanding at 31 December 2009.

(3) Expected cash flows are calculated on the basis of exchange rates determined at the measurement date.

(4) Future cash flows deriving from interest rate swap (IRS) differentials are calculated on the basis of the latest established rate and held constant to the maturity of the contract.

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31.12.2008 (€000)	Financial liabilities					
	Carrying amount	Total contractual flows	Within 12 months	Between 1 and 2 years	Between 3 and 5 years	After 5 years
<b>Non-derivative financial liabilities <sup>(1)</sup></b>						
<b>Bond issues</b>						
Bond 2004-2011	-1,978,462	-2,203,326	-81,375	-81,375	-2,040,576	-
Bond 2004-2014	-2,684,374	-3,575,000	-137,500	-137,500	-412,500	-2,887,500
Bond 2004-2022 (Gbp)	-511,256	-984,251	-32,808	-32,808	-98,425	-820,210
Bond 2004-2024	-970,807	-1,940,000	-58,750	-58,750	-176,250	-1,646,250
<b>Total bond issues (A)</b>	<b>-6,144,899</b>	<b>-8,702,577</b>	<b>-310,433</b>	<b>-310,433</b>	<b>-2,727,751</b>	<b>-5,353,960</b>
<b>Bank borrowings</b>						
Term Loan Facility	-782,587	-929,891	-27,067	-106,385	-382,268	-414,171
EIB	-1,119,338	-1,659,315	-124,534	-135,287	-242,507	-1,156,987
Cassa Depositi e Prestiti SpA	-149,700	-183,965	-4,922	-6,816	-172,227	-
Other banks	-32,209	-44,285	-9,382	-9,108	-7,056	-18,739
Total borrowings linked to grants	-456,711	-456,750	-36,849	-38,698	-141,055	-240,148
<b>Total bank borrowings</b>	<b>-2,540,545</b>	<b>-3,274,206</b>	<b>-202,754</b>	<b>-296,294</b>	<b>-945,113</b>	<b>-1,830,045</b>
<b>Other borrowings</b>						
ANAS	-1,003,558	-1,601,065	-275,587	-208,287	-167,579	-949,612
Central Guarantee Fund	-56,978	-109,964	-3,586	-3,717	-11,933	-90,728
<b>Total other borrowings</b>	<b>-1,060,536</b>	<b>-1,711,029</b>	<b>-279,173</b>	<b>-212,004</b>	<b>-179,512</b>	<b>-1,040,340</b>
<b>Total medium/long-term borrowings (B)</b>	<b>-3,601,081</b>	<b>-4,985,235</b>	<b>-481,927</b>	<b>-508,298</b>	<b>-1,124,625</b>	<b>-2,870,385</b>
<b>Other financial liabilities (C)</b>	<b>-106,440</b>	<b>-54,991</b>	<b>-54,445</b>	<b>-366</b>	<b>-64</b>	<b>-116</b>
<b>Total non-derivative financial liabilities (D = A + B + C)</b>	<b>-9,852,420</b>	<b>-13,742,803</b>	<b>-846,805</b>	<b>-819,097</b>	<b>-3,852,440</b>	<b>-8,224,461</b>
<b>Derivatives <sup>(2) (3)</sup></b>						
IRS <sup>(4)</sup>	-83,559	-61,203	-19,443	-18,923	-19,142	-3,695
CCS	-251,736	-404,095	-12,761	-12,761	-38,533	-340,040
<b>Total derivatives</b>	<b>-335,295</b>	<b>-465,298</b>	<b>-32,204</b>	<b>-31,684</b>	<b>-57,675</b>	<b>-343,735</b>

(1) Future cash flows relating to floating rate loans have been calculated on the basis of the latest established rate and applied and held constant to final maturity.

(2) Includes derivative instruments hedging the interest rate and foreign currency risks associated with bond issues and loans outstanding at 31 December 2008.

(3) Expected cash flows are calculated on the basis of exchange rates determined at the measurement date.

(4) Future cash flows deriving from interest rate swap (IRS) differentials are calculated on the basis of the latest established rate and held constant to the maturity of the contract.

The amounts in the above tables include interest payments and exclude the impact of any offset agreements.

The time distribution of terms to maturity is based on the residual contract term or on the earliest date on which payment may be required, unless a better estimate is available.

The distribution for liabilities with repayment schedules is based on the date on which each instalment falls due.



The following table shows the time distribution of expected cash flows from cash flow hedges, and the periods in which they will be recognised in the income statement.

(€000)	Carrying amount	Expected cash flows <sup>(1)</sup>	31.12.2008				31.12.2009					
			Within 12 months	Between 1 and 2 years	Between 3 and 5 years	After 5 years	Carrying amount	Expected cash flows <sup>(1)</sup>	Within 12 months	Between 1 and 2 years	Between 3 and 5 years	After 5 years
<b>Interest rate swaps</b>												
Assets	-	1,622	-	-	-	1,622	-	-	-	-	-	-
Liabilities	-83,559	-85,888	-26,726	-48,129	-9,293	-1,740	-108,963	-113,216	-81,024	-29,306	-3,112	226
<b>Cross currency swap</b>												
Assets	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities	-251,736	-258,904	-12,584	-12,282	-34,408	-199,630	-254,486	-260,551	-14,229	-14,088	-40,256	-191,978
<b>Total cash flow hedge derivatives</b>	<b>-335,295</b>						<b>-363,449</b>					
Accrued expenses on cash flow hedges	-26,300						-30,308					
Accrued income on cash flow hedges	18,426						19,990					
<b>Total assets (liabilities) on cash flow hedge derivatives agreements</b>	<b>-343,170</b>	<b>-343,170</b>	<b>-39,310</b>	<b>-60,411</b>	<b>-43,701</b>	<b>-199,748</b>	<b>-373,767</b>	<b>-373,767</b>	<b>-95,164</b>	<b>-43,394</b>	<b>-43,368</b>	<b>-191,752</b>
<b>Interest rate swaps</b>												
Income from cash flow hedges	19,550	1,622	-	-	-	1,622	-	-	-	-	-	-
Losses on cash flow hedges	-2,127	-85,181	-27,962	-47,255	-8,355	-1,609	-66,159	-108,963	-79,726	-26,799	-2,551	113
<b>Cross currency swaps</b>												
Income from cash flow hedges	33,683	670,912	31,676	31,076	87,256	520,904	37,682	855,473	38,651	37,656	105,719	673,447
Losses on cash flow hedges	-45,694	-922,648	-43,990	-43,090	-120,886	-714,682	-46,031	-1,109,959	-52,815	-51,767	-145,655	-859,722
<b>Total income (expenses) on cash flow hedges</b>	<b>5,412</b>	<b>-335,295</b>	<b>-40,277</b>	<b>-59,269</b>	<b>-41,985</b>	<b>-193,765</b>	<b>-74,508</b>	<b>-363,449</b>	<b>-93,889</b>	<b>-40,910</b>	<b>-42,487</b>	<b>-186,162</b>

(1) Expected cash flows are calculated on the basis of market curves at the measurement date.

## Credit risk

The Group manages credit risk essentially through recourse to counterparties with high credit ratings and does not report significant credit risk concentrations.

Credit risk deriving from outstanding derivative financial instruments can also be considered marginal in that the counterparties involved are major financial institutions.

Provisions for impairment losses on individually material items are established when there is objective evidence that the Group will not be able to collect all or any of the amount due. The amount of the provisions takes account of estimated future cash flows and the date of collection, any future recovery costs and expenses, and the value of any security and guarantee deposits received from customers. General provisions, based on the available historical and statistical data, are established for items for which specific provisions have not been made.

## 10. Other information

### 10.1 Analysis by geographical segment

The following table shows an analysis of the Group's revenue and non-current assets by geographical segment.

(€000)	Revenue		Non-current assets (*)	
	2009	2008	31.12.2009	31.12.2008
Italy	3,521,756	3,393,538	14,492,800	13,697,794
Foreign operations (*)	88,805	83,162	526,449	228,973
	<b>3,610,561</b>	<b>3,476,700</b>	<b>15,019,249</b>	<b>13,926,767</b>

(\*) Non-current assets exclude financial instruments, deferred tax assets, assets relating to post-employment benefits and claims under insurance policies.

The item "Foreign operations" primarily refers to the contributions of the operating companies in Poland (Stalexport Autostrady group) and in the U.S.A. (Autostrade International U.S. Holdings) and the Chilean concessionaire, Los Lagos.

This item, which does not account for a material percentage of the consolidated amounts, is not analysed in further detail as the breakdown by individual country is not of significance.

Finally in 2009 there was an impairment losses on the carrying amount of the motorway concession of Stalexport Autostrada Malopolska, as explained in note 7.2.

### 10.2 Guarantees

At 31 December 2009 the Group reports the following outstanding personal and collateral guarantees in issue, which include the following material items:

- guarantees totalling €171,640 thousand issued by Atlantia in relation to the acquisition of investments from the Itinere group by the sub-holding company, Autostrade per il Cile, and more fully described in note 6. In respect of these guarantees issued in favour of banks, Atlantia has received a back-to-back guarantee from SIAS for 50% of the total amount (approximately €85,820 thousand);
- the guarantee of €45,818 thousand issued by Autostrade per l'Italia in favour of Assicurazioni Generali for the issue of a surety in favour of ANAS on behalf of Strada dei Parchi SpA;
- the surety of €120,350 thousand issued in favour of the Chilean holding company, Autopista do Pacifico (a subsidiary of Autostrade del Sud America), guaranteeing the loan obtained by this company to finance the acquisition of the motorway concessionaire, Costanera Norte.

In addition, at 31 December 2009 the shares held in foreign concessionaires and in Strada dei Parchi and Bologna & Fiera Parking, have been pledged to collateralise loans granted to certain Group companies and to back up commitments made to certain Grantors.

### 10.3 Reserves

In relation to its investing activities, the Group has contract reserves to be quantified with contractors totalling approximately €1,170 million.

Should a portion of the above claims be admitted by Group companies, any commitments recognised will in any event be accounted for as an increase in the cost of property, plant and equipment and subsequently depreciated.

In the case of other contract reserves not related to investing activities (contract work and maintenance), any future charges are covered by provisions for disputes.

#### 10.4 Related party transactions

The principal transactions entered into by the Group with related parties are described below.

All related party transactions are conducted on an arm's length basis and do not include transactions of an atypical or unusual nature.

The Atlantia Group did not engage in material transactions with its direct or indirect parents during 2009.

In compliance with IAS 24, the Autogrill group, which is under the common control of Edizione Srl, is treated as a related party. With regard to relations between the Atlantia Group's concessionaires and the Autogrill group, it should be noted that, at 31 December 2009, Autogrill holds 140 food service concessions for service areas along the Group's motorway network.

In 2009 the Group earned revenue of approximately €101.8 million on transactions with Autogrill, including €27.4 million in the form of non-recurring income from the transfer free of charge of buildings located at 41 service areas (following expiry of the related sub-concessions) and €65.0 million royalties deriving from management of service areas. This income is generated by contracts entered into over the years, of which a large part was entered into after transparent and non-discriminatory competitive tenders.

Tax credits relate to the claim for a rebate of IRES as a result of deductible IRAP, pursuant to art. 6 of Law Decree 185 of 29 November 2008, submitted in 2009 and recognised by a number of Group companies. The claim for a rebate regards IRES equal to 10% of the IRAP paid by the Company in the tax years from 2004 to 2007. As the Company participated in the tax consolidation arrangement headed by Schemaventotto during the above tax years, the claim has been submitted via the former consolidating entity.

### 3. Atlantia Group's consolidated financial statements

The following table summarises related party transactions during 2009 by showing their impact on the income statement and statement of financial position, compared with the corresponding amounts for 2008.

#### Related party trading and other transactions

Name (€m)	31.12.2009		2009		31.12.2008		2008	
	Assets	Liabilities	Income	Expenses	Assets	Liabilities	Income	Expenses
<b>Parents</b>								
Schemaventotto SpA								
trade	-	-	-	-	-	-	0.6	-
taxes	11.3	-	-	-	-	-	-	-
Sintonia SA	-	-	-	0.2	-	-	-	-
Edizione Srl	-	-	-	0.1	-	-	-	-
<b>Total parents</b>	<b>11.3</b>	<b>-</b>	<b>-</b>	<b>0.3</b>	<b>-</b>	<b>-</b>	<b>0.6</b>	<b>-</b>
<b>Associates</b>								
GEIE del Traforo del Monte Bianco	9.6	4.2	0.3	8.3	13.0	7.6	0.3	8.8
Bologna & Fiera Parking SpA	1.1	-	2.2	-	-	-	-	-
Società Infrastrutture Toscane SpA	0.1	-	0.1	-	-	-	-	-
Tangenziali Esterne di Milano	-	0.7	-	-	-	-	-	-
<b>Total associates</b>	<b>10.8</b>	<b>4.9</b>	<b>2.6</b>	<b>8.3</b>	<b>13.0</b>	<b>7.6</b>	<b>0.3</b>	<b>8.8</b>
<b>Joint ventures</b>								
Autostrade del Sud America Srl	0.4	-	-	-	0.4	-	-	-
Autostrade per il Cile	0.5	-	0.4	-	-	-	-	-
Pune Solapur Expressways Private Limited	0.1	-	0.1	-	-	-	-	-
Triangulo do Sol	0.4	-	-	-	-	-	-	-
<b>Total joint ventures</b>	<b>1.4</b>	<b>-</b>	<b>0.5</b>	<b>-</b>	<b>0.4</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Unconsolidated subsidiaries</b>								
<b>Affiliates</b>								
Autogrill SpA	40.8	0.6	101.8	2.7	25.5	0.2	66.0	1.6
<b>Total affiliates</b>	<b>40.8</b>	<b>0.6</b>	<b>101.8</b>	<b>2.7</b>	<b>25.5</b>	<b>0.2</b>	<b>66.0</b>	<b>1.6</b>
<b>Consortia</b>								
Consorzio Trinacria Scarl	-	0.1	-	0.2	-	0.2	-	0.5
Consorzio Galileo Scarl	0.2	1.1	-	-	0.2	1.1	-	0.7
Consorzio Ramonti Scarl	0.2	9.6	0.4	17.4	0.1	0.1	-	0.1
Consorzio R.F.C.C. (in liquidation)	0.1	-	-	-	0.1	-	-	-
Quadrante 300	0.2	1.1	0.2	1.1	-	-	-	-
Consorzio Italtecnasud	0.4	-	-	-	-	-	-	-
Pista 1 Scarl	0.3	0.3	-	0.4	0.2	10.4	1.1	22.0
Elmas Scarl	0.6	1.4	0.2	4.3	0.1	2.4	0.1	7.7
Vespucci Scarl	0.2	-	0.1	-	-	-0.1	-	0.1
<b>Total consortia</b>	<b>2.2</b>	<b>13.6</b>	<b>0.9</b>	<b>23.4</b>	<b>0.7</b>	<b>14.1</b>	<b>1.2</b>	<b>31.1</b>
<b>Other related parties</b>								
Uirnet	0.1	-	0.1	-	-	-	-	-
River SpA	0.2	-	-	-	-	-	-	-
<b>Other related parties</b>	<b>0.3</b>	<b>-</b>	<b>0.1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>66.8</b>	<b>19.1</b>	<b>105.9</b>	<b>34.7</b>	<b>39.6</b>	<b>21.9</b>	<b>68.1</b>	<b>41.5</b>

## Related party financial transactions

Name (€m)	31.12.2009		2009		31.12.2008		2008	
	Assets	Liabilities	Income from financial assets	Financial expenses	Assets	Liabilities	Income from financial assets	Financial expenses
<b>Associates</b>								
Società Infrastrutture Toscane SpA	-	1.5	-	-	-	1.8	-	-
Lusuponte	1.6	-	-	-	-	-	-	-
Autoestradas do Oeste	6.8	-	-	-	-	-	-	-
Via Litoral	9.4	-	-	-	-	-	-	-
<b>Total associates</b>	<b>17.8</b>	<b>1.5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.8</b>	<b>-</b>	<b>-</b>
<b>Joint ventures</b>								
Autostrade for Russia GmbH	0.7	-	-	-	0.7	-	-	-
<b>Total joint ventures</b>	<b>0.7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.7</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Unconsolidated subsidiaries</b>								
Sitech SpA (in liquidation) <sup>(1)</sup>	-	-	0.1	-	-	5.5	-	0.2
Pavimental Est	0.5	-	-	-	0.5	-	-	-
<b>Total unconsolidated subsidiaries</b>	<b>0.5</b>	<b>-</b>	<b>0.1</b>	<b>-</b>	<b>0.5</b>	<b>5.5</b>	<b>-</b>	<b>0.2</b>
<b>Consortia</b>								
Consorzio R.F.C.C. (in liquidation)	2.1	-	-	-	2.1	-	-	-
Consorzio Ramonti Scarl	-	-	-	-	0.1	-	-	-
Pista 1 Scarl	1.0	-	-	-	1.0	-	-	-
Elmas Scarl	1.0	-	-	-	-	-	-	-
Consorzio Trinacria Scarl	0.2	-	-	-	-	-	-	-
<b>Total consortia</b>	<b>4.3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.2</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>23.3</b>	<b>1.5</b>	<b>0.1</b>	<b>-</b>	<b>4.4</b>	<b>7.3</b>	<b>-</b>	<b>0.2</b>

(1) The liquidation procedures ended in 2009.

During 2009 fees, non-monetary benefits, bonuses and other incentives were received by the Chairman, Gian Maria Gros-Pietro (€0.9 million), and the Chief Executive Officer and General Manager, Giovanni Castellucci (€1.9 million), in relation to positions held in Atlantia and in other Group companies.

## 10.5 Significant regulatory aspects

### Single concession agreements between Italian concessionaires and ANAS

During 2009 the Italian concessionaires controlled by Autostrade per l'Italia (with the exception of Società Traforo del Monte Bianco, which operates under a different concession regime, and Autostrade per l'Italia, whose Single Concession Agreement came into effect in 2008) and the Grantor, ANAS, entered into the new single concession agreements provided for by Law Decree 262/2006 and subsequent amendments.

Raccordo Autostradale Valle d'Aosta, Società Autostrada Tirrenica, Tangenziale di Napoli, Autostrade Meridionali and Strada dei Parchi asked ANAS to revise the concession conditions pursuant to Interministerial Economic Planning Committee (CIPE) Directive 39/2007.

Autostrada Torino-Savona, on the other hand, has asked ANAS to draw up a single concession agreement based on the previous agreement (without, therefore, altering the concession conditions), informing ANAS of its wish to take advantage of the provisions of art. 3.c.5 of Law Decree 185/2008, subsequently converted into Law 2/2009. This gives motorway concessionaires the option of reaching agreement with ANAS on a simplified formula for calculating the annual adjustment to toll charges based on a fixed percentage, to be applied throughout the concession term, of the real inflation rate.

All the single concession agreements entered into by the Group's concessionaires and ANAS in 2009 – with the exception of certain conditions specific to each concessionaire – provide for, among other things:

- a) a list of the concessionaire's obligations;
- b) regulations governing the powers of the Grantor, ANAS, with reference to the supervisory and regulatory tasks and responsibilities provided for by the laws in force;
- c) establishment of the annual concession fee, which has been set at 2.4% of net toll revenues;
- d) inclusion, in a specific annex to the single concession agreement, of a section setting out the contractual sanctions and penalties to be applied in the event of a breach of the agreement, identifying the size of the sanction or penalty for each type of breach;
- e) definition of the situations that may lead to the lapse, revocation, withdrawal or termination of the concession, with explicit reference to the payment of pre-determined damages;
- f) introduction of capital requirements in line with market practice in the sector;
- g) the withdrawal by ANAS and the concessionaires of all pending legal actions at the date the single concession agreement comes into effect.

Art. 2.c.202 of Law 191 of 23 December 2009 (the 2010 Finance Act), which has amended art. 8-*duodecies* of Law Decree 59/2008, approved all the concession agreements with ANAS signed by motorway concessionaires at 31 December 2009 "on condition that the above agreements comply with the prescriptions contained in the CIPE resolutions approving the agreements, in order to ensure that there is no change in impact on the public finances, without prejudice to the concession agreements already approved".

The above single concession agreements will thus come into effect once the process of complying with the CIPE's additional requirements has been completed (this was still under way for all ASPI's subsidiaries at 31 December 2009).

#### Tariff increases for 2009 and new legislation governing motorway toll surcharges

The toll charge increases for 2009 to be introduced by Autostrade per l'Italia and the Group's Italian motorway concessionaires were applied from 1 May 2009, following their suspension until 30 April by Law Decree 185/2008, converted into Law 2/2009.

The following increases have been applied:

#### Tariff increases effective 1 May 2009

Italian motorway concessionaire	Tariff increase
Autostrade per l'Italia	2.40%
Raccordo Autostradale Valle d'Aosta	0.51%
Autostrada Torino-Savona	0.73%
Società Autostrada Tirrenica	5.14%
Strada dei Parchi	0.00%
Tangenziale di Napoli	6.63%
Autostrade Meridionali	4.89%
Società Italiana Traforo del Monte Bianco	0.00%

The increase in the toll surcharge, to be passed on in full to ANAS, came into effect from the same date, having also been suspended by the above Law Decree 185/2008. The surcharge rose from €0.0025 to €0.0030 per km for vehicles in classes A and B, and from €0.0075 to €0.0090 per km for all other classes.

The regulations governing the above surcharge were abolished from 5 August 2009 by art. 19, paragraph 9bis of Law Decree 78/2009, converted, with amendments, into Law 102/2009. At the same time, this legislation introduced an addition to the concession fee to be paid by the motorway concessionaire, calculated on the basis of the number of kilometres travelled by each vehicle using the motorway (3 thousandths of a euro per km for classes A and B, and 9 thousandths of a euro per km for classes 3, 4 and 5). The amount, which is to be passed on to ANAS, is recouped via an equivalent increase in the tolls charged to road users.

Società Italiana Traforo del Monte Bianco did not benefit from any tariff increase in 2009, in that the usual adjustment to take account of inflation, generally applied from 1 July on the basis of the average inflation rate in Italy and France over the previous twelve months, was postponed from 1 July 2009 until 1 January 2010, in accordance with an intergovernmental decision taken on 18 May 2009. As a result, the toll revenues collected by GEIE-TMB on behalf of the two Italian and French concessionaires remained frozen throughout 2009 at the levels of tariffs fixed at 1 July of the previous year.

### Tariff increases from 1 January 2010

The following annual tariff increases have been introduced by Autostrade per l'Italia and the Group's Italian motorway concessionaires from 1 January 2010.

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

The companies Raccordo Autostradale Valle d'Aosta, Autostrada Torino-Savona, Società Autostrada Tirrenica, Tangenziale di Napoli, Autostrade Meridionali and Strada dei Parchi have been granted the tariff increases due under the respective concession agreements in force at the date the increases were applied for, and include, in the case of Strada dei Parchi, the tariff increases not approved for 2007, 2008 and 2009.

For the above companies, the formulae for calculating tariff increases provided for in the new single concession agreements will be adopted at the time of applying for the increases for 2011.

In accordance with bilateral agreements between Italy and France, and with the resolution approved by the Intergovernmental Committee for the Mont Blanc Tunnel on 20 November 2009, from 1 January 2010 Società Italiana Traforo del Monte Bianco has applied a total increase of 5.55%, resulting from the combination of two elements: 2.05% representing the average inflation rate in Italy (2.52%) and France (1.58%) for the period from 1 March 2008 to 31 August 2009; and 3.50% based on the increase approved by the Intergovernmental Committee on 20 November 2009. The income from this latter increase will be used to finance future investment.

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

The Council of State sentence of 2 April 2009 upheld the appeal brought by the permanent consortium led by SIS Scpa, which had challenged the award of the concession to build and manage the "Pedemontana Veneta" toll highway before Veneto Regional Administrative Court. The concession had been awarded to the temporary consortium set up by Pedemontana Veneta SpA (in which Autostrade per l'Italia holds a direct 28% interest) and other entities, some of whom were already shareholders of Pedemontana Veneta SpA (including Autostrade per l'Italia SpA).

Following the Council of State sentence, at the end of June 2009 Veneto Regional Authority decided to award the concession to the afore-mentioned SIS Scpa. In the meantime, the consortium that includes Pedemontana Veneta SpA appealed the Council of State sentence. This appeal was turned down at the hearing on the merits held on 20 October of last year. Publication of this judgement is currently awaited. The above award to SIS Scpa has also been challenged before Veneto Regional Administrative Court. This action is pending.

In addition, the Pedemontana Veneta temporary consortium has filed for an injunction before Lazio Regional Administrative Court, preventing the government's Extraordinary Commissioner, who has in the meantime taken over responsibility for infrastructure projects from Veneto Regional Authority, from proceeding to execute the contract.

Lazio Regional Administrative Court granted an injunction blocking execution of the contract on 21 October 2009, as immediately notified to the counterparty. At the hearing held the following day, on 22 October 2009, the Extraordinary Commissioner's representatives announced that the contract had already been executed on 21 October 2009, just a few minutes before they were notified of the injunction.

A further appeal was filed before Lazio Regional Administrative Court on 16 December 2009, again requesting the court, which has jurisdiction over the Commissioner's actions, to exclude SIS Scpa from the tender process for failing to meet the necessary requirements for participation in the tender. This request has also been filed with Veneto Regional Administrative Court, whose judgement is awaited.

#### Other ongoing litigation

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

On 23 March 2009 Codacons (a consumers' association) and other private entities filed suit at Lazio Regional Administrative Court against all the public bodies involved and Società Autostrada Tirrenica pA, contesting the minutes of the meeting of 18 December 2008 during which the CIPE approved, subject to certain requirements and recommendations, the preliminary design for the "Rosignano Marittima-Civitavecchia" section of the AI2 motorway, in addition to the related documents and assumptions on which the approval was based.

In June 2009, three further actions were brought before Lazio Regional Administrative Court by Codacons and private parties contesting the CIPE resolution of 18 December 2008 (published in the Official Gazette of 14 May 2009). The actions also challenge the documents and assumptions supporting approval of the design. The hearing on the merits of the above appeals is scheduled for 10 March 2010.

In July 2009, a number of private parties and associations representing several interest groups submitted extraordinary appeals to the Head of State, contesting the above CIPE resolution of 18 December 2008.

At a meeting of 23 October 2008, the Antitrust Authority issued ruling 19021, marking the conclusion of procedure A391 regarding the provision of emergency breakdown services, acknowledging, among other things, the commitments given by Autostrade per l'Italia. The procedure had been launched in 2007 in relation to the Authority's investigation of Strada dei Parchi, Società Autostrada Tirrenica, ANAS and AISCAT for alleged abuse of their dominant position, and of ACI Global and Europ Assistance for restrictive practices.

ACI Global SpA and Europ Assistance VAI SpA appealed ruling 19021 in January 2009. The combined appeals were heard on 22 April 2009 by Lazio Regional Administrative Court (First Division), which passed sentences 4994/09 and 5005/09 in part upholding the appeals filed by the two emergency breakdown providers. The Antitrust Authority appealed the above sentences before the Council of State, with the appeals notified on 21 October 2009. Autostrade per l'Italia has appeared before the court hearing held to examine the appeals with file numbers R.G. no. 8813/09 and no. 8814/09.

Finally, Autostrade per l'Italia is the defendant in a number of legal actions regarding expropriations, tenders and claims for damage deriving from motorway activities.

At the present time, the outcomes of the above litigation proceedings are not expected to result in significant charges to be incurred by Group companies, in addition to the amounts already provided at 31 December 2009 and reported in the consolidated financial statements."

#### Law Decree 207/2008 and new provisions regarding contract awards

Law 14 of 24 February 2009, which converted Law Decree 207/08 (the so-called "Thousand postponements" legislation) into law, has reformed the regulations governing contract awards provided for by letter c), paragraph 85 of art. 2 of Law 286/2006, which required motorway concessionaires to act as awarding authorities when selecting contractors to carry out works, and the providers of goods and services over and above the EU threshold. Law 14/2009



has amended letter c), establishing that “in the case of concessionaires that are not awarding authorities”, “contract awards to third parties are to be carried out in compliance with the provisions of articles 142.4 and 253.25 of the regulations introduced by Legislative Decree 163 of 12 April 2006”. Moreover, the above Law 14/2009 has amended the regulations for tenders, establishing that concessionaires already approved at 30 January 2002 “are required to award contracts to third parties representing a minimum percentage of 40% of the works to be carried out, acting, solely with regard to this portion, in every respect as an awarding authority”.

## 10.6 Events after 31 December 2009

On 26 February 2010 Autostrade Portugal SA sold its 25% stake in Autoestradas do Oeste SA to Lena SGPS and Lena Engenharia e Construções SA for a total price of €26.1 million, in line with the carrying amount.

The investment in Autoestradas do Oeste, which in turn holds interests in the Portuguese motorway concessionaires, Autoestradas do Atlantico and Autoestradas Litoral Oeste, was bought by Autostrade per l'Italia (indirectly through Autostrade dell'Atlantico) in June 2009 as part of its acquisition, from the Itinere group, of a number of investments in concessionaires in Chile, Brazil and Portugal.

## ANNEX I

### The Atlantia Group's basis of consolidation and investments

Name	Registered office	Assets	Currency
<b>PARENT COMPANY</b>			
Atlantia SpA	Rome	Investment holding company	Eur
<b>SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS</b>			
Ad Moving SpA	Rome	Advertising services	Eur
Autostrade Concessões e Participações Brasil Ltda	São Paulo (Brazil)	Holding company	Brr
Autostrade dell'Atlantico Srl	Rome	Holding company	Eur
Autostrade Holding do Sur SA	Santiago (Chile)	Holding company	Cip
Autostrade Indian Infrastructure Development Private Limited	Mumbai-Maharashtra (India)		Inr
Autostrade International of Virginia O&M inc.	Virginia (USA)	Motorway services	Usd
Autostrade International US Holdings Inc.	Delaware (USA)	Holding company	Usd
Autostrada Mazowsze SA	Katowice (Poland)	Motorway services	Pln
Autostrade Meridionali SpA	Naples	Motorway construction and concessions	Eur
Autostrade Participations SA	Luxembourg (Luxembourg)	Holding company for foreign operations	Eur
Autostrade per l'Italia SpA	Rome	Motorway construction and concessions	Eur
Autostrade Portugal - Concessões de Infraestruturas SA	Sintra (Portugal)	Holding company	Eur
Autostrade Service - Servizi al Territorio SpA	Rome	Maintenance and safety improvements for the italian motorway network	Eur
Autostrade Tech SpA	Rome	Sales of information systems and equipment for the control and automation of traffic and road safety	Eur
Autostrada Torino-Savona SpA	Turin	Motorway construction and concessions	Eur
Biuro Centrum Spzoo	Katowice (Poland)	Administrative services	Pln
Electronic Transaction Consultants Co.	Richardson (Texas - USA)	Automated toll collection services	Usd
EsseDiEsse Società di Servizi SpA	Rome	General administrative services	Eur
Giove Clear Srl	Rome	Cleaning services	Eur

(1) Company listed on Borsa Italiana SpA's Expandi market.

Issued capital/ Consortium fund at 31.12.2009	Held by	% interest in issued capital/ consortium fund	Overall Group interest (%)	Note
571,711,557.00				
1,000,000.00	Autostrade per l'Italia SpA	75.00%	75.00%	
70,000,000.00	Autostrade Portugal - Concessões de Infraestruturas SA	100.00%	100.00%	
1,000,000.00	Autostrade per l'Italia SpA	100.00%	100.00%	
51,496,771,000.00	Autostrade dell'Atlantico Srl	99.99%	99.99%	
500,000.00		100.00%	100.00%	
	Autostrade per l'Italia SpA	99.99%		
	SPEA - Ingegneria Europea SpA	0.01%		
1.00	Autostrade International US Holdings Inc.	100.00%	100.00%	
4.00		100.00%	100.00%	
	Autostrade per l'Italia SpA	75.00%		
	Autostrade Participations SA	25.00%	100.00%	
20,000,000.00		100.00%	86.87%	
	Atlantia SpA	70.00%		
	Stalexport Autostrady SA	30.00%		
9,056,250.00	Autostrade per l'Italia SpA	58.98%	58.98%	(1)
5,000,800.00		100.00%	100.00%	
	Autostrade per l'Italia SpA	99.9996%		
	SPEA - Ingegneria Europea SpA	0.0004%		
622,027,000.00	Atlantia SpA	100.00%	100.00%	
30,000,000.00	Autostrade dell'Atlantico Srl	100.00%	100.00%	
1,671,000.00	Autostrade per l'Italia SpA	100.00%	100.00%	
1,120,000.00	Autostrade per l'Italia SpA	100.00%	100.00%	
161,720,000.00	Autostrade per l'Italia SpA	99.98%	99.98%	
80,000.00	Stalexport Autostrady SA	74.38%	41.83%	
3,235.02	Autostrade International US Holdings Inc.	45.00%	45.00%	
500,000.00	Autostrade per l'Italia SpA	100.00%	100.00%	
10,000.00	Autostrade per l'Italia SpA	100.00%	100.00%	

### 3. Atlantia Group's consolidated financial statements

Name	Registered office	Assets	Currency
Infoblu SpA	Rome	Road and traffic bulletins	Eur
Mizard Srl	Rome	Acquisition, sale and management of investments in information services/radio and television/telecommunications companies	Eur
Newpass SpA	Verona	Information systems and equipment for the control and automation of traffic	Eur
Pavimental SpA	Rome	Motorway and airport construction and maintenance	Eur
Pavimental Polska Spzoo	Warszawa (Poland)	Motorway and airport construction and maintenance	Pln
Port Mobility SpA	Civitavecchia (Rome)	Port mobility services	Eur
Raccordo Autostradale Valle d'Aosta SpA	Rome	Motorway construction and concessions	Eur
Sociedad Concesionaria de Los Lagos SA	Santiago (Chile)	Motorway construction and concessions	Cip
Società Autostrada Tirrenica pA	Rome	Motorway construction and concessions	Eur
Società Italiana pA per il Traforo del Monte Bianco	Pré Saint Didier (Aosta)	Mont Blanc tunnel concessions and construction	Eur
SPEA - Ingegneria Europea SpA	Milan	Integrated technical engineering services	Eur
Stalexport Autostrada Dolnoslaska SA	Katowice (Poland)	Motorway services	Pln
Stalexport Autostrada Malopolska SA	Myslowice (Poland)	Motorway construction and concessions	Pln
Stalexport Autostrada Slaska SA (In liquidation)	Katowice (Poland)	Motorway services	Pln
Stalexport Autoroute Sàrl	Luxembourg (Luxembourg)	Motorway services	Eur
Stalexport Autostrady SA	Katowice (Poland)	Polish holding company	Pln
Stalexport Transroute Autostrada SA	Myslowice (Poland)	Motorway services	Pln
Strada dei Parchi SpA	Rome	Motorway construction and concessions	Eur
Tangenziale di Napoli SpA	Naples	Motorway construction and concessions	Eur
Telepass SpA	Rome	Automated toll collection services	Eur
Tirreno Clear Srl	Rome	Cleaning services	Eur
TowerCo SpA	Rome	Tower management services	Eur

(2) Share 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.

(3) The percentage interest is calculated with reference to all shares in issue, whereas the 56.24% of voting rights is calculated with reference to ordinary voting shares.

(4) Company quoted on the Warsaw Stock Exchange.

Issued capital/ Consortium fund at 31.12.2009	Held by	% interest in issued capital/ consortium fund	Overall Group interest (%)	Note
5,160,000.00	Autostrade per l'Italia SpA	75.00%	75.00%	
10,000.00	Atlantia SpA	100.00%	100.00%	
3,183,673.00	Autostrade per l'Italia SpA	51.00%	51.00%	
4,669,131.87	Autostrade per l'Italia SpA	71.67%	71.67%	
3,000,000.00	Pavimental SpA	100.00%	71.67%	
1,610,000.00	Autostrade per l'Italia SpA	70.00%	70.00%	
343,805,000.00	Società Italiana pA per il Traforo del Monte Bianco	47.97%	24.46%	(2)
37,433,282,600		100.00%	99.99%	
	Autostrade Holding do Sur SA	99.95%		
	Autostrade dell'Atlantico	0.05%		
24,460,800.00	Autostrade per l'Italia SpA	94.00%	94.00%	
109,084,800.00	Autostrade per l'Italia SpA	51.00%	51.00%	
5,160,000.00	Autostrade per l'Italia SpA	100.00%	100.00%	
40,100,000.00	Stalexport Autostrady SA	100.00%	56.24%	
29,553,000.00	Stalexport Autoroute Sàrl	100.00%	56.24%	
840,000.00	Stalexport Autostrada Dolnoslaska SA	100.00%	56.24%	(3)
47,565,000.00	Stalexport Autostrady SA	100.00%	56.24%	
494,524,046.00	Autostrade per l'Italia SpA	56.24%	56.24%	(4)
500,000.00	Stalexport Autoroute Sàrl	55.00%	30.93%	
67,764,700.00	Autostrade per l'Italia SpA	60.00%	60.00%	
108,077,490.00	Autostrade per l'Italia SpA	100.00%	100.00%	
26,000,000.00		100.00%	100.00%	
	Autostrade per l'Italia SpA	96.15%		
	Autostrade Tech SpA	3.85%		
10,000.00	Autostrade per l'Italia SpA	100.00%	100.00%	
20,100,000.00	Atlantia SpA	100.00%	100.00%	

### 3. Atlantia Group's consolidated financial statements

Name	Registered office	Assets	Currency
<b>INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD</b>			
<b>Associates and joint ventures</b>			
Arcea Lazio SpA	Rome	Road and motorway construction and concessions in Lazio	Eur
Autostrade for Russia GmbH	Vienna (Austria)	Holding company	Eur
Autostrade per il Cile Srl	Rome	Acquisitions of investments and interests in other companies	Eur
Autostrade del Sud America Srl	Milan	Holding company	Eur
Bologna & Fiera Parking SpA	Bologna	Design, construction and management of multi-level public car parks	Eur
GEIE del Traforo del Monte Bianco	Courmayeur (Aosta)	Maintenance and operation of Mont Blanc tunnel	Eur
IGLI SpA	Milan	Investment acquisition, sales and management - construction	Eur
Pedemontana Veneta SpA	Verona	Motorway construction and concessions	Eur
Pune Solapur Expressways Private Limited	New Delhi (India)	Motorway construction and concessions	Inr
Società Infrastrutture Toscane SpA	Florence	Design, construction and operation of Prato to Signa motorway link	Eur
Tangenziali Esterne di Milano SpA	Milan	Construction and operation of the Milan Ring Road	Eur
Triangulo do Sol Autoestradas SA	Matao - SP (Brazil)	Motorway construction and concessions	Brr
<b>INVESTMENTS ACCOUNTED FOR AT COST OR FAIR VALUE</b>			
<b>Unconsolidated subsidiaries</b>			
Pavimental Est SpA	Mosca (Russian Federation)	Motorway construction and maintenance	Rub
Petrostal SA (In liquidation)	Warszawa (Poland)	Real estate services	Pln
Stalexport Wielkopolska Spzoo W Upadosci	Komorniki (Poland)	Steel trading	Pln
<b>Other minority shareholding</b>			
Autopista do Pacifico SA	Santiago (Chile)	Holding company	Cip
Alitalia - Compagnia Aerea Italiana SpA	Milan	Airline	Eur
Centro Intermodale Toscano Interporto Amerigo Vespucci SpA	Livorno	Construction and management of the centro intermodale	Eur
Compagnia Sviluppo Imprese Sociali SpA	Rome	Promotion of social investments	Eur
Emittente Titoli SpA	Milan	Borsa SpA Shareholder	Eur

(5) Pursuant to the corporate governance agreements in force, the company is jointly controlled with the other shareholder.

(6) 99.9985% owned by Autostrade del Sud America, which in turn is 45% owned by Autostrade per l'Italia.

Issued capital/ Consortium fund at 31.12.2009	Held by	% interest in issued capital/ consortium fund	Overall Group interest (%)	Note
1,983,469.00	Autostrade per l'Italia SpA		34.00%	
60,000.00	Atlantia SpA		51.00%	(5)
2,000,000.00	Autostrade per l'Italia SpA		50.00%	
100,000,000.00	Autostrade per l'Italia SpA		45.00%	
13,000,000.00	Autostrade per l'Italia SpA		32.50%	
2,000,000.00	Società Italiana pA per il Traforo del Monte Bianco		50.00%	
24,120,000.00	Autostrade per l'Italia SpA		33.33%	
6,000,000.00	Autostrade per l'Italia SpA		28.00%	
100,000,000.00	Atlantia SpA		50.00%	
30,000,000.00			46.60%	
	Autostrade per l'Italia SpA	46.00%		
	SPEA - Ingegneria Europea SpA	0.60%		
27,929,989.50	Autostrade per l'Italia SpA		32.00%	
61,000,000.00	Autostrade Concessões e Participações Brasil		50.00%	
4,200,000.00	Pavimental SpA		100.00%	
2,050,500.00	Stalexport Autostrady SA		100.00%	
8,080,475.00	Stalexport Autostrady SA		97.96%	
65,000,000,000.00	Atlantia SpA		0.0015%	(6)
668,355,344	Atlantia SpA		8.85%	
11,756,695	Società Autostrada Tirrenica pA		0.43%	
21,337,606.00	Atlantia SpA		1.94%	
4,264,000.00	Atlantia SpA		6.02%	

### 3. Atlantia Group's consolidated financial statements

Name	Registered office	Assets	Currency
Firenze Parcheggio SpA	Florence	Car park management	Eur
Huta Jednosc SA	Siemianowice (Poland)	Steel trading	Pln
Inwest Star SA (In liquidation)	Starachowice (Poland)	Steel trading	Pln
Italmex SpA (In liquidation)	Milan	Trading agency	Eur
Konsorcjum Autostrada Slask SA	Katowice (Poland)	Motorway construction and concessions	Pln
Società di Progetto Brebemi SpA	Brescia	Concession for the construction and operating of the Brescia-Milan link	Eur
Società Tangenziale Esterna SpA	Milan	Design, construction and operation of the new Milan outer ring road	Eur
Uirnet SpA	Rome	Operation of national logistics network	Eur
Walcownia Rur Jednosc Spzoo	Siemianowice (Poland)	Steel trading	Pln
Veneto Strade SpA	Venice	Construction and maintenance of roads and traffic services	Eur
Zakłady Metalowe Dezamet SA	Nowa Deba (Poland)	Steel trading	Pln
<b>CONSORTIA</b>			
Consorcio Anhanguera Norte	Riberao Preto (Brazil)	Construction consortium	Brr
Consorzio Autostrade Italiane Energia	Rome	Power supply	Eur
Consorzio Fastigi	Civitavecchia (Rome)	Tunnel safety research and studies	Eur
Consorzio Galileo Scarl	Todi (Perugia)	Construction of airport tarmacs	Eur
Consorzio Italtecnasud (In liquidation)	Rome	Control of Irpinia earthquake funds	Eur
Consorzio Midra	Florence	Scientific research for device base technologies	Eur

(7) Consortia in existence at 30 June 2009 are not for profit with reallocation of costs.



Issued capital/ Consortium fund at 31.12.2009	Held by	% interest in issued capital/ consortium fund	Overall Group interest (%)	Note
25,595,157.50	Atlantia SpA		5.36%	
27,200,000.00	Stalexport Autostrady SA		2.40%	
11,700,000.00	Stalexport Autostrady SA		0.26%	
1,464,000.00	Stalexport Autostrady SA		4.24%	
1,987,300.00	Stalexport Autostrada Dolnoslaska SA		5.43%	
100,000,000.00	SPEA - Ingegneria Europea SpA		0.14%	
50,000,000.00			1.25%	
	Autostrade per l'Italia SpA	0.25%		
	Pavimental SpA	1.00%		
981,000.00	Autostrade per l'Italia SpA		1.70%	
220,590,000.00	Stalexport Autostrady SA		0.01%	
5,163,200.00	Autostrade per l'Italia SpA		5.00%	
18,789,410.00	Stalexport Autostrady SA		0.27%	
				(7)
	- Itinere Brasil Ltda		13.13%	
107,112.35			39.80%	
	Autostrade per l'Italia SpA	27.00%		
	Strada dei Parchi SpA	4.70%		
	Autostrada Torino-Savona SpA	2.00%		
	Tangenziale di Napoli SpA	2.00%		
	Società Italiana pA per il Traforo del Monte Bianco	1.90%		
	Raccordo Autostradale Valle d'Aosta SpA	1.10%		
	Autostrade Meridionali SpA	0.90%		
	Società Autostrada Tirrenica pA	0.20%		
40,000.00	Autostrade per l'Italia SpA		12.50%	
10,000.00	Pavimental SpA		40.00%	
51,645.69	SPEA - Ingegneria Europea SpA		20.00%	
73,988.79	Autostrade Tech SpA		33.33%	

### 3. Atlantia Group's consolidated financial statements

Name	Registered office	Assets	Currency
Consorzio Miteco	Castelnuovo di Sotto (Reggio Emilia)	Operations and works on behalf of Tangenziale Esterna SpA	Eur
Consorzio Nuova Romea Engineering	Monselice (Padua)	Motorway designs	Eur
Consorzio Pedemontana Engineering	Verona	Design of Pedemontana Veneta motorway	Eur
Consorzio Ramonti Scarl	Tortona (Alessandria)	Motorway construction	Eur
Consorzio R.F.C.C. (In liquidation)	Tortona (Alessandria)	Construction of Moroccan road network	Eur
Consorzio Tangenziale Engineering	Milan	Integrated technical engineering services - Milan external ringroad east	Eur
Consorzio Trinacria Scarl	Limena (Padua)	Construction of airport aprons	Eur
Consorzio 2050	Rome	Motorway designs	Eur
Elmas Scarl	Rome	Construction and maintenance of airport runways and aprons	Eur
Idroelettrica Scrl	Châtillon (Aosta)	Electricity generator	Eur
Pista 1 Scarl (In liquidation)	Rome	Construction and maintenance of airport runways and aprons	Eur
Quadrante 300		Repaving of airport aprons	Eur
Vespucci Scarl (In liquidation)	Rome	Construction and maintenance of airport runways and aprons	Eur
<b>INVESTMENTS ACCOUNTED FOR AS CURRENT ASSETS</b>			
Autoestradas do Oeste - Concessoes Rodoviaras de Portugal SA	Torres Vedras (Portugal)	Motorway concessionaire	Eur
Beskidzki Dom Maklerski SA	Bielsko-Biala (Poland)	Holding company	Pln
Centrozap SA	Katowice (Poland)	Steel trading	Pln
<b>INVESTMENTS ACCOUNTED FOR AS NON-CURRENT ASSETS</b>			
Lusoponte - Concessionaria Para a Travessia do Tejo SA	Montijo (Portugal)	Motorway concessionaire	Eur
SMNL - Concessoes Rodoviaras Portugal SA	Torres Vedras (Portugal)	Motorway concessionaire	Eur
Via Litoral - Concessoes Rodoviaras da Madeira SA	Funchal (Portugal)	Motorway concessionaire	Eur

(8) Investments accounted for as current assets are all available for sale.

Issued capital/ Consortium fund at 31.12.2009	Held by	% interest in issued capital/ consortium fund	Overall Group interest (%)	Note
10,000.00	Pavimental SpA		1.30%	
60,000.00	SPEA - Ingegneria Europea SpA		16.67%	
20,000.00	SPEA/Engineering SpA		23.30%	
10,000.00	Pavimental SpA		49.00%	
510,000.00	Pavimental SpA		30.00%	
20,000.00	SPEA - Ingegneria Europea SpA		30.00%	
10,000.00	Pavimental SpA		53.00%	
50,000.00	SPEA - Ingegneria Europea SpA		0.50%	
10,000.00	Pavimental SpA		60.00%	
50,000.00	Raccordo Autostradale Valle d'Aosta SpA		0.10%	
10,000.00	Pavimental SpA		80.00%	
10,000.00	Pavimental SpA		40.00%	
10,000.00	Pavimental SpA		60.00%	
24,133,420.00	Autostrade Portugal - Concessoes de Infraestruturas SA		25.00%	(8)
27,750,000.00	Stalexport Autostrady SA		1.93%	
229,901,664.00			4.15%	
	Stalexport Autostrady SA	3.93%		
	Biuro Centrum Spzoo	0.22%		
25,000,000.00	Autostrade Portugal - Concessoes de Infraestruturas SA		17.21%	(8)
50,000.00	Autostrade Portugal - Concessoes de Infraestruturas SA		19.00%	(8)
16,125,000.00	Autostrade Portugal - Concessoes de Infraestruturas SA		12.00%	(8)

## ANNEX 2

Disclosures pursuant to art. 149-*duodecies* of the CONSOB Regulations for Issuers 11971/1999

## Parent

Type of service	Provider of service	Note	Fees (€000)
Audit	KPMG SpA		77
Certification	KPMG SpA	(1)	45
Tax advisory	KPMG SpA		-
Other services	KPMG SpA	(2)	326
<b>Total parent company</b>			<b>448</b>

## Subsidiaries

Type of service	Provider of service	Note	Fees (€000)
Audit	KPMG SpA		1,059
Audit	KPMG network		230
Certification	KPMG SpA	(1)	121
Certification	KPMG network	(1)	13
Tax advisory	KPMG SpA		-
Tax advisory	KPMG network		-
Other services	KPMG SpA	(3)	93
Other services	KPMG network	(4)	36
<b>Total subsidiaries</b>			<b>1,552</b>
<b>Total Atlantia Group</b>			<b>2,000</b>

(1) Opinion on payment of the interim dividend and review of Sustainability Report.

(2) Comfort letters on EMTN programme offering circulars, signing of Consolidated Tax Return and Form 770, verification of documentation required for public tenders in India, in which the Group participated during the year, and agreed-upon procedures regarding accounting data and information.

(3) Signing of Consolidated Tax Return and Form 770, and agreed-upon procedures on accounting data and information.

(4) Agreed-upon procedures on accounting data and information, and tax advisory services.

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#### 4. Atlantia SpA's separate financial statements and notes



# Atlantia SpA's separate financial statements

## Statement of financial position

ASSETS (€)	Note	31.12.2009	31.12.2008
<b>NON-CURRENT ASSETS</b>			
<b>Property, plant and equipment</b>	4.1	<b>8,032,730</b>	<b>8,431,074</b>
Property, plant and equipment		728,016	830,777
Investment property		7,304,714	7,600,297
<b>Intangible assets</b>	4.2	<b>240,855</b>	<b>243,502</b>
<b>Investments</b>	4.3	<b>6,083,845,068</b>	<b>6,036,849,969</b>
<b>Other financial assets</b>	4.4	<b>8,325,463,056</b>	<b>7,121,418,944</b>
Derivative assets		188,032,223	177,764,862
<i>of which due from related parties</i>		<i>188,032,223</i>	<i>177,764,862</i>
Other financial assets		8,137,430,833	6,943,654,082
<i>of which due from related parties</i>		<i>8,137,392,948</i>	<i>6,943,594,921</i>
<b>Total non-current assets</b>		<b>14,417,581,709</b>	<b>13,166,943,489</b>
<b>CURRENT ASSETS</b>			
<b>Trading assets</b>	4.5	<b>2,378,599</b>	<b>337,447</b>
Trade receivables		2,378,599	337,447
<b>Cash and cash equivalents</b>	4.6	<b>124,244,976</b>	<b>106,596,353</b>
Cash		1,015,487	1,230,215
Intercompany current accounts receivable		123,229,489	105,366,138
<i>of which due from related parties</i>		<i>123,229,489</i>	<i>105,366,138</i>
<b>Other financial assets</b>	4.4	<b>274,697,890</b>	<b>180,498,559</b>
Current portion of medium/long-term financial assets		270,769,043	176,813,316
<i>of which due from related parties</i>		<i>203,799,977</i>	<i>158,386,660</i>
Other financial assets		3,928,847	3,685,243
<b>Current tax assets</b>	4.7	<b>26,341,254</b>	<b>10,273,134</b>
<i>of which due from related parties</i>		<i>20,491,355</i>	<i>2,303,742</i>
<b>Other assets</b>	4.8	<b>2,428,415</b>	<b>5,869,082</b>
Assets and disposal groups held for sale		-	-
<b>Total current assets</b>		<b>430,091,134</b>	<b>303,574,575</b>
<b>TOTAL ASSETS</b>		<b>14,847,672,843</b>	<b>13,470,518,064</b>



<b>EQUITY AND LIABILITIES (€)</b>	<b>Note</b>	<b>31.12.2009</b>	<b>31.12.2008</b>
<b>EQUITY</b>			
Issued capital		571,711,557	571,711,557
Reserves and retained earnings		5,657,447,883	5,582,624,193
Treasury shares		-215,644,104	-215,644,104
Profit for the year after interim dividends		284,036,427	312,244,286
<b>TOTAL EQUITY</b>	<b>4.9</b>	<b>6,297,551,763</b>	<b>6,250,935,932</b>
<b>NON-CURRENT LIABILITIES</b>			
<b>Provisions</b>	<b>4.10</b>	<b>239,926</b>	<b>3,837</b>
<b>Financial liabilities</b>	<b>4.11</b>	<b>8,248,313,717</b>	<b>7,004,482,404</b>
Bond issues		7,906,817,420	6,229,855,009
Medium/long-term borrowings		-	443,535,755
Derivative liabilities		341,496,297	331,091,640
<b>Deferred tax liabilities</b>	<b>4.12</b>	<b>10,826,717</b>	<b>20,258,637</b>
<b>Total non-current liabilities</b>		<b>8,259,380,360</b>	<b>7,024,744,878</b>
<b>CURRENT LIABILITIES</b>			
<b>Trading liabilities</b>	<b>4.13</b>	<b>4,927,860</b>	<b>4,966,814</b>
Trade payables		4,927,860	4,966,814
<b>Current financial liabilities</b>	<b>4.11</b>	<b>265,893,578</b>	<b>183,920,377</b>
Bank overdrafts		1,864	964
Current portion of medium/long-term financial liabilities		265,823,176	172,529,795
<i>of which due to related parties</i>		<i>48,695,324</i>	<i>197,877</i>
Other financial liabilities		68,538	11,389,618
<b>Current tax liabilities</b>	<b>4.7</b>	<b>18,491,294</b>	<b>4,204,160</b>
<i>of which due to related parties</i>		<i>8,529,651</i>	<i>2,303,742</i>
<b>Other liabilities</b>	<b>4.14</b>	<b>1,427,988</b>	<b>1,745,903</b>
Liabilities included in disposal groups		-	-
<b>Total current liabilities</b>		<b>290,740,720</b>	<b>194,837,254</b>
<b>TOTAL LIABILITIES</b>		<b>8,550,121,080</b>	<b>7,219,582,132</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>14,847,672,843</b>	<b>13,470,518,064</b>

## Income statement

(€)	Note	2009	2008
<b>REVENUE</b>			
Operating income	5.1	<b>3,575,517</b>	2,155,245
<i>of which from related parties</i>		2,825,921	1,111,343
<b>TOTAL REVENUE</b>		<b>3,575,517</b>	2,155,245
<b>COSTS</b>			
Raw and consumable materials	5.2	<b>-90,856</b>	-60,980
Service costs	5.3	<b>-7,636,839</b>	-10,537,244
Staff costs	5.4	<b>-2,448,952</b>	-1,876,270
<b>Other operating costs</b>	5.5	<b>-2,969,500</b>	-3,341,228
Lease expense		-156,859	-174,789
Other operating costs		-2,812,641	-3,166,439
<b>Depreciation and amortisation</b>		<b>-400,990</b>	-859,187
Depreciation of property, plant and equipment	4.1	-102,760	-99,355
Depreciation of investment property	4.1	-295,583	-295,583
Amortisation of other intangible leases	4.2	-2,647	-464,249
<b>TOTAL COSTS</b>		<b>-13,547,137</b>	-16,674,909
<b>OPERATING PROFIT</b>		<b>-9,971,620</b>	-14,519,664
<b>Income from financial assets</b>	5.6	<b>1,073,909,919</b>	1,051,550,375
Financial income		581,368,995	538,558,926
<i>of which from related parties</i>		485,200,161	485,459,955
Dividends from investments		492,540,924	512,991,449
<b>Net financial expenses</b>	5.6	<b>-576,360,706</b>	-527,451,125
Financial expenses		-576,360,706	-527,451,125
<i>of which to related parties</i>		-77,485,138	-55,412,424
Foreign exchange gains/(losses)	5.6	<b>612,476</b>	-12,908
<b>FINANCIAL INCOME/(EXPENSES)</b>		<b>498,161,689</b>	524,086,342
<b>PROFIT BEFORE TAX FROM CONTINUING OPERATIONS</b>		<b>488,190,069</b>	509,566,678
<b>Income tax expense</b>	5.7	<b>-5,270,238</b>	-6,842,512
Current tax		-6,384,699	-6,821,587
Differences on current tax expense for previous years		1,047,452	-62,960
Deferred tax income and expense		67,009	42,035
<b>PROFIT FROM CONTINUING OPERATIONS</b>		<b>482,919,831</b>	502,724,166
Profit/(loss) from discontinued operations/assets held for sale		-	-
<b>PROFIT FOR THE YEAR</b>	5.8	<b>482,919,831</b>	502,724,166

(€)	Note	2009	2008
<b>Basic earnings per share</b>	<b>5.8</b>	<b>0.86</b>	<b>0.89</b>
<i>of which:</i>			
from continuing operations		0.86	0.89
from discontinued operations/assets held for sale		–	–
<b>Diluted earnings per share</b>	<b>5.8</b>	<b>0.86</b>	<b>0.89</b>
<i>of which:</i>			
from continuing operations		0.86	0.89
from discontinued operations/assets held for sale		–	–

## Statement of comprehensive income

(€)	Note	2009	2008
<b>Profit for the year (A)</b>		<b>482,919,831</b>	<b>502,724,166</b>
Fair value gains/(losses) on cash flow hedges	4.9	–30,309,264	38,153,881
Actuarial gains/(losses) (IAS 19)	4.9	1,917	–103,994
<b>Other components of comprehensive income for the year, after related tax effects (B)</b>		<b>–30,307,347</b>	<b>38,049,887</b>
<b>Comprehensive income for the year (A + B)</b>		<b>452,612,484</b>	<b>540,774,053</b>

## Statement of changes in equity

(€)	Issued capital		Reserves and retained earnings		
		Share premium reserve	Legal reserve	Extraordinary reserve	Reserve for purchase of treasury shares
<b>Balance at 31 December 2007</b>	<b>571,711,557</b>	<b>153,560</b>	<b>261,410,358</b>	<b>4,669,286,728</b>	<b>-</b>
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Owner transactions and other changes</b>					
Final dividends approved	-	-	-	-	-
Appropriation of extraordinary reserve of profit (loss) for pervious year	-	-	-	148,837,029	-
Interim dividends	-	-	-	-	-
Purchase of treasury shares	-	-	-	-215,644,104	215,644,104
<b>Balance at 31 December 2008</b>	<b>571,711,557</b>	<b>153,560</b>	<b>261,410,358</b>	<b>4,602,479,653</b>	<b>215,644,104</b>
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Owner transactions and other changes</b>					
Final dividends approved	-	-	-	-	-
Appropriation of extraordinary reserve of profit (loss) for pervious year	-	-	-	104,957,359	-
Interim dividends	-	-	-	-	-
Share option plans	-	-	-	-	-
<b>Balance at 31 December 2009</b>	<b>571,711,557</b>	<b>153,560</b>	<b>261,410,358</b>	<b>4,707,437,012</b>	<b>215,644,104</b>

	Reserves and retained earnings				Retained earnings	Treasury shares	Profit for the year	Total equity
	Reserve for negative goodwill	Cash flow hedge reserve	Reserve for actuarial gains and losses on post-employment benefits	Other reserves				
	448,998,934	13,856,329	-294,598	-	2,325,966	-	360,370,305	6,327,819,139
	-	38,153,881	-103,994	-	-	-	502,724,166	540,774,053
				-				
	-	-	-	-	-	-	-211,533,276	-211,533,276
	-	-	-	-	-	-	-148,837,029	-
	-	-	-	-	-	-	-190,479,880	-190,479,880
		-	-	-	-	-215,644,104	-	-215,644,104
	448,998,934	52,010,210	-398,592	-	2,325,966	-215,644,104	312,244,286	6,250,935,932
	-	-30,309,264	1,917	-	-	-	482,919,831	452,612,484
	-	-	-	-	-	-	-207,286,927	-207,286,927
	-	-	-	-	-	-	-104,957,359	-
	-	-	-	-	-	-	-198,883,404	-198,883,404
	-	-	-	173,678	-	-	-	173,678
	448,998,934	21,700,946	-396,675	173,678	2,325,966	-215,644,104	284,036,427	6,297,551,763

## 4. Separate financial statements

### Cash flow statement

(€)	Note	2009	2008
<b>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES</b>			
Profit for the year		<b>482,919,831</b>	<b>502,724,166</b>
<b>Adjusted by:</b>			
Depreciation and amortisation	4.1, 4.2	400,990	859,187
Impairment losses/(Reversal of impairment losses) on other non-current assets		-417,903	15,880
Net change in deferred tax (assets)/liabilities		-67,009	-42,035
Other non-cash items		173,683	-
Net change in non-current provisions		238,006	-41,013
Change in working capital		-3,383,110	39,049,601
Net change in other non-current non-financial liabilities and other changes		2,644,768	-
<b>Net cash from/(used in) operating activities (A)</b>	<b>6</b>	<b>482,509,256</b>	<b>542,565,786</b>
<b>CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES</b>			
Purchases of property, plant and equipment		-	-35,060
Purchases of intangible assets		-	-262,028
Purchase of investments, net of unpaid called-up issued capital	4.3	-48,817,650	-57,541,990
Proceeds from sales of property, plant and equipment, intangible assets and investments		2,240,453	18,842,106
Movement in current and non-current financial assets not held for trading purposes		-1,271,236,869	804,415,283
<i>of which due from related parties</i>		<i>-1,251,237,804</i>	<i>795,258,228</i>
<b>Net cash from/(used in) investing activities (B)</b>	<b>6</b>	<b>-1,317,814,066</b>	<b>765,418,311</b>
<b>CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES</b>			
Purchase of treasury shares	4.9	-	-215,644,104
Dividends paid		-417,430,682	-390,736,956
Bond issues	4.11	1,650,195,254	-
Decrease in medium/long-term borrowings due to transfer to subsidiaries	4.11	-450,000,000	-800,000,000
Net change in other current and non-current financial liabilities		70,187,961	2,102,131
<b>Net cash from/(used in) financing activities (C)</b>	<b>6</b>	<b>852,952,533</b>	<b>-1,404,278,929</b>
<b>Increase/(decrease) in cash and cash equivalents (A + B + C)</b>		<b>17,647,723</b>	<b>-96,294,832</b>
<b>Net cash and cash equivalents at beginning of year</b>		<b>106,595,389</b>	<b>202,890,221</b>
<b>Net cash and cash equivalents at end of year</b>		<b>124,243,112</b>	<b>106,595,389</b>

## Additional information on the cash flow statement

(€)	Note	2009	2008
Income tax paid (rebated)		7,634,079	-26,824,978
Interest income and other financial income collected		448,607,750	523,571,357
Interest expense and other financial expenses paid		441,010,868	509,988,108
Dividends received	5.6	492,540,924	512,991,449
Foreign exchange gains collected	5.6	549,397	148,649
Foreign exchange losses incurred	5.6	354,830	164,626

## Reconciliation of net cash and cash equivalents

(€)	Note	2009	2008
<b>Net cash and cash equivalents at beginning of year</b>		<b>106,595,389</b>	<b>202,890,221</b>
Cash and cash equivalents	4.6	106,596,353	202,890,566
Bank overdrafts repayable on demand	4.11	-964	-345
<b>Net cash and cash equivalents at end of year</b>		<b>124,243,112</b>	<b>106,595,389</b>
Cash and cash equivalents	4.6	124,244,976	106,596,353
Bank overdrafts repayable on demand	4.11	-1,864	-964

## Notes to separate financial statements

### 1. Introduction

Atlantia SpA (also the "Company") was formed in 2003. The Company's registered office is in Rome, at Via Nibby, 20. The Company does not have branch offices.

The Company operates solely as a holding company, and is listed on the Milan Stock Exchange. It is responsible for developing growth and financial strategies in the infrastructure sector, but does not have a direct operational role.

The duration of the Company is fixed from the date of Articles of Association until to 31 December 2050.

At the date of preparation of these separate financial statements, the shareholder that, via Schemaventotto SpA, directly and indirectly holds a relative majority of the issued capital of Atlantia SpA is Sintonia SA.

Sintonia SA, which is in turn a subsidiary of Edizione Srl, does not exercise management and coordination of Atlantia SpA.

These financial statements were approved by the Company's Board of Directors at its meeting of 5 March 2010. Due to the fact that the Company has significant controlling shareholdings in other companies, it also prepares Group consolidated financial statements that are presented together with the Company's financial statements.

### 2. Basis of presentation

The separate financial statements as at and for the year ended 31 December 2009 have been prepared on a going concern basis. They have been prepared in compliance with articles 2 and 4 of Legislative Decree 38/2005 and in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and endorsed by the European Commission, as in force at that date. These standards reflect the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), in addition to previous International Accounting Standards (IAS) and interpretations issued by the Standard Interpretations Committee (SIC) and still in force at the end of the reporting period. For the sake of simplicity, all the above standards and interpretations are hereinafter referred to as "IFRS".

Moreover, reference was made to the measures introduced by the CONSOB, in application of article 9.3 of Legislative Decree 38/2005.

The separate financial statements consist of the statement of financial position, the income statement, the statement of comprehensive income, the statement of changes in equity, the cash flow statement and these notes, in application of IAS 1 "Presentation of financial statements" and, in general, the historic cost convention with the exception of those items that are required by IFRS to be recognised at fair value, as explained in the notes to the relevant items. The statement of financial position is based on the format that separately discloses current and non-current assets and liabilities, whilst the income statement is classified by nature of expense. The cash flow statement has been prepared in application of the indirect method.

IFRS have been applied in accordance with the indications provided in the "Framework for the Preparation and Presentation of Financial Statements", and no events have occurred that would require exemptions pursuant to paragraph 19 of IAS 1.



CONSOB Resolution 15519 of 27 July 2006 requires that, in addition to the specific requirements of IAS 1 and other IFRS, financial statements must, where material, include separate sub-items providing (i) disclosure of amounts deriving from related party transactions; and, with regard to the income statement, (ii) separate disclosure of income and expenses deriving from events and transactions that are non-recurring in nature, or transactions or events that do not occur on a frequent basis during the normal course of business. In this regard, it should be noted that no material non-recurring, atypical or unusual transactions were entered into during 2009, either with third or related parties.

Atlantia SpA's financial statements are shown in units of one euro whereas amounts in the notes are in thousands of euros, unless otherwise indicated. The euro is both the Company's functional currency and its presentation currency.

Each item in the financial statements is compared with the corresponding amount for the previous year. These comparative amounts have not been reclassified with respect to amounts previously presented in the financial statements as at and for the year ended 31 December 2008, as there have been no events or changes to the accounting standards applied that would require such reclassification.

### 3. Accounting policies

The following most significant accounting policies were used in preparing the separate financial statements as at and for the year ended 31 December 2009. They are consistent with those applied in preparation of the financial statements as at and for the year ended 31 December 2008.

#### 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. Assets acquired through business combinations prior to 1 January 2004 (the IFRS transition date) are stated at previous amounts, as determined under Italian GAAP for those business combinations and representing deemed cost.

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

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

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

Description	Rate of depreciation
Buildings	3%
Other assets (furniture and fittings)	12%–20%

Property, plant and equipment is tested for impairment, as described in the relevant note, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Property, plant and equipment is derecognised following sale or if the facts and circumstances giving rise to the future expected benefits cease to exist. Any gains or losses (determined as the difference between the disposal proceeds, less costs to sell, and the carrying amount of the asset) are recognised in the income statement for the year in which the asset is sold.

### Intangible assets

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

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

Intangible assets are recognised at cost, measured in the same manner as property, plant and equipment, provided that the assets can be identified and their cost reliably determined, are under the entity's control and are able to generate future economic benefits.

Amortisation of intangible assets with finite useful lives begins when the asset is ready for use and is based on remaining economic benefits to be obtained in relation to their residual useful lives.

Gains and losses deriving from the disposal of an intangible asset are determined as the difference between the disposal proceeds, less costs to sell, and the carrying amount of the asset and are recognised as income or expense in the income statement in the period of the disposal.

### Investments

Investments in subsidiaries, associates and joint ventures are accounted for at cost and include any directly attributable transaction costs.

Investments in other companies, which qualify as available-for-sale financial instruments, as defined by IAS 39, are initially accounted for at cost at the settlement date, in that this represents fair value, including any directly attributable transaction costs. After initial recognition, these investments are measured at fair value, to the extent reliably determinable, through the statement of comprehensive income and hence in a specific equity reserve. On realisation or recognition of an impairment loss, the accumulated gains and losses in that reserve are taken to the income statement.

Impairment losses, identified as described in the note on "Impairment of assets", are reversed (directly through the income statement) if the circumstances that resulted in the loss no longer exist.

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

Provisions are made to cover the risk that the losses of a subsidiary or associate could exceed the carrying amount of the investment, to the extent that the shareholder is required to comply with actual or constructive obligations to cover such losses.

Available-for-sale investments, or those in the process of being sold, are recognised at the lower of their carrying amount and fair value, less any costs to sell.

### Receivables and payables

Receivables are initially recognised at fair value and subsequently measured at amortised cost, using the effective interest method, less provisions for impairment losses. The amount of the provisions is based on the present value of expected future cash flows. These cash flows take account of expected collection times, estimated realisable value, any guarantees, and the expected costs of recovering the amounts due. Impairment losses are reversed in future periods if the circumstances that resulted in the loss no longer exist. In this case, the reversal is accounted for in the income statement and may not in any event exceed the amortised cost of the receivable had no previous impairment losses been recognised.

Payables are initially recognised at cost, which corresponds to the fair value of the liability, less any directly attributable transaction costs. After initial recognition, payables are recognised at amortised cost, using the original effective interest method.

Trade receivables and payables, which are subject to normal commercial terms and conditions, are not discounted to present value.

## Cash and cash equivalents

Cash and cash equivalents are recognised at par value. They include highly liquid demand deposits or very short-term instruments of excellent quality, which are subject to an insignificant risk of changes in value.

## Other financial assets and liabilities

Financial assets that the Company intends and is able to hold to maturity, in accordance with IAS 39, and financial liabilities are recognised at the fair value of the purchase consideration at the settlement date, with assets being increased and liabilities being reduced by transaction costs directly attributable to the purchase of the asset or issuance of a financial liability. After initial recognition, financial assets are measured at amortised cost using the original effective interest method.

Financial assets and liabilities are derecognised when, following their sale or settlement, the Company is no longer involved in their management and has transferred all risks and rewards of ownership.

Financial assets held for trading are accounted for and measured at fair value through the income statement. Other categories of financial assets are classified as available-for-sale financial instruments, which are accounted for and measured at fair value through the statement of comprehensive income. The financial instruments included in these categories have, to date, never been reclassified.

## Derivative financial instruments

All derivative financial instruments are recognised at fair value at the end of the reporting period.

As required by IAS 39, derivatives are designated as hedging instruments when the relationship between the derivative and the hedged item is formally documented and the periodically assessed effectiveness of the hedge is high and ranges between 80% and 125%. Changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in the other components of the comprehensive income statements, net of any deferred taxation. The gain or loss relating to the ineffective portion is recognised in the income statement.

Changes in the fair value of derivatives serving as fair value hedges are recognised in the income statement for the period. Analogously, the hedged assets and liabilities are restated at fair value through the income statement.

Changes in the fair value of derivative instruments that do not qualify for hedge accounting under IAS 39 are recognised in the income statement.

## Fair value hierarchy of financial instruments

The changes in IFRS 7 "Financial Instruments: Disclosures", published on 5 March 2009 by the International Accounting Standards Board (IASB) and endorsed by EC Regulation 1165/2009, require that financial instruments recognised at fair value in the statement of financial position be classified with reference to a hierarchy of levels, based on the significance of the input used to determine fair value.

## 4. Separate financial statements

The standard introduced the following levels:

- a) Level 1 – quoted prices for the asset or liability to be measured;
- b) Level 2 – directly or indirectly observable market inputs other than level 1 inputs;
- c) Level 3 – inputs not based on observable market data.

There were no transfers among the fair value hierarchy of levels in 2009.

No financial instruments have been classified as level 3.

### Provisions

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

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

### Employee benefits

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

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

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

Post-employment benefits in the form of defined benefit plans (for Italian companies, primarily post-employment benefits accrued to 31 December 2006 or, where applicable, until the date the employee joins a supplementary pension fund) are recognised in the vesting period, less any plan assets and advance payments made. Such defined benefit plans primarily regard the obligation as determined on the basis of actuarial assumptions and recognised on an accruals basis in line with the period of service necessary to obtain the benefit. The obligation is calculated by independent actuaries. Actuarial gains and losses are recognised in full in the other components of the comprehensive income statements in the period to which they relate, net of any deferred taxation.

### Revenue

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

- a) revenues from the sale of goods are recognised when the significant risks and rewards of ownership of the goods have been transferred to the buyer;
- b) revenue from the rendering of services is recognised in proportion to the stage of completion of the transaction based on the same criteria used for construction contracts. When the amount of the revenue cannot be reliably determined, revenue is recognised only to the extent of the expenses recognised that are recoverable;
- c) revenue in the form of rental income or royalties is recognised on an accruals basis, based on the agreed terms and conditions of contract.

Interest income (and interest expense) is recognised on an accruals basis that takes account of the effective yield on the financial asset (liability), based on the effective interest method.

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 and taking account of any applicable exemptions.

Deferred tax assets and liabilities are taxes expected to be recovered or paid on temporary differences between the carrying amounts of assets and liabilities in the statement of financial position, calculated in accordance with the above policies, and the corresponding tax bases, as follows:

- a) deferred tax assets are only recognised to the extent that it is probable that future taxable profit will be available against which the asset can be utilised;
- b) deferred tax liabilities are always recognised.

Atlantia SpA has established a tax consolidation arrangement for the financial years 2008-2010, on the basis of Legislative Decree 344/2003. The subsidiary, Autostrade per l'Italia SpA, participates in the arrangement, as do, from 2009, the indirect subsidiaries, Tangenziale di Napoli SpA, EsseDiEsse Società di Servizi SpA, TowerCo SpA, Autostrada Torino-Savona SpA, SPEA - Ingegneria Europea SpA, AD Moving SpA, Autostrade Meridionali SpA, Autostrade dell'Atlantico Srl, Pavimental SpA, Società Autostrada Tirrenica pA, Port Mobility SpA, Telepass SpA and Infoblu SpA. As a result, these companies' current tax assets and liabilities for IRES, which are included in the consolidation, are reported as current tax assets and liabilities, with recognition of a matching receivable or payable due from or to the subsidiary, in connection with the transfer of funds to be carried out as a result of the tax consolidation.

Relations between the companies are regulated by a specific contract. This contract establishes that participation in the tax consolidation arrangement may not, under any circumstances, result in economic or financial disadvantages for the participating companies compared with the situation that would have arisen had they not participated in the arrangement. Should such disadvantages arise, they are to be offset by a corresponding indemnity to be paid to the participating companies concerned.

## Share-based payments

The cost of the services rendered by employees and/or directors and paid for in the form of share options is based on the fair value of the options granted at the grant date. The method of calculating fair value takes account of all features of the options at the grant date (the option period, exercise price and vesting conditions, etc.) and the instrument underlying the option. The cost is recognised in the income statement, with a contra-entry in equity, over the vesting period, based on a best estimate of the number of options that will vest.

## Impairment of assets (impairment testing)

At the end of the reporting period, the Company tests property, plant and equipment, intangible assets, financial assets and investments for impairment.

If there are indications that these assets have been impaired, the recoverable amounts of such assets are estimated in order to measure the amount of the 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.

#### 4. Separate financial statements

If it is not possible to estimate the recoverable amounts of individual assets individually, the recoverable amount of the cash-generating unit to which a particular asset belongs is estimated.

This entails estimating the recoverable amount of the asset (represented by the higher of the asset's fair value less costs to sell and its value in use) and comparing it with the carrying amount. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount. In calculating value in use, expected future pre-tax cash flow is discounted using a pre-tax rate that reflects current market assessments of the cost of capital which embodies the time value of money and the risks specific to the business.

Impairment losses are recognised in the income statement, and classified according to the nature of the asset written down. Losses are reversed if the circumstances that resulted in the loss no longer exist, provided that the reversal does not exceed the cumulative impairment losses previously recognised, unless the impairment loss relates to goodwill and equity instruments measured at cost, where the related fair value cannot be reliably determined.

#### Estimates and judgements

Preparation of financial statements in compliance with IFRS involves the use of estimates and judgements, which are reflected in the measurement of the carrying amounts of assets and liabilities and in the disclosures provided in the notes to the financial statements, including contingent assets and liabilities at the end of the reporting period. These estimates are especially important in determining amortisation and depreciation, impairment testing of assets (including the measurement of receivables), provisions, employee benefits, the fair value of financial assets and liabilities, and deferred tax assets and liabilities.

The amounts subsequently recognised may, therefore, differ from these estimates. Moreover, these estimates and judgements are periodically reviewed and updated, and the resulting effects of each change immediately recognised in the financial statements.

#### Translation of foreign currency items

Transactions in currencies other than the functional currency are recognised by application of the exchange rate at the transaction date. Assets and liabilities denominated in currencies other than the functional currency are, subsequently, remeasured by application of the exchange rate at the end of the reporting period. Any exchange differences on remeasurement are recognised in the income statement. Non-monetary assets and liabilities denominated in foreign currencies and recognised at historical cost are translated using the exchange rate at the date of initial recognition.

#### Earnings per share

Basic earnings per share are computed by dividing profit by the weighted average number of shares outstanding during the accounting period.

Diluted earnings per share are computed by taking into account, for both profit and the above weighted average, the effects deriving from the subscription and/or conversion of all potential shares that may be issued as a result of the exercise of any outstanding share options.

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

In 2009, no new accounting standards or interpretations were approved or existing accounting standards or interpretations revised that would have had a material effect on Atlantia's separate financial statements, with the

exception of the new version of IAS 1, introduced to improve the quality and comparability of information in financial statements, as part of the IFRS/US GAAP convergence project. The most important of the new requirements under the revised standard is the aggregation of income and costs recognised during the year. This entails addition of a new “statement of comprehensive income” in conformity with the options made available under IAS 1, which shows aggregate income and expenses recognised during the year by adding gains and losses on non-owner transactions to income and expenses reported in the income statement. The statement of changes in consolidated equity thus includes changes arising from transactions with owners and only the total result reported in the statement of comprehensive income.

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

### **IFRS 3 – Business Combinations and IAS 27 – Consolidated and Separate Financial Statements**

On 10 January 2008 the IASB issued a revised version of IFRS 3 and certain modifications to IAS 27, which were later endorsed by the EU in June 2009. The main changes relate to the recognition of acquisitions that take place in stages, the recognition of transaction costs, the determination of goodwill (option to apply the full goodwill method, which involves the recognition of the share of goodwill attributable to minority shareholders), the recognition of the acquisition of further holdings in an entity already controlled or the sale of holdings in a subsidiary whilst maintaining control. Adoption of the main changes will be mandatory for the Company from 2010.

### **IFRS 9 – Financial Instruments**

The IASB issued the first part of IFRS 9 on 12 November 2009 that only revised requirements for the classification and measurement of financial assets currently regulated by IAS 39. When completed, IFRS 9 will fully replace IAS 39. In consideration of the current status of IFRS 9, its scope excludes financial liabilities, since the IASB has reserved the right to conduct further investigations into aspects linked to the inclusion of own credit risk in the fair value measurement of financial liabilities.

IFRS 9 only provides two categories for the classification of financial assets. The standard, moreover, foresees two methods of measuring financial assets: amortised cost and fair value.

Classifications should be made with reference to the business model for managing the financial asset and the characteristics of its contractual cash flows.

Initial recognition and subsequent measurement at amortised cost are subject to both of the following conditions:

- a) the asset is held in conjunction with a business model whose objective is to hold assets in order to collect contractual cash flows; and,
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

If either one of the above two conditions is not satisfied, the financial asset is required to be initially recognised and subsequently measured at fair value.

All financial assets in the form of shares are to be measured at fair value. Unlike IAS 39, the revised standard does not admit exception to the general rule. As a result, it is not possible to measure unlisted shares, for which fair value cannot be reliably determined, at cost.

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

#### 4. Separate financial statements

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

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

##### **IAS 1 – Presentation of Financial Statements**

As part of its Annual Improvements project, the IASB published an amendment to IAS 1 in April 2009 clarifying that the potential settlement of a liability through the issuance of an equity instrument was irrelevant with respect to the classification of such liability as either current or non-current. The definition of current liability was also changed in order to permit the classification of a liability as non-current notwithstanding a holder's option to require an entity to repay the amount at any time through the issuance of the entity's equity instruments.

The amendments must be applied to financial statements relating to accounting periods commencing on or after 1 January 2010. Earlier adoption, however, is permitted.

##### **IAS 32 – Financial Instruments: Presentation**

The IASB published a revision to IAS 32 on 8 October 2009 that clarified the accounting treatment of certain rights issues in a currency other than the issuer's functional currency. When rights are issued on a prorated basis to all shareholders for a fixed amount of currency, they must be classified as equity instruments even to the extent that their exercise price is denominated in a currency other than the issuer's functional currency. The previous accounting treatment under IAS 32 was that these instruments should be accounted for as derivative liabilities.

The revisions to the standard were endorsed by the EU on 23 December 2009 and must be applied to accounting periods commencing on or after 1 February 2010. Earlier adoption is permitted.

##### **IAS 39 – Financial Instruments and IFRIC 9 – Reassessment of Embedded Derivatives**

The IASB issued a revised version of IAS 39 on 31 July 2008 in order to provide guidance as to which risks may be hedged and the portion of fair value or cash flow that it is permitted to hedge. It was also clarified that the intrinsic value of an option purchased to hedge a financial instrument may not be perfectly effective since its intrinsic value only reflects the hedge of part of the risks.

The revised standard will become effective for accounting periods commencing on or after 1 July 2009, having been endorsed by the EU during 2009.

The IASB published further revisions to IFRIC 9 and IAS 39 on 12 March 2009, clarifying the treatment of derivative financial instruments embedded in other contracts when hybrid financial assets are classified other than as fair value recognised in the income statement. Briefly, the document provides for the mandatory identification by entities opting to reclassify financial instruments from the category, "Fair value through profit and loss", to the categories, "Loans and receivables" or "Available-for-sale", of any embedded derivatives and to assess the necessity to separate them from the primary instrument in the manner required by IAS 39.

The revised standard was endorsed by the EU on 30 November 2009 and will be applied by the Company from 2010.

##### **IFRIC 16 – Hedges of a Net Investment in a Foreign Operation**

The interpretation clarifies that when an entity decides to hedge the net exposure of a foreign operation (i.e., a subsidiary, associate or a branch) to exchange rate differences and such hedge meets the requirements for classification as a cash flow hedge in accordance with IAS 39, it is permitted to recognise variations in the fair value of the hedge together with gains or losses derived from the conversion of foreign currency items of the foreign operation. The hedge may be arranged by any group entity with exception of the foreign operation.



The interpretation was endorsed by the EU in 2009, and application will be mandatory for the Company from 2010.

#### IFRIC 19 – Extinguishing Financial Liabilities with Equity Instruments

IFRIC 19 was published on 26 November 2009. The interpretation determines the mandatory accounting treatment to be applied by a debtor when, following a renegotiation of the terms of the liability, the creditor and the debtor agree to a so-called debt for equity swap in full or partial settlement of a financial liability, through the issuance of equity instruments by the debtor.

IFRIC 19 is required to be applied to financial statements for accounting periods commencing on or after 1 July 2010. Earlier adoption is permitted. The interpretation has not yet been endorsed by the EU.

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

## 4. Notes to the statement of financial position

The following notes provide information on items in the statement of financial position at 31 December 2009. Comparative amounts at 31 December 2008 are shown in brackets.

### 4.1 Property, plant and equipment / €8,033 thousand (€8,431 thousand)

At 31 December 2009 property, plant and equipment totals €8,033 thousand, representing a decrease of €398 thousand compared with 31 December 2008 due to depreciation for the year.

There were no changes in the expected useful lives of these assets during 2009.

Property, plant and equipment at 31 December 2009 were free of mortgages, liens or other collateral guarantees restricting their use.

The following table shows movements in property, plant and equipment during the year, including amounts at the beginning and end of the year.

(€000)	31.12.2008			Changes during the year Additions	31.12.2009		
	Cost	Accumulated depreciation	Carrying amount		Cost	Accumulated depreciation	Carrying amount
<b>Property, plant and equipment:</b>							
Land	33	–	33	–	33	–	33
Buildings	3,017	–2,273	744	–90	3,017	–2,363	654
Other assets	87	–33	54	–12	87	–45	42
<b>Total</b>	<b>3,137</b>	<b>–2,306</b>	<b>831</b>	<b>–102</b>	<b>3,137</b>	<b>–2,408</b>	<b>729</b>
<b>Investment property:</b>							
Land	1,130	–	1,130	–	1,130	–	1,130
Buildings	9,853	–3,383	6,470	–296	9,853	–3,679	6,174
<b>Total</b>	<b>10,983</b>	<b>–3,383</b>	<b>7,600</b>	<b>–296</b>	<b>10,983</b>	<b>–3,679</b>	<b>7,304</b>
<b>Total property, plant and equipment</b>	<b>14,120</b>	<b>–5,689</b>	<b>8,431</b>	<b>–398</b>	<b>14,120</b>	<b>–6,087</b>	<b>8,033</b>

**Property, plant and equipment** of €729 thousand at 31 December 2009 (€831 thousand at 31 December 2008) primarily consists of a portion of the buildings located at Via Nibby (€654 thousand) used for operations and the surrounding land (€33 thousand).

#### 4. Separate financial statements

**Investment property** consists of land and buildings owned by the Company and rented to other Group companies: Villa Fassini and a portion of the building in Via Nibby, both located in Rome. Investment property generated rental income of €792 thousand in 2009.

The fair value of these assets, estimated by independent property appraisers on the basis of the market for properties of this type, is approximately €7.6 million for Villa Fassini and approximately €4.7 million for the building in Via Nibby.

#### 4.2 Intangible assets / €241 thousand (€243 thousand)

(€000)	31.12.2008			Changes during the year Additions	31.12.2009		
	Gross amount	Accumulated amortisation	Carrying amount		Gross amount	Accumulated amortisation	Carrying amount
<b>Intangible assets:</b>							
Licences	262	-19	243	-2	262	-21	241
<b>Total intangible assets</b>	<b>262</b>	<b>-19</b>	<b>243</b>	<b>-2</b>	<b>262</b>	<b>-21</b>	<b>241</b>

Intangible assets consist exclusively of building rights for land owned by the Municipality of Florence, depreciated according to the concession term.

#### 4.3 Investments / €6,083,845 thousand (€6,036,850 thousand)

The following table shows an analysis of the investments at 31 December 2009 together with the Company's percentage interest and relevant carrying amount:

	Registered office	Issued capital/ Consortium fund			Interest (%)	Number of shares	Carrying amount (€000)
		Number of shares/ percentage held	Par value (€)	Capital/ Consortium fund (€)			
<b>Investments in subsidiaries</b>							
Autostrade per l'Italia SpA	Rome	622,027,000	1.00	622,027,000	100%	622,027,000	5,954,237
TowerCo SpA	Rome	20,100,000	1.00	20,100,000	100%	20,100,000	20,100
Autostrade Mazowsze SA	Katowice (Poland)	200,000	100.00 <sup>(1)</sup>	20,000,000 <sup>(1)</sup>	70%	140,000	2,621
Mizard Srl	Rome	1	10,000	10,000	100%	1	10
<b>Total</b>							<b>5,976,968</b>
<b>Investments in associates and joint ventures</b>							
Autostrade for Russia GmbH	Vienna (Austria)	60,000	1.00	60,000	51.00%	30,600	230
Pune Solapur Expressways Private Ltd.	New Delhi (India)	10,000,000	10.00 <sup>(2)</sup>	100,000,000 <sup>(2)</sup>	50.00%	5,000,000	3,786
<b>Total</b>							<b>4,016</b>
<b>Investments in other Group companies</b>							
Firenze Parcheggi SpA	Florence	495,550	51.65	25,595,158	5.36%	26,560	2,582
Emittente Titoli SpA	Milan	8,200,000	0.52	4,264,000	6.02%	494,000	277
Alitalia - Compagnia Aerea Italiana SpA	Milan	668,355,344	1.00	668,355,344	8.85%	59,175,680	100,000
Autopista do Pacifico SA	Santiago (Chile)	65,000	1,000,000.00 <sup>(3)</sup>	65,000,000.00 <sup>(3)</sup>	0.0015%	1	2
<b>Total</b>							<b>102,861</b>

(1) Amount in Polish zlotys.

(2) Amount in Indian rupees.

(3) Amount in Chilean pesos.

This item consists of the carrying amounts of investments in subsidiaries, associates, joint ventures and other companies, as determined through application of the accounting policy contained in note 3 "Accounting policies".

Investments amount to €6,083,845 million (€6,036,850 million at 31 December 2008) and include investments in subsidiaries of €5,976,968 thousand, primarily consisting of the investment in Autostrade per l'Italia, investments in associates of €4,016 million and investments in other companies, totalling €102,861 thousand. The investment in Autostrade per l'Italia has been tested for impairment and the recoverability of the carrying amount, based on its value in use, confirmed.

Value in use was determined by using the long-term business plan approved by the Board of Directors, which was based on the financial plans annexed to the concession agreement entered into with the Grantor. These contain projections for traffic, investment, costs and revenue throughout the related concession terms. The Company's estimated after-tax cash flows were discounted to present value using a discount rate of 5.9%, which is the Group's (after-tax) WACC (6.0% in 2008). After-tax cash flows and discount rates were used as this produces results that are substantially the same as those deriving from the use of pre-tax figures.

The main changes during 2009 were:

- a) payment for the remaining shares of Alitalia - Compagnia Aerea Italiana SpA subscribed by the Group (which at 31 December 2009 holds 8.85% of the airline) and for 15% of Autostrade Mazowsze SA (a total interest of 70% at 31 December 2009), amounting to a total of €44,870 thousand;
- b) subscription of new shares issued by Pune-Solapur Expressways Private Ltd., totalling €3,786 thousand;
- c) impairment loss on the investment in Autostrade International, whose liquidation was completed during 2009, and sale of the investment in Compagnia Sviluppo Imprese Sociali, amounting to a total of €2,240 thousand.

The following table shows carrying amounts at the beginning and end of the year and the movements in investments during the year.

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(€000)	31.12.2008	
	Gross amount	Carrying amount
<b>Investments in subsidiaries</b>		
Autostrade per l'Italia SpA	5,954,076	5,954,076
Autostrade International SpA (in liquidation)	1,824	1,824
TowerCo SpA	20,100	20,100
Autostrade Mazowsze SA	1,707	1,707
Mizard Srl	10	10
	<b>5,977,717</b>	<b>5,977,717</b>
<b>Investments in associates and joint ventures</b>		
Autostrade for Russia GmbH	230	230
Pune Solapur Expressways Private Ltd.	-	-
	<b>230</b>	<b>230</b>
<b>Investments in other Group companies</b>		
Firenze Parcheggio SpA	2,582	2,582
Compagnia Sviluppo Imprese Sociali SpA	416	416
Emittente Titoli SpA	277	277
Alitalia - Compagnia Aerea Italiana SpA	55,626	55,626
Autopista do Pacifico SA	2	2
	<b>58,903</b>	<b>58,903</b>
<b>Total investments</b>	<b>6,036,850</b>	<b>6,036,850</b>

### 4.4 Other financial assets

(non-current) / €8,325,463 thousand (€7,121,419 thousand)

(current) / €274,698 thousand (€180,499 thousand)

The following table shows the composition of other financial assets at 31 December 2009:

(€000)	31.12.2009			31.12.2008		
	Total financial assets	Current portion	Non-current portion	Total financial assets	Current portion	Non-current portion
Derivative assets <sup>(1)</sup>	280,459	92,427	188,032	216,968	39,203	177,765
Intercompany loans <sup>(2)</sup>	8,315,735	178,342	8,137,393	7,081,206	137,611	6,943,595
Other financial assets <sup>(2)</sup>	3,967	3,929	38	3,744	3,685	59
<b>Total</b>	<b>8,600,161</b>	<b>274,698</b>	<b>8,325,463</b>	<b>7,301,918</b>	<b>180,499</b>	<b>7,121,419</b>

(1) These assets are classified as hedging derivatives under level 2 of the fair value hierarchy, referred to the valuations based on observable market input data.

(2) These assets are classified as "loans and receivables" in accordance with IAS 39.

	New acquisitions and purchases of additional shares	Increases due to share options	Changes during the year				31.12.2009	
			Disposals	Returns of capital	Other increases and payment of called-up capital	Currency translation differences on payment of call-up capital	Gross amount	Carrying amount
	-	161	-	-	-	-	5,954,237	5,954,237
	-	-	-	1,824	-	-	-	-
	-	-	-	-	-	-	20,100	20,100
	-	-	-	-	496	418	2,621	2,621
	-	-	-	-	-	-	10	10
	-	161	-	1,824	496	418	5,976,968	5,976,968
	-	-	-	-	-	-	230	230
	3,786	-	-	-	-	-	3,786	3,786
	3,786	-	-	-	-	-	4,016	4,016
	-	-	-	-	-	-	2,582	2,582
	-	-	416	-	-	-	-	-
	-	-	-	-	-	-	277	277
	-	-	-	-	44,374	-	100,000	100,000
	-	-	-	-	-	-	2	2
	-	-	416	-	44,374	-	102,861	102,861
	3,786	161	416	1,824	44,870	418	6,083,845	6,083,845

**Derivative financial instruments** relate to the positive fair value at 31 December 2009 of certain derivative financial instruments entered into with Autostrade per l'Italia to hedge interest rates in connection with medium/long-term loans granted to the subsidiary (€188,032 thousand), in addition to the current portion of accrued financial income generated by the derivatives (€92,427 thousand). The increase in the non-current portion compared with 31 December 2008 equal to €10,267 thousand essentially derives from the fair value of new derivatives hedging the intercompany loan that replicates the euro-denominated bonds issued by Atlantia on 6 May 2009. These have been classified as fair value hedges. In contrast, the increase in the current portion equal to €53,224 thousand relates exclusively to the increase in accrued interest income on hedges.

The derivative financial instruments entered into by the Parent to hedge the exposure to interest rate risk of the Term Loan Facility, transferred to the subsidiary, Autostrade per l'Italia, in 2008, were transferred to the subsidiary on 30 June 2009. The intercompany derivatives linked to the loans previously granted by the Parent to Autostrade per l'Italia have similarly been unwound.

Details of derivatives held for hedging purposes and the Company's hedging strategy are contained in note 6.3, "Financial risk management".

#### 4. Separate financial statements

**Intercompany loans** relate to medium/long-term loans to the subsidiary, Autostrade per l'Italia (€8,137,393 thousand), in addition to accrued interest income on non-current loans (€178,342 thousand). The increase of €1,234,529 thousand compared with 31 December 2008 essentially reflects a combination of the following factors:

- a) new medium/long-term loans to the subsidiary, Autostrade per l'Italia, amounting to €1,500,000 and €149,176 thousand, respectively, which replicate, at intercompany level, the bonds issued by Atlantia on 6 May 2009 and 10 December 2009;
- b) the extinction of intercompany loans following the transfer of loans totalling €450.0 million from the European Investment Bank (EIB) to the subsidiary, Autostrade per l'Italia, in the first half of 2009.

**Other financial assets** of €3,967 thousand principally relate to a short-term loan made to the subsidiary Autostrade per l'Italia for the reallocation of the Revolving Credit Facility (€2,779 thousand), and the loan made in previous years to the associate, Autostrade for Russia GmbH (€649 thousand).

The loans granted to Autostrade per l'Italia are on the same terms as those applied to Company's bank borrowings, increased by a spread that takes account of the cost of managing the loans.

The following two tables show intercompany medium/long-term financial assets outstanding at year end.

The first presents a comparison of financial assets at 31 December 2009 and 31 December 2008 by maturity (current and non-current portions); the second compares the aggregate carrying amount (current and non-current portions) of medium/long-term financial assets, their par value and fair value for 2008 and 2009. The second table also summarises the conditions applied to each financial asset.

Fair value is determined by discounting expected cash flows to their present value using discount rates taken from the year-end market interest rate curve.

The Company's financial risks and risk management policies are described in note 6.3 "Financial risk management".

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

(€000)	31.12.2008			31.12.2009			Non-current maturities at 31.12.2009	
	Total financial assets	Current portion	Non-current portion	Total financial assets	Current portion	Non-current portion	Maturing between 13 and 60 months	Maturing after 60 months
<b>Intercompany loans</b>								
Autostrade per l'Italia SpA loan 2004-2011	2,000,000	–	2,000,000	2,000,000	–	2,000,000	2,000,000	–
Autostrade per l'Italia SpA loan 2004-2014	2,750,000	–	2,750,000	2,750,000	–	2,750,000	2,750,000	–
Autostrade per l'Italia SpA loan 2004-2022	750,000	–	750,000	750,000	–	750,000	–	750,000
Autostrade per l'Italia SpA loan 2004-2024	1,000,000	–	1,000,000	1,000,000	–	1,000,000	–	1,000,000
Autostrade per l'Italia SpA loan 2009-2016	–	–	–	1,488,217	–	1,488,217	–	1,488,217
Autostrade per l'Italia SpA loan 2004-2038				149,176	–	149,176		149,176
Autostrade per l'Italia SpA loan 2006-2021	200,000	6,405	193,595	–	–	–	–	–
Autostrade per l'Italia SpA loan 2007-2022	250,000	–	250,000	–	–	–	–	–
<b>Total intercompany loans</b>	<b>6,950,000</b>	<b>6,405</b>	<b>6,943,595</b>	<b>8,137,393</b>	<b>–</b>	<b>8,137,393</b>	<b>4,750,000</b>	<b>3,387,393</b>
<b>Non-current derivative assets</b>	<b>177,765</b>	<b>–</b>	<b>177,765</b>	<b>188,032</b>	<b>–</b>	<b>188,032</b>	<b>75,680</b>	<b>112,352</b>
<b>Other financial assets</b>	<b>3,744</b>	<b>3,685</b>	<b>59</b>	<b>3,967</b>	<b>3,929</b>	<b>38</b>	<b>38</b>	<b>–</b>
<b>Accrued interest on medium/long-term financial assets</b>	<b>170,409</b>	<b>170,409</b>	<b>–</b>	<b>270,769</b>	<b>270,769</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total financial assets</b>	<b>7,301,918</b>	<b>180,499</b>	<b>7,121,419</b>	<b>8,600,161</b>	<b>274,698</b>	<b>8,325,463</b>	<b>4,825,718</b>	<b>3,499,745</b>

#### 4. Separate financial statements

(€000)	Par value at 31.12.2008 <sup>(4)</sup>	Carrying amount at 31.12.2008 <sup>(4)</sup>	Fair value at 31.12.2008
<b>Intercompany loans</b>			
Autostrade per l'Italia SpA loan 2004-2011	2,000,000	2,000,000	2,044,279
Autostrade per l'Italia SpA loan 2004-2014	2,750,000	2,750,000	3,114,878
Autostrade per l'Italia SpA loan 2004-2022	750,000	750,000	847,271
Autostrade per l'Italia SpA loan 2004-2024	1,000,000	1,000,000	1,295,785
Autostrade per l'Italia SpA loan 2009-2016	-	-	-
Autostrade per l'Italia SpA loan 2004-2038	-	-	-
Autostrade per l'Italia SpA loan 2006-2021	200,000	200,000	213,243
Autostrade per l'Italia SpA loan 2007-2022	250,000	250,000	277,975
<b>Total intercompany loans</b>	<b>6,950,000</b>	<b>6,950,000</b>	<b>7,793,431</b>
<b>Non-current derivative assets</b>		<b>177,765</b>	<b>177,765</b>
<b>Other financial assets</b>		<b>3,744</b>	
<b>Accrued interest on medium/long-term financial assets</b>		<b>170,409</b>	
<b>Total medium/long-term financial assets</b>		<b>7,301,918</b>	

(1) The value of medium/long-term financial assets shown in the table includes both the non-current and current portions.

(2) At 31 December 2009 interest rate hedges with a notional amount of €4,250 million were in place. These were classified either as cash flow or fair value hedges depending on the nature of the risk hedged, in accordance with IAS 39.

(3) These financial assets are classified as "loans and receivables" in accordance with IAS 39.

(4) These financial instruments are classified as hedging derivatives under level 2 of the fair value hierarchy.

Moreover the following table shows changes in the par value of intercompany financial assets during 2009.

(€000)	Par value <sup>(1)</sup> 31.12.2008	New issues	Repayments	Par value <sup>(1)</sup> 31.12.2009
<b>Total intercompany loans</b>	<b>6,950,000</b>	<b>1,649,176</b>	<b>-450,000</b>	<b>8,149,176</b>

(1) The value of medium/long-term financial assets shown in the table includes both the non-current and current portions.

#### 4.5 Trading assets / €2,379 thousand (€338 thousand)

This item consists of **trade receivables**, totalling €2,379 thousand at 31 December 2009 (€338 thousand at 31 December 2008), which have increased essentially due to invoices issued to Autostrade dell'Atlantico and Autostrade per il Cile to recoup the costs incurred in the acquisition of companies from the Itinere group.

#### 4.6 Cash and cash equivalents / €124,245 thousand (€106,596 thousand)

At 31 December 2009 **cash amount** to €1,016 thousand, while balances receivable on intercompany current accounts amount to €123,229 thousand essentially related to Autostrade per l'Italia's current account balance.



	Par value at 31.12.2009 <sup>(1)</sup>	Carrying amount at 31.12.2009 <sup>(1)</sup>	Fair value at 31.12.2009	Reference interest rate	Effective interest rate	Note	Spread	Maturity
	2,000,000	2,000,000	2,023,234	3m Euribor	0.71%	(2)	0.73%	09.06.2011
	2,750,000	2,750,000	3,142,562	5.37%	5.37%			09.06.2014
	750,000	750,000	840,317	6m Euribor	1.00%	(2)	1.15%	09.06.2022
	1,000,000	1,000,000	1,281,474	6.15%	6.15%	(2)		09.06.2024
	1,500,000	1,488,217	1,797,795	5.85%	5.85%			06.05.2016
	149,176	149,176	191,508	5.47%	5.47%			10.12.2038
	-	-	-					
	-	-	-					
	<b>8,149,176</b>	<b>8,137,393</b>	<b>9,276,890</b>			(3)		
		<b>188,032</b>	<b>188,032</b>			(4)		
		<b>3,967</b>						
		<b>270,769</b>						
		<b>8,600,161</b>						

#### 4.7 Current tax assets and liabilities

Current tax assets / €26,341 thousand (€10,273 thousand)

Current tax liabilities / €18,491 thousand (€4,204 thousand)

Current tax assets and liabilities are shown below:

(€000)	Assets		Liabilities	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
IRAP	5,850	7,959	-	550
IRES	-	-	9,962	1,350
IRES from tax consolidation <sup>(1)</sup>	20,491	2,304	8,529	2,304
Other income taxes	-	10	-	-
<b>Total</b>	<b>26,341</b>	<b>10,273</b>	<b>18,491</b>	<b>4,204</b>

(1) Intercompany tax assets and liabilities.

With effect from 1 January 2009 and for the three-year period 2009-2011, some Group companies participate in the tax consolidation arrangement headed by Atlantia SpA, on the basis of Legislative Decree 344/2003, as explained in section 3 of the notes.

The balance includes IRES of €9,962 thousand payable to the tax authorities, and tax assets and liabilities due from and to participating companies, amounting to €20,491 thousand and €8,529 thousand, respectively.

## 4. Separate financial statements

### 4.8 Other current assets / €2,428 thousand (€5,869 thousand)

This item consists of receivables and other current assets that are not eligible for classification as trading or financial. An analysis of the balance at 31 December 2009 is shown below:

(€000)	31.12.2009	31.12.2008	Increase/(Decrease)
Social security receivables (INPS)	1,685	1,686	-1
Tax assets not related to income taxes	29	2	27
Other current assets	714	4,181	-3,467
<b>Total other current assets</b>	<b>2,428</b>	<b>5,869</b>	<b>-3,441</b>

The reduction during the year essentially reflects the amount collected following completion of the liquidation of Sitech, recognised at the end of 2008 in current assets.

### 4.9 Equity / €6,297,552 thousand (€6,250,936 thousand)

Atlantia's issued capital is fully subscribed and paid-in and consists of 571,711,557 ordinary shares of a par value of €1 each. The total value of €571,712 thousand is unchanged, in terms of both amount and composition, compared with 31 December 2008.

"Equity" totals €6,297,552 thousand (€6,250,936 thousand at 31 December 2008) and is up €46,616 thousand compared with the end of the previous year. This is the result of the following factors:

- total comprehensive income for the year of €452,612 thousand reflects profit for the year of €482,920 thousand, partly offset by the recognition of net losses of €30,307 thousand, essentially as a result of fair value losses on cash flow hedges, after the related tax effects;
- payment of the final dividend for 2008, amounting to €207,287 thousand, equal to €0.37 per share, and of the interim dividend for 2009, totalling €198,883 thousand, equal to €0.36 per share.

Atlantia's aims to manage its capital in order to create value for shareholders, ensure the Company remain a going concern, safeguard the interest of stakeholders, and guarantee efficient access to external sources of funding to adequately support the growth of the Group's businesses.

The table hereafter shows an analysis of issued capital and equity reserves, showing their permitted uses.

## Capital and equity reserves and permitted uses

Description (€000)	Amount	Permitted uses (A. B. C) <sup>(*)</sup>	Available	Uses during the past three years	
				To cover losses	For other reasons
<b>Issued capital</b>	<b>571,712</b> <sup>(4)</sup>	B			
<b>Reserves</b>					
Legal reserve	261,410 <sup>(2)</sup>	A, B	147,068		–
Share premium reserve	154	A, B, C	154		–
Extraordinary reserve	4,707,437 <sup>(3)</sup>	A, B, C	4,707,437		335,924 <sup>(5)</sup>
Reserve for purchase of treasury shares	215,644				
Treasury shares in portfolio	–215,644				
Reserve for negative goodwill	448,999 <sup>(4)</sup>	A, B, C	448,999		–
Reserve for actuarial gains and losses on post-employment benefits	–396	B			–
Cash flow hedge reserve	21,701	B			34,495 <sup>(6)</sup>
Other reserves and retained earnings	2,499	A, B, C	2,499		–
<b>Total reserves</b>	<b>5,441,804</b>				
<b>Total capital and reserves</b>	<b>6,013,516</b>		<b>5,306,157</b>	<b>–</b>	<b>370,419</b>
<i>of which:</i>					
Non-distributable			–		
Remaining distributable amount			5,306,157		

(\*) Key:

- A: capital increases
- B: to cover losses
- C: shareholder distributions

- (1) Including €566,687 thousand relating to the capital increase generated by the merger of Autostrade with and into the former NewCo28 SpA in 2003. With reference to art. 172, paragraph 5 of the Consolidated Income Tax Act, this capital increase is restricted to the following reserves that are taxable on distribution:
- revaluation reserve pursuant to Law 72/1982, amounting to €556,960 thousand;
  - revaluation reserve pursuant to Law 413/1991, amounting to €6,807 thousand;
  - revaluation reserve pursuant to Law 342/2000, amounting to €2,920 thousand.
- (2) The available portion is equal to one-fifth of the issued capital, totalling €147,068 thousand.
- (3) Including €900,000 thousand that may be used to purchase treasury shares, with a corresponding transfer to the reserve for the purchase of treasury shares, as approved by the shareholders at their Annual General Meeting of 23 April 2009.
- (4) With reference to art. 172, paragraph 5 of the Consolidated Income Tax Act, the merger surplus generated by the merger described in note (1) is restricted to and accounted for in the following reserves that are taxable on distribution:
- reserve for capital contributions, amounting to €8,113 thousand;
  - revaluation reserve pursuant to Law 72/1982, amounting to €368,840 thousand;
  - revaluation reserve pursuant to Law 413/1991, amounting to €50,416 thousand;
  - revaluation reserve pursuant to Law 342/2000, amounting to €21,630 thousand.
- (5) To pay dividends in 2007 (€120,280 thousand) and to fund the reserve for the purchase of treasury shares in 2008 (€215,644 thousand).
- (6) The reduction in this reserve is due to the recognition of net losses on the measurement of cash flow hedges.

## 4. Separate financial statements

### Other components of the statement of comprehensive income

The section "Financial statements" includes the "Statement of comprehensive income", which includes other components of comprehensive income, after the related tax effect.

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

(€000)	2009			2008		
	Before tax	Tax effect	After tax	Before tax	Tax effect	After tax
Fair value gains/(losses) on cash flow hedges	-39,674	9,365	-30,309	52,626	-14,472	38,154
Actuarial gains/(losses) (IAS 19)	2	-	2	-2	-102	-104
<b>Other components of comprehensive income for the year</b>	<b>-39,672</b>	<b>9,365</b>	<b>-30,307</b>	<b>52,624</b>	<b>-14,574</b>	<b>38,050</b>

### Disclosures regarding share-based payments

The Company has put in place a plan to provide incentives for personnel and foster the loyalty of certain directors and managers of the Atlantia Group, linked to the achievement of pre-established corporate and individual objectives, and designed to boost their entrepreneurial spirit and creation of value for shareholders. With effect from 2009, incentive schemes have been launched entailing, on the achievement of certain pre-established objectives for the period 2009-2013, the granting of rights to shares in Atlantia SpA.

The share option plan ("SOP") approved by the shareholders at their Annual General Meeting of 23 April 2009 envisages the granting of options to buy up to 850,000 of the Company's ordinary shares, each of which gives the right to purchase 1 ordinary Atlantia share held by the Company, at that date at a price equal to the normal value of the shares at the date on which Atlantia's Board of Directors selects the beneficiary and establishes the number of options to be granted. The terms and conditions of the SOP are detailed in the Information Memorandum prepared pursuant to art. 84-bis of CONSOB Regulation 11971/1999 and subsequent amendments and additions.

The vesting period is from 8 May 2009 to 23 April 2013 and the options may be exercised between 24 April 2013 and 30 April 2014.

In execution of the rights granted, beneficiaries can purchase Atlantia shares at a price of between €12.97 and €14.00 per share. The options will vest only if, at the end of the vesting period, the final value (the market value of each share, by convention calculated on the basis of the average official price of Atlantia's ordinary shares at the end of each trading day in the period from 23 January 2013 to 23 April 2013, plus any dividends paid from the grant date to the end of the vesting period) is equal to or greater than €15.00. Should the final value be less than €15.00, beneficiaries will definitively lose their right to exercise the options granted, unless otherwise decided by the Board of Directors. Should the final value be equal to or greater than €15.00, the number of vested options will be equal to a percentage of the options granted, based on the final value, as shown in the following table.

Final share price (€)	Percentage of options granted that have vested
15	20%
16	27%
17	35%
18	42%
19	49%
20	56%
21	64%
22	71%
23	78%
24	85%
25	93%
26	100%

Above 26

A percentage calculated on the basis of the following formula:  

$$\frac{[(26 - \text{Exercise Price}) / (\text{Closing Value} - \text{Exercise Price})] \times 100}{100}$$

The terms and conditions of the SOP expressly state that any capital gains realised as a result of the exercise of vested options may under no circumstances exceed twice (three in the case of the Chief Executive Officer) the beneficiary's gross annual fixed salary at 1 January 2009.

The options are under no circumstances transferable inter vivos and their non-transferability only ceases on the unilateral termination of employment by the beneficiary within three years of the date of giving such a commitment.

A total of 709,601 options had been awarded to Directors and senior managers of Atlantia and the subsidiary, Autostrade per l'Italia, prior to 31 December 2009, of which 58,653 relating to Atlantia and 650,948 to the subsidiary, Autostrade per l'Italia. The weighted average price of Atlantia's ordinary shares in the period between 23 April and 31 December 2009 is €15.987 per share. At 31 December 2009 the price was €18.25 per share.

#### 4. Separate financial statements

The fair value of each share option at the grant date, as determined by a specially appointed expert, is €1.66 for 534,614 options and €1.32 for 174,987 options. The Monte Carlo model was used to determine fair value using the following parameters:

– risk free interest rate:	2.41 - 2.52%
– expected expiry:	4.8 - 5 years
– expected volatility (equal to historic volatility):	25.8 - 26.45%
– expected dividends:	3.09 - 3.44%
– share price on grant date:	€14.03 - €14.27

As a result of implementation of this incentive plan, at 31 December 2009 the Company has recognised, in accordance with the requirements of IFRS 2, an increase in equity reserves of €173 thousand, based on the accrued fair value of the options granted at that date. This amount is matched by contra entries of €12 thousand in staff costs (for the rights granted to Directors and senior managers of Atlantia) and €161 thousand in the form of an increase in the value of the investment in Autostrade per l'Italia (for the rights granted to Directors and senior managers of this latter company).

#### 4.10 Provisions

(non-current) / €240 thousand (€4 thousand)

At 31 December 2009 this item consists exclusively of provisions for employee benefits consisting:

- provisions recognised in the year for the three-year incentive plan (2008-2010) for the Company's management, totalling €238 thousand;
- provisions for post-employment benefits, totalling €2 thousand (€4 thousand at 31 December 2008).

The main actuarial assumptions applied in estimating provisions for post-employment benefits at 31 December 2009 are shown below:

##### financial assumptions:

– annual discount rate:	4.0%
– annual inflation rate:	2.0%
– annual turnover rate:	3.5%
– annual rate of advances paid:	3.0%

##### demographic assumptions:

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

There are no additional contingencies or obligations at 31 December 2009 requiring the Company to make further provisions.

#### 4. II Financial liabilities

(non-current) / €8,248,314 thousand (€7,004,482 thousand)

(current) / €265,894 thousand (€183,920 thousand)

The following two tables show medium/long-term financial liabilities outstanding at year end.

The first compares medium to long-term financial liabilities at 31 December 2009 with those at 31 December 2008 in terms of maturity (current and non-current portions):

(€000)	31.12.2008			31.12.2009			Non-current maturities at 31.12.2009	
	Total financial liabilities	Current portion	Non-current portion	Total financial liabilities	Current portion	Non-current portion	Maturing between 13 and 60 months	Maturing after 60 months
<b>MEDIUM/LONG-TERM FINANCIAL LIABILITIES</b>								
<b>Bond issues</b>								
Bond 2004-2011	1,994,954	-	1,994,954	1,997,033	-	1,997,033	1,997,033	-
Bond 2004-2014	2,720,935	-	2,720,935	2,725,703	-	2,725,703	2,725,703	-
Bond 2004-2022 (Gbp)	524,300	-	524,300	562,397	-	562,397	-	562,397
Bond 2004-2024	989,666	-	989,666	990,092	-	990,092	-	990,092
Bond 2009-2016	-	-	-	1,482,040	-	1,482,040	-	1,482,040
Bond 2009-2038 (Jpy)	-	-	-	149,553	-	149,553	-	149,553
<b>Total bond issues</b>	<b>6,229,855</b>	<b>-</b>	<b>6,229,855</b>	<b>7,906,818</b>	<b>-</b>	<b>7,906,818</b>	<b>4,722,736</b>	<b>3,184,082</b>
<b>Medium/long-term borrowings</b>								
EIB 2006-2021	200,000	6,464	193,536	-	-	-	-	-
EIB 2007-2022	250,000	-	250,000	-	-	-	-	-
<b>Total medium/long-term borrowings</b>	<b>450,000</b>	<b>6,464</b>	<b>443,536</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Non-current derivative liabilities</b>	<b>331,091</b>	<b>-</b>	<b>331,091</b>	<b>341,496</b>	<b>-</b>	<b>341,496</b>	<b>75,680</b>	<b>265,816</b>
<b>Accrued interest</b>	<b>166,066</b>	<b>166,066</b>	<b>-</b>	<b>265,823</b>	<b>265,823</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL MEDIUM/LONG-TERM FINANCIAL LIABILITIES</b>	<b>7,177,012</b>	<b>172,530</b>	<b>7,004,482</b>	<b>8,514,137</b>	<b>265,823</b>	<b>8,248,314</b>	<b>4,798,416</b>	<b>3,449,898</b>
<b>SHORT-TERM FINANCIAL LIABILITIES</b>								
Bank overdrafts	1	1	-	2	2	-	-	-
Other current financial liabilities	11,389	11,389	-	69	69	-	-	-
<b>TOTAL SHORT-TERM FINANCIAL LIABILITIES</b>	<b>11,390</b>	<b>11,390</b>	<b>-</b>	<b>71</b>	<b>71</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>7,188,402</b>	<b>183,920</b>	<b>7,004,482</b>	<b>8,514,208</b>	<b>265,894</b>	<b>8,248,314</b>	<b>4,798,416</b>	<b>3,449,898</b>

The second table compares the aggregate carrying amount (current and non-current portions) of medium/long-term financial liabilities with relevant par and fair values. This table also summarises the terms and conditions applied to each financial liability.

The fair value of bond issues was measured on the basis of closing market prices, whilst the fair value of other financial liabilities was measured by discounting expected future cash flows, using the yield curve at the end of the year.

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(€000)	Par value at 31.12.2008 <sup>(1)</sup>	Carrying amount at 31.12.2008 <sup>(2)</sup>	Fair value at 31.12.2008
<b>Bond issues</b>			
Bond 2004-2011	2,000,000	1,994,954	1,878,600
Bond 2004-2014	2,750,000	2,720,935	2,644,125
Bond 2004-2022 (Gbp)	750,000	524,300	732,750
Bond 2004-2024	1,000,000	989,666	1,021,600
Bond 2009-2016	–	–	–
Bond 2009-2038 (Jpy)	–	–	–
<b>Total bond issues (A)</b>	<b>6,500,000</b>	<b>6,229,855</b>	<b>6,277,075</b>
<b>Bank borrowings</b>			
EIB 2006-2021	200,000	200,000	211,349
EIB 2007-2022	250,000	250,000	275,146
<b>Total medium/long-term borrowings (B)</b>	<b>450,000</b>	<b>450,000</b>	<b>486,495</b>
<b>Medium/long-term bond issues and borrowings (C = A + B)</b>	<b>6,950,000</b>	<b>6,679,855</b>	<b>6,763,570</b>
<b>Non-current derivative liabilities (D)</b>		<b>331,091</b>	<b>331,091</b>
<b>Accrued expenses on medium/long-term financial liabilities (E)</b>	<b>166,066</b>	<b>166,066</b>	
<b>Total medium/long-term financial liabilities (C + D + E)</b>	<b>7,116,066</b>	<b>7,177,012</b>	

(1) The value of medium/long-term financial liabilities shown in the table includes both the non-current and current portions.

(2) At 31 December 2009 interest rate and foreign exchange hedges with a notional amount of €4,399 million were in place. These were classified either as cash flow or fair value hedges depending on the nature of the risk hedged, in accordance with IAS 39.

(3) The par value in euro was determined using the exchange rate on the date that the cross currency swap was concluded.

The following table shows the par value of medium/long-term financial liabilities by currency.

(€000)	Par value at 31.12.2008	Par value at 31.12.2009
Euro	6,200,000	7,250,000
Gbp	750,000	750,000
Jpy	–	149,176
<b>Total</b>	<b>6,950,000</b>	<b>8,149,176</b>

Finally the following table shows changes in the par values of medium/long-term financial liabilities during the year.

(€000)	Par value at 31.12.2008 <sup>(1)</sup>	New issues	Repayments	Other changes	Par value at 31.12.2009 <sup>(1)</sup>
Total bond issues	6,500,000	1,649,176	–	–	8,149,176
Total bank borrowings	450,000	–	–450,000	–	–
Accrued expenses on medium/long-term financial liabilities	166,066	–	–	99,757	265,823
<b>Total par value of medium/long-term financial liabilities</b>	<b>7,116,066</b>	<b>1,649,176</b>	<b>–450,000</b>	<b>99,757</b>	<b>8,414,999</b>

(1) The value of medium/long-term financial liabilities shown in the table includes both the non-current and current portions.



	Par value at 31.12.2009 <sup>(4)</sup>	Carrying amount at 31.12.2009 <sup>(4)</sup>	Fair value at 31.12.2009	Reference interest rate	Effective interest rate	Note	Spread	Maturity
	2,000,000	1,997,033	1,998,200	3m Euribor	1.29%	(2)	0.45%	09.06.2011
	2,750,000	2,725,703	2,925,450	5.00%	5.23%			09.06.2014
	750,000	562,397	785,250	5.99%	6.25%	(2), (3)		09.06.2022
	1,000,000	990,092	1,099,700	5.88%	5.98%			09.06.2024
	1,500,000	1,482,040	1,632,150	5.63%	5.71%	(2)		06.05.2016
	149,176	149,553	183,155	5.30%	5.47%	(2), (3)		10.12.2038
	<b>8,149,176</b>	<b>7,906,818</b>	<b>8,623,905</b>					
	-	-	-					
	-	-	-					
	-	-	-					
	<b>8,149,176</b>	<b>7,906,818</b>	<b>8,623,905</b>					
		<b>341,496</b>	<b>341,496</b>			(3)		
	<b>265,823</b>	<b>265,823</b>						
	<b>8,414,999</b>	<b>8,514,137</b>						

**Non-current financial liabilities**, net of related borrowing costs paid, include:

- a) bonds totalling €7,906,818 thousand issued by the Company in 2004 and 2009, as part of its €10 billion Medium Term Note (MTN) Programme. Compared with 31 December 2008, this item has increased by €1,676,963 thousand, essentially as a result of new issues on 6 May 2009 (a par value of €1,500.0 million, maturing on 6 May 2016) and 10 December 2009 (a par value of €149,176 thousand, maturing on 10 December 2038);
- b) negative fair value of derivative financial instruments of €341,496 thousand in the form of interest and exchange rate hedges. There was an increase of €10,405 thousand with respect to 31 December 2008 in the negative value, based on the movement in the euro/sterling exchange rate (Cross Currency Swaps) applied to the foreign currency-denominated bond issue and in part on movements in interest rates. After adjusting for the exchange rate effect, €57,776 thousand of the above change was attributed as a change in equity reserves, after the related tax effect, in accordance with the accounting treatment for cash flow hedges required by IAS 39, and recognised in other components of the statement of comprehensive income. Further details of derivatives subscribed to by the Company for hedging purposes are contained in note 6.3 "Financial risk management".

Loans totalling €443,536 thousand from the European Investment Bank (EIB) were transferred to the subsidiary, Autostrade per l'Italia, during 2009 as part of the Group's financial restructuring. This was accompanied by extinction of corresponding intercompany loans previously granted to the subsidiary.

#### 4. Separate financial statements

**Current financial liabilities** essentially consist of:

- a) accrued financial expenses, totalling €265,823 thousand (€166,066 thousand at 31 December 2008), in addition to €186,888 thousand in interest payable on bonds and €78,935 thousand in accrued financial income generated by the derivative instruments;
- b) other current financial liabilities of €69 thousand (€11,389 thousand at 31 December 2008), essentially relating to dividends payable to shareholders.

#### 4.12 Deferred tax liabilities / €10,827 thousand (€20,259 thousand)

Deferred tax liabilities, consisting of deferred tax liabilities after offsetting against deferred tax assets, at 31 December 2009 amount to €10,827 thousand (€20,259 thousand at 31 December 2008), having decreased during the year by €9,432 thousand.

The balance and movements for 2009 are shown in the table below:

(€000)	31.12.2008	Provisions	Releases	Deferred tax assets/ liabilities on gains and losses recognised in statement of comprehensive income	31.12.2009
<b>Deferred tax liabilities on:</b>					
Fair value measurement of cash flow hedges	-43,490	-	-	-13,473	-56,963
Application of amortised cost	-543	-	-	-	-543
Other temporary differences	-44	-	-	-	-44
<b>Total deferred tax liabilities</b>	<b>-44,077</b>	<b>-</b>	<b>-</b>	<b>-13,473</b>	<b>-57,550</b>
<b>Deferred tax assets on:</b>					
Fair value measurement of cash flow hedges	23,762	-	-	22,838	46,600
Actuarial valuation of post-employment benefits	56	54	-52	-	58
Other temporary differences	-	65	-	-	65
<b>Total deferred tax assets</b>	<b>23,818</b>	<b>119</b>	<b>-52</b>	<b>22,838</b>	<b>46,723</b>
<b>Net deferred tax liabilities</b>	<b>-20,259</b>	<b>119</b>	<b>-52</b>	<b>9,365</b>	<b>-10,827</b>

#### 4.13 Trading liabilities / €4,927 thousand (€4,967 thousand)

**Trading liabilities** of €4,927 thousand (€4,967 thousand at 31 December 2008) consist of amounts payable to suppliers (€3,359 thousand), primarily relating to professional services, and trade payables due to Group companies (€1,568 thousand), most of which are payable to Autostrade per l'Italia.

The carrying amount of trade payables approximates their fair value, in that the effect of discounting to present value is not significant.

#### 4.14 Other current liabilities / €1,428 thousand (€1,746 thousand)

The composition of this item and details of changes during the year are shown in the following table:

(€000)	31.12.2009	31.12.2008	Increase/(Decrease)
Taxation other than income taxes	817	933	-116
Social security payables	112	102	10
Other current liabilities	499	711	-212
<b>Total other current liabilities</b>	<b>1,428</b>	<b>1,746</b>	<b>-318</b>

## 5. Notes to the income statement

This section describes the composition of and principal changes in items for the two years. Amounts for 2008 are shown in brackets.

### 5.1 Operating income / €3,576 thousand (€2,155 thousand)

Operating income of €3,576 thousand primarily includes amounts recharged (€2,443 thousand) and rental income received from subsidiaries (€792 thousand). This item is up €1,421 thousand on 2008 (€2,155 thousand), essentially to an increase in amounts received from other Group companies in order to cover the costs incurred in the acquisition of companies from the Itinere group.

### 5.2 Raw and consumable materials / €91 thousand (€61 thousand)

These costs for the year related essentially to purchases of office materials.

### 5.3 Service costs / €7,637 thousand (€10,537 thousand)

The composition of this item and details of changes during the year are shown in the following table:

(€000)	2009	2008	Increase/(Decrease)
Professional services	5,979	9,008	-3,029
Remuneration of corporate bodies	327	341	-14
Transport and similar	206	178	28
Construction and similar	96	102	-6
Insurance	84	40	44
Utilities	63	59	4
Maintenance	42	60	-18
Other services	840	749	91
<b>Total service costs</b>	<b>7,637</b>	<b>10,537</b>	<b>-2,900</b>

The reduction of €2,900 thousand compared with 2008 is essentially due to the containment in professional services and consultants' fees.

### 5.4 Staff costs / €2,449 thousand (€1,876 thousand)

Staff costs are broken down as follows:

(€000)	2009	2008	Increase/(Decrease)
Wages and salaries	427	392	35
Social security contributions	117	70	47
Post-employment benefits (including payments to supplementary pension funds)	24	13	11
Directors' fees	1,417	1,242	175
Provisions for long-term staff incentive plan	238	-	238
Other staff costs	226	159	67
<b>Total net staff costs</b>	<b>2,449</b>	<b>1,876</b>	<b>573</b>

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Staff costs of €2,449 thousand primarily consist of Directors' remuneration. The increase with respect to 2009 (up €573 thousand) is primarily as a result of an increase in fees paid to Directors (2008-2010) and provisions made to cover the accrued cost of the three-year incentive plan for management.

The average workforce is broken down as follows by category:

Average workforce (no.)	2009	2008	Increase/(Decrease)
Senior managers	1	1	-
Middle managers	2	1	1
Administrative staff	2	2	-
<b>Total</b>	<b>5</b>	<b>4</b>	<b>1</b>

#### 5.5 Other operating costs / €2,970 thousand (€3,342 thousand)

Other operating costs consists of the following items:

(€000)	2009	2008	Increase/(Decrease)
Direct and indirect taxes	2,191	2,364	-173
Non-recurring operating costs	273	456	-183
Expense reimbursements	206	235	-29
Lease expense	157	175	-18
Grants and donations	131	109	22
Other operating costs	12	3	9
<b>Total other operating costs</b>	<b>2,970</b>	<b>3,342</b>	<b>-372</b>

The item direct and indirect taxes consist essentially of non-deductible VAT (€2,081 thousand).

- 5.6 Financial income/(expenses) / €498,162 thousand (€524,086 thousand)  
Income from financial assets / €1,073,910 thousand (€1,051,550 thousand)  
Net financial expenses / €576,361 thousand (€527,451 thousand)  
Foreign exchange gains/(losses) / €613 thousand (- €13 thousand)

Net financial income breaks down as follows:

(€000)	2009	2008	Increase/(Decrease)
<b>Financial income</b>			
<b>Related party financial income:</b>			
Dividends from investments	492,541	512,991	-20,450
Income from financial assets due from Group companies	347,217	431,385	-84,168
Gains on transactions in derivative financial instruments with Group companies	134,474	43,186	91,288
Interest and fees received on intercompany current accounts	3,476	6,917	-3,441
Income from loans to Group companies	33	3,974	-3,941
<b>Third party financial income:</b>			
Income from transactions in derivative financial instruments	84,661	51,408	33,253
Income from changes in fair value of financial liabilities	11,330	-	11,330
Other financial income	178	1,689	-1,511
<b>Income from financial assets</b>	<b>1,073,910</b>	<b>1,051,550</b>	<b>22,360</b>
<b>Financial expenses</b>			
<b>Related party financial expenses:</b>			
Losses on transactions in derivative financial instruments with Group companies	-54,292	-38,376	-15,916
Losses on changes in fair value of financial assets	-11,783	-	-11,783
Interest and fees paid on intercompany current accounts	-11,410	-11,657	247
Other financial expenses	-	-5,380	5,380
<b>Third party financial expenses:</b>			
Interest on bonds	-338,117	-340,320	2,203
Losses on transactions in derivative financial instruments	-153,566	-67,439	-86,127
Interest on medium/long-term borrowings	-5,629	-58,742	53,113
Interest and fees paid on bank and post office deposits	-23	-3,929	3,906
Other financial expenses	-1,541	-1,608	67
<b>Net financial expenses</b>	<b>-576,361</b>	<b>-527,451</b>	<b>-48,910</b>
<b>Foreign exchange gains</b>			
Unrealised foreign exchange gains	39,524	156,874	-117,350
Realised foreign exchange gains	549	149	400
	<b>40,073</b>	<b>157,023</b>	<b>-116,950</b>
<b>Foreign exchange losses</b>			
Unrealised foreign exchange losses	-39,105	-156,871	117,766
Realised foreign exchange losses	-355	-165	-190
	<b>-39,460</b>	<b>-157,036</b>	<b>117,576</b>
<b>Foreign exchange gains/(losses)</b>	<b>613</b>	<b>-13</b>	<b>626</b>
<b>Financial income/(expenses)</b>	<b>498,162</b>	<b>524,086</b>	<b>-25,924</b>

**Net financial income** of €498,162 thousand is down €25,924 thousand on the figure for 2008 (€524,086 thousand). The decrease primarily reflects a reduction in dividends received (down €20,450 thousand) and a reduction in net interest income, as a result of both falling interest rates during the year (down €5,936 thousand) and a reduction in the

#### 4. Separate financial statements

average amount held on deposit compared with 2008.

#### 5.7 Income tax expense / €5,270 thousand (-€6,842 thousand)

(€000)	2009	2008
<b>Current tax</b>		
IRES	5,441	6,271
IRAP	944	550
	<b>6,385</b>	<b>6,821</b>
Differences on current tax expense for previous years	<b>-1,048</b>	<b>63</b>
<b>Deferred tax income</b>		
Provisions	-119	-12,322
Releases	52	12,364
Change in estimates for previous years	-	8
	<b>-67</b>	<b>50</b>
<b>Deferred tax expense</b>		
Provisions	-	12,278
Releases	-	-12,278
Change in estimates for previous years	-	-92
	<b>-</b>	<b>-92</b>
<b>Income tax expense</b>	<b>5,270</b>	<b>6,842</b>

Current tax expense was computed with reference to current tax rates, after taking account of adjustments reducing taxable income, essentially consisting of dividends received from Group companies and non-deductible expenses incurred during the year.

The income tax expense are amounting to €5,270 thousand with a decrease of €1,572 thousand respect to 2008 (€6,842 thousand). The reduction in income tax expense in 2009 reflects the reduction in taxable income and the tax income deriving from the claim for a rebate of IRES as a result of deductible IRAP (€1,173 thousand), pursuant to art. 6 of Law Decree 185 of 29 November 2008.

The following table shows a reconciliation of the applicable rates of IRES and IRAP and the effective charges for 2009.

(€000)	2009		
	Taxable income	Tax	Rate
<b>IRES</b>			
Profit/(loss) from continuing operations before taxes	<b>488,190</b>		
Applicable tax rate (27.50%)	-	<b>134,252</b>	<b>27.50%</b>
Temporary differences taxable in previous years:	433	119	0.02%
Reversal of temporary differences arising in previous years	-189	-52	-0.01%
<b>Permanent differences</b>			
Tax effect of non-taxable dividends	-466,812	-128,372	-26.30%
Tax effect of other permanent differences	-1,839	-506	-0.10%
<b>Income assessable to IRES</b>	<b>19,783</b>		
<b>Current IRES charge for the year</b>		<b>5,441</b>	<b>1.11%</b>

(€000)	2009		
	Taxable income	Tax	Rate
<b>IRAP</b>			
Operating profit/(loss)	-5,016		
Amounts not assessable to IRAP	829		
	-4,187		
<b>Applicable tax charge</b>		-202	4.82%
Reversal of temporary differences arising in previous years	-29	-1	0.02%
Permanent differences <sup>(1)</sup>	23,806	1,147	-27.39%
<b>Income assessable to IRAP</b>	<b>19,590</b>		
<b>Current IRAP charge for the year</b>		<b>944</b>	<b>-22.55%</b>

(1) Of which €22,204 thousands related to non-deductible financial expenses (art. 82 § 3. D. Lgs. 25 June 2008 no. 112).

## 5.8 Profit for the year / €482,920 thousand (€502,724 thousand)

Profit for the year of €482,920 thousand is down €19,804 thousand on the figure for 2008, essentially due to the reduction in dividends received from subsidiaries.

The following table shows the calculation of basic and diluted, by taking account of granted options, earnings per share with comparative amounts.

	2009	2008
Number of shares in issue	571,711,557	571,711,557
Weighted average of treasury shares in portfolio	-11,476,616	-5,305,364
<b>Weighted average of shares in circulation for the calculation of basic earnings per share</b>	<b>560,234,941</b>	<b>566,406,193</b>
Weighted average share options held under incentive scheme for the calculation of diluted earnings per share	47,840	-
<b>Weighted average of shares in circulation for the calculation of diluted earnings per share</b>	<b>560,282,781</b>	<b>566,406,193</b>
<b>Profit for the year (€000)</b>	<b>482,920</b>	<b>502,724</b>
Basic earnings per share (€)	0.86	0.89
Diluted earnings per share (€)	0.86	0.89
<b>Profit from continuing operations (€000)</b>	<b>482,920</b>	<b>502,724</b>
Basic earnings per share from continuing operations (€)	0.86	0.89
Diluted earnings per share from continuing operations (€)	0.86	0.89
<b>Profit from discontinued operations (€000)</b>	<b>-</b>	<b>-</b>
Basic earnings per share from discontinued operations (€)	-	-
Diluted earnings per share from discontinued operations (€)	-	-

## 6. Other financial information

### 6.1 Notes to the cash flow statement

Cash and cash equivalents increased by €17,648 thousand in 2009, compared with the decrease of €96,295 thousand reported in 2008.

“Net cash from operating activities” amounts to €482,509 thousand, marking a reduction of €60,056 thousand compared with the figure for 2008 (€542,565 thousand). This reflects the reduction in profit for the year (down €19,804 thousand) and reduced changes in working capital (down €42,433 thousand), which in 2008 benefitted from the collection of current tax assets deriving from the tax loss of 2006.

“Net cash used in investing activities”, totalling €1,317,814 thousand, essentially relates to new intercompany loans with a par value of €1,649,176 thousand to the subsidiary, Autostrade per l’Italia, offset by the extinction of intercompany loans of €450,000 thousand to the same subsidiary, following the above transfer of loans from the European Investment Bank (EIB), and to the acquisition of investments, totalling €48,817 thousand. The figure for 2008, represented by an inflow of €765,418 thousand, derived essentially from the transfer of the Term Loan Facility of €800,000 thousand to Autostrade per l’Italia.

“Net cash from financing activities” totals €852,953 thousand and, as applies to the matching investing activities, is essentially the result of the combined effect of the above bond issues (€1,650,195 thousand), extinction of medium/long-term borrowings following their transfer to the subsidiary, Autostrade per l’Italia (€450,000 thousand) and dividends paid (€417,431 thousand). The outflow of €1,404,279 thousand reported in 2008, on the other hand, reflected extinction of the Term Loan Facility of €800,000 thousand, which was also transferred to the subsidiary, Autostrade per l’Italia, dividends paid to shareholders (€390,737 thousand) and the purchase of treasury shares (€215,644 thousand).



## 6.2 Notes to the analysis of net debt

The following statement shows net debt broken down into its principal components and amounts due to and from related parties, as required by CONSOB Communication DEM/6064293 of 28 July 2006.

(€000)	31.12.2009	31.12.2008	Increase/(Decrease)
<b>Non-current financial liabilities</b>	<b>-8,248,314</b>	<b>-7,004,482</b>	<b>-1,243,832</b>
Bond issues	-7,906,818	-6,229,855	-1,676,963
Medium/long-term borrowings	-	-443,536	443,536
Derivative liabilities	-341,496	-331,091	-10,405
<b>Current financial liabilities</b>	<b>-265,894</b>	<b>-183,920</b>	<b>-81,974</b>
Bank overdrafts	-2	-1	-1
Current portion of medium/long-term borrowings	-265,823	-172,530	-93,293
<i>of which due from related parties</i>	<i>-48,695</i>	<i>-198</i>	
Autostrade per l'Italia SpA	-48,695	-198	
Other financial liabilities	-69	-11,389	11,320
<b>Total financial liabilities</b>	<b>-8,514,208</b>	<b>-7,188,402</b>	<b>-1,325,806</b>
<b>Cash and cash equivalents</b>	<b>124,245</b>	<b>106,596</b>	<b>17,649</b>
Cash and bank and post office deposits	1,016	1,230	-214
Intercompany current accounts receivable	123,229	105,366	17,863
<i>of which due from related parties</i>			
Autostrade per l'Italia SpA	123,229	105,366	
<b>Other current financial assets</b>	<b>274,698</b>	<b>180,499</b>	<b>94,199</b>
Current portion of medium/long-term financial assets	270,769	176,814	93,955
<i>of which due from related parties</i>	<i>203,800</i>	<i>158,387</i>	
Autostrade per l'Italia SpA	203,800	158,387	
<b>Other financial assets</b>	<b>3,929</b>	<b>3,685</b>	<b>244</b>
<b>Total current financial assets</b>	<b>398,943</b>	<b>287,095</b>	<b>111,848</b>
<b>Net debt in accordance with CESR Recommendation of 10 February 2005</b>	<b>-8,115,265</b>	<b>-6,901,307</b>	<b>-1,213,958</b>
<b>Non-current financial assets</b>	<b>8,325,463</b>	<b>7,121,419</b>	<b>1,204,044</b>
<b>Derivative assets</b>	<b>188,032</b>	<b>177,765</b>	<b>10,267</b>
<i>of which due from related parties</i>	<i>188,032</i>	<i>177,765</i>	
Autostrade per l'Italia SpA	188,032	177,765	
Other financial assets	8,137,431	6,943,654	1,193,777
<i>of which due from related parties</i>	<i>8,137,393</i>	<i>6,943,595</i>	
Autostrade per l'Italia SpA	8,137,393	6,943,595	
<b>Net funds/(Net debt)</b>	<b>210,198</b>	<b>220,112</b>	<b>-9,914</b>

### 6.3 Financial risk management

#### Financial risk management objectives and policies

In the normal course of business, the Company is exposed to:

- a) market risk, principally due to the effect of movements in interest and foreign exchange rates on financial assets acquired and financial liabilities assumed;
- b) liquidity risk, with regard to ensuring the availability of sufficient financial resources to fund operating activities and repayment of the liabilities assumed;
- c) credit risk, linked to both ordinary trading relations and the likelihood of defaults by financial counterparties.

The Company's financial risk management strategy is derived from and consistent with the business goals set by the Board of Directors that are contained in the various strategic plans approved by the Board. The strategy aims to both manage and control such risks.

#### Market risk

The adopted strategy for each type of risk aims to eliminate interest rate and foreign currency risks and minimise borrowing costs, as defined in the Hedging 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 strategic plan from the effect of exposure to interest rate risks and foreign currency, identifying the best combination of fixed and floating rates;
- b) to pursue a potential reduction of the Group's borrowing costs within the risk limits determined by the Board of Directors;
- c) to manage derivative financial instruments taking account of their potential impact on the results of operations and financial position in relation to their classification and presentation.

The components of the Company's derivatives portfolio are classified, in application of IAS 39, as cash flow hedges or fair value hedges depending on the type of risk hedged.

The fair value of financial derivative instruments is based on expected discounted cash flows, using the market yield curve at the measurement date. Amounts in foreign currencies other than the euro are translated at closing exchange rates communicated by the European Central Bank.

The residual average term to maturity of the Company's debt is around 6 years.

The average cost of medium/long-term borrowings in 2009 was approximately 5.1%.

Monitoring is, moreover, intended to assess, on a continuing basis, counterparty creditworthiness and the degree of risk concentration.

#### Interest rate risk

Interest rate risk is linked to uncertainty regarding the performance of interest rates, and takes two forms:

- a) cash flow risk: this is linked to financial assets and liabilities with cash flows indexed to a market interest rate. In order to reduce floating rate debt, the Company has entered into interest rate swaps (IRS), classified as cash flow hedges. The hedging instruments and the underlying financial liabilities have matching terms to maturity and notional amounts. Tests have shown that the hedges were fully effective during 2009. Changes in fair value of these derivative instruments are recognised in the other components of the comprehensive income statements, with no recognition of any ineffective portion in the income statement. Interest income or expense deriving from the hedged instruments is recognised simultaneously in the income statement;

- b) fair value risk: this represents the risk of losses deriving from an unexpected change in the value of a financial asset or liability following an unfavourable shift in the market interest rate curve. In order to eliminate this type of risk linked to the bond issue with a par value of €1,500 million carried out in 2009, the Company has entered into interest rate swaps (IRS), classified as fair value hedges. The hedging instruments and the underlying financial liabilities have matching terms to maturity and notional amounts. Changes in the fair values of both the underlying financial liability and the hedging instruments are therefore recognised in the income statement. Tests have shown that the hedges were fully effective during 2009, with the change in the fair value of these derivatives completely offset by the change in the fair value of the underlying liability. Credit risk is not covered by the fair value hedges.

82% of interest bearing debt is fixed rate.

### Foreign currency risk

Foreign currency risk is mainly incurred through the assumption of financial liabilities denominated in a currency other than the Group's currency of account.

11% of the Company's medium/long-term debt is denominated nominally in currencies other than the euro. Taking account of foreign currency hedges, the percentage of foreign currency debt exposed to foreign currency risk on translation into euros is zero. Cross currency swaps (CCS) with notional amounts and maturities matching those of the underlying financial liabilities were entered into specifically to eliminate the exchange risk of the sterling bond and the new yen denominated bond issued in 2009. These swaps also qualify as cash flow hedges and tests have shown that they are fully effective.

The following table summarises outstanding derivative financial instruments at 31 December 2009 (compared with 31 December 2008) and shows the corresponding market.

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Type (€000)	Purpose of hedge	Currency	Contract term
<b>Cash flow hedges</b>			
Cross Currency Swap	Exchange rate fluctuations	Eur	2004-2022
Cross Currency Swap	Exchange rate fluctuations	Eur	2009-2038
Interest Rate Swap	Interest rate fluctuations	Eur	2004-2011
Interest Rate Swap <sup>(2)</sup>	Interest rate fluctuations	Eur	2004-2022
Interest Rate Swap <sup>(2)</sup>	Interest rate fluctuations	Eur	2004-2011
<b>Total cash flow hedge derivatives</b>			
<b>Fair value hedges</b>			
Interest Rate Swap	Interest rate fluctuations	Eur	2009-2016
Interest Rate Swap <sup>(2)</sup>	Interest rate fluctuations	Eur	2009-2016
<b>Total fair value hedge derivatives</b>			
<b>Derivatives not accounted for as hedges</b>			
Interest Rate Swap	Interest rate fluctuations		
Interest Rate Swap	Interest rate fluctuations		
<b>Derivatives not accounted for as hedges</b>			
<b>Total derivatives</b>			

(1) The fair value of hedging derivatives is stated net of accruals at the end of the reporting period.

(2) The counterpart of these contracts is Autostrade per l'Italia.

## Sensitivity analysis

Sensitivity analysis describes the impact that the interest rate and foreign currency movements to which the Company is exposed would have had on the income statement and on equity during the year.

The interest rate sensitivity analysis is based on the exposure of derivative and non-derivative financial instruments at the end of the reporting period, assuming, in terms of the impact on the income statement, a 0.10% (10 bps) shift in the interest rate curve at the beginning of the year, whilst, with regard to the impact of changes in fair value on comprehensive income statement, 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:

- in terms of interest rate risk, an unexpected and unfavourable 10 bps shift in market interest rates would have resulted in a negative impact on the income statement, totalling €690 thousand, and on the other components of the comprehensive income statements, totalling €6,200 thousand;
- in terms of foreign currency risk, an unexpected and unfavourable 10% shift in the exchange rate would have had no impact on the income statement.

Notional amount		Fair value <sup>(4)</sup>		Description	Hedged financial liabilities	
2008	2009	2008	2009		Par value	Term
750,000	750,000	-251,736	-247,596	Bond 2004-2022 (Gbp)	750,000	2004-2022
-	149,176	-	-6,890	Bond 2009-2038 (Jpy)	149,176	2009-2038
2,000,000	2,000,000	-59,737	-75,680	Bond 2004-2011	2,000,000	2004-2011
750,000	750,000	98,410	100,569	Loan to Autostrade per l'Italia 2004-2022	750,000	2004-2022
2,000,000	2,000,000	59,737	75,680	Loan to Autostrade per l'Italia 2004-2011	2,000,000	2004-2011
		<b>-153,326</b>	<b>-153,917</b>			
-	1,500,000	-	-11,330	Bond 2009-2016	1,500,000	2009-2016
-	1,500,000	-	11,783	Loan to Autostrade per l'Italia 2009-2016	1,500,000	2009-2016
		-	<b>453</b>			
	-	-19,618	-			
	-	19,618	-			
		-	-			
		<b>-153,326</b>	<b>-153,464</b>			

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### Liquidity risk

Liquidity risk consists to the risk that cash resources may be insufficient to fund the payment of liabilities as they fall due. The Company believes that its ability to generate cash assures an ample diversification of funding sources and the availability of committed and uncommitted lines of credit provides sufficient alternative sources of finance to meet projected financial needs.

The following tables show the time distributions of financial liabilities by term to maturity at 31 December 2009 and comparable figures at 31 December 2008.

31.12.2009 (€000)	Carrying amount	Total contractual flows	Financial liabilities			
			Within 12 months	Between 1 and 2 years	Between 3 and 5 years	After 5 years
<b>Non-derivative financial liabilities <sup>(1)</sup></b>						
Bond 2004-2011	-1,997,033	-2,035,464	-23,664	-2,011,800	-	-
Bond 2004-2014	-2,725,703	-3,437,500	-137,500	-137,500	-3,162,500	-
Bond 2004-2022 (Gbp)	-562,397	-1,020,437	-35,187	-35,187	-105,562	-844,499
Bond 2004-2024	-990,092	-1,881,250	-58,750	-58,750	-176,250	-1,587,500
Bond 2009-2016	-1,482,040	-2,090,625	-84,375	-84,375	-253,125	-1,668,750
Bond 2009-2038 (Jpy)	-149,553	-269,105	-4,100	-4,100	-12,301	-248,603
<b>Total bond issues</b>	<b>-7,906,818</b>	<b>-10,734,381</b>	<b>-343,577</b>	<b>-2,331,713</b>	<b>-3,709,738</b>	<b>-4,349,353</b>
<b>Derivative liabilities</b>						
IRS <sup>(2)</sup>	-87,010	129,765	-40,240	-4,977	88,480	86,502
CCS <sup>(3)</sup>	-254,486	-435,033	-14,298	-14,342	-42,996	-363,397
<b>Total derivatives</b>	<b>-341,496</b>	<b>-305,268</b>	<b>-54,538</b>	<b>-19,319</b>	<b>45,484</b>	<b>-276,895</b>

(1) Future cash flows relating to floating rate bond issues have been calculated on the basis of the latest established rate and applied and held constant to final maturity.

(2) Future cash flows deriving from interest rate swap (IRS) differentials are calculated on the basis of the latest established rate and held constant to the maturity of the contract.

(3) Future cash flows deriving from cross currency swap (CCS) differentials have been calculated on the basis of the latest established exchange rate at the measurement date.

31.12.2008 (€000)	Financial liabilities					
	Carrying amount	Total contractual flows	Within 12 months	Between 1 and 2 years	Between 3 and 5 years	After 5 years
<b>Non-derivative financial liabilities <sup>(1)</sup></b>						
Bond 2004-2011	-1,994,954	-2,203,326	-81,375	-81,375	-2,040,576	-
Bond 2004-2014	-2,720,935	-3,575,000	-137,500	-137,500	-412,500	-2,887,500
Bond 2004-2022 (Gbp)	-524,300	-984,251	-32,808	-32,808	-98,425	-820,210
Bond 2004-2024	-989,666	-1,940,000	-58,750	-58,750	-176,250	-1,646,250
<b>Total bond issues</b>	<b>-6,229,855</b>	<b>-8,702,577</b>	<b>-310,433</b>	<b>-310,433</b>	<b>-2,727,751</b>	<b>-5,353,960</b>
<b>Bank borrowings</b>						
EIB 2006-2021	-200,000	-262,041	-15,016	-21,480	-64,441	-161,104
EIB 2007-2022	-250,000	-356,391	-12,065	-12,065	-83,065	-249,196
<b>Total bank borrowings</b>	<b>-450,000</b>	<b>-618,432</b>	<b>-27,081</b>	<b>-33,545</b>	<b>-147,506</b>	<b>-410,300</b>
<b>Derivative liabilities</b>						
IRS <sup>(2)</sup>	-79,355	-56,999	-19,357	-18,631	-17,056	-1,955
CCS <sup>(3)</sup>	-251,736	-404,095	-12,761	-12,761	-38,533	-340,040
<b>Total derivatives</b>	<b>-331,091</b>	<b>-461,094</b>	<b>-32,118</b>	<b>-31,392</b>	<b>-55,589</b>	<b>-341,995</b>

(1) Future cash flows relating to floating rate bond issues have been calculated on the basis of the latest established rate and applied and held constant to final maturity.

(2) Future cash flows deriving from interest rate swap (IRS) differentials are calculated on the basis of the latest established rate and held constant to the maturity of the contract.

(3) Future cash flows deriving from cross currency swap (CCS) differentials have been calculated on the basis of the latest established exchange rate at the measurement date.

The amounts in the above tables include interest payments and exclude the impact of any offset agreements.

The time distribution of terms to maturity is based on the residual contract term or on the earliest date on which payment may be required, unless a better estimate is available.

The distribution for transactions with repayment schedules is based on the date on which each instalment falls due.

## 4. Separate financial statements

The following table shows the time distribution of expected cash flows from cash flow hedges, and the periods in which they will be recognised in the income statement.

(€000)	31.12.2008					
	Carrying amount <sup>(2)</sup>	Expected cash flows <sup>(1)</sup>	Within 12 months	Between 1 and 2 years	Between 3 and 5 years	After 5 years
<b>Interest rate swaps</b>						
Assets	158,147	178,924	32,894	56,228	38,256	51,546
Liabilities	-59,737	-60,444	-19,054	-35,795	-5,595	-
<b>Cross currency swaps</b>						
Assets	-	-	-	-	-	-
Liabilities	-251,736	-258,904	-12,584	-12,282	-34,408	-199,630
<b>Cash flow hedges</b>	<b>-153,326</b>					
Accrued expenses on cash flow hedges	-26,300					
Accrued income on cash flow hedges	39,202					
<b>Total assets (liabilities) cash flow hedges instruments</b>	<b>-140,424</b>	<b>-140,424</b>	<b>1,256</b>	<b>8,151</b>	<b>-1,747</b>	<b>-148,084</b>

(€000)	31.12.2008					
	Carrying amount <sup>(2)</sup>	Expected cash flows <sup>(1)</sup>	Within 12 months	Between 1 and 2 years	Between 3 and 5 years	After 5 years
<b>Interest rate swaps</b>						
Income from cash flow hedges	41,293	158,147	30,040	52,380	35,423	40,304
Losses on cash flow hedges	-40,503	-59,737	-20,208	-34,817	-4,712	-
<b>Cross currency swaps</b>						
Income from cash flow hedges	33,683	670,910	31,674	31,076	87,256	520,904
Losses on cash flow hedges	-45,694	-922,646	-43,988	-43,090	-120,886	-714,682
<b>Total income from/(losses on) cash flow hedges</b>	<b>-11,221</b>	<b>-153,326</b>	<b>-2,482</b>	<b>5,549</b>	<b>-2,919</b>	<b>-153,474</b>

(1) Expected cash flows are calculated on the basis of market curves at the measurement date.

(2) At 31 December 2008 the value does not include the fair value of derivatives entered into with banks and at intercompany level to hedge the cash flows from the Senior Term Loan Facility and the related intercompany loans, in that these transactions do not qualify as cash flow hedges. This is due to the transfer of the above loan from the Parent Company, Atlantia SpA, to the subsidiary, Autostrade per l'Italia SpA, and the subsequent extinction of the related intercompany loans.

## 7. Other information

### 7.1 Guarantees

At 31 December 2009 the Company reports the following outstanding personal and collateral guarantees in issue, which include the following material items:

- a) the following guarantees issued on behalf of Autostrade per l'Italia:
  - 1) in favour of the European Investment Bank as security for loans granted to the subsidiary (€1,239,392 thousand, equal to 120% of the underlying liability);
  - 2) in favour of Mediobanca SpA as security for the Term Loan Facility transferred to the subsidiary at the end of 2009 (€960,000 thousand, equal to 120% of the underlying liability);
- b) the surety of €120,350 thousand issued in favour of the Chilean holding company, Autopista do Pacifico (a subsidiary of Autostrade del Sud America), guaranteeing the loan obtained by this company to finance the acquisition of the motorway concessionaire, Costanera Norte;



	31.12.2009					
	Carrying amount	Expected cash flows <sup>(4)</sup>	Within 12 months	Between 1 and 2 years	Between 3 and 5 years	After 5 years
	176,249	201,707	89,180	40,094	36,539	35,894
	-75,680	-79,865	-59,890	-19,975	-	-
		-	-	-	-	-
	-254,486	-260,550	-14,228	-14,088	-40,256	-191,978
	<b>-153,917</b>					
	-30,240					
	45,449					
	<b>-138,708</b>	<b>-138,708</b>	<b>15,062</b>	<b>6,031</b>	<b>-3,717</b>	<b>-156,084</b>

	31.12.2009					
	Carrying amount	Expected cash flows <sup>(4)</sup>	Within 12 months	Between 1 and 2 years	Between 3 and 5 years	After 5 years
	76,298	176,249	83,209	35,377	33,419	24,244
	-57,158	-75,680	-58,378	-17,302	-	-
	37,682	855,473	38,651	37,656	105,719	673,447
	-46,031	-1,109,959	-52,815	-51,767	-145,655	-859,722
	<b>10,791</b>	<b>-153,917</b>	<b>10,667</b>	<b>3,964</b>	<b>-6,517</b>	<b>-162,031</b>

- c) the sureties totalling €171,640 thousand issued in favour of Autostrade Holding del Cile, for which SIAS has provided back-to-back guarantees of €85,820 thousand;
- d) pledged to credit institutions of equity instruments of the investment in Pune-Solapur Expressways Private Ltd.

## 7.2 Related party transactions

The principal transactions entered into by the Company with related parties are described below. All related party transactions are conducted on an arm's length basis and do not include transactions of an atypical or unusual nature.

### Relations with subsidiaries

The Company primarily engages in transactions with the subsidiary, Autostrade per l'Italia, over which it exercises management and coordination.

At 31 December 2009 the Company had granted medium/long-term loans with a total par value of €8,149,176 thousand to Autostrade per l'Italia on the same terms as those applied to Atlantia's bank borrowings, increased by a spread that takes account of the cost of managing the loans. These loans increased by €1,199,176 thousand in 2009, substantially as a result

#### 4. Separate financial statements

of the disbursement of new medium/long-term loans that replicate, at intercompany level, the bonds issued by Atlantia in 2009, partially offset by the extinction of intercompany loans following the transfer of loans from the European Investment Bank (EIB) to the subsidiary.

A portion of these loans is hedged against interest rate risk through the use of specific derivative financial instruments.

The Company also has an intercompany current account with Autostrade per l'Italia, which provides centralised treasury services for the Group. The account has a credit balance of €123,229 thousand at 31 December 2009.

Finally, as a result of the tax consolidation arrangement headed by Atlantia, the statement of financial position at 31 December 2009 includes current tax assets due from Group companies of €20,491 thousand, and current tax liabilities payable to Group companies of €8,529 thousand.

#### Relations with other related parties

During 2009 fees, non-monetary benefits, bonuses and other incentives were received by the Chairman, Gian Maria Gros-Pietro (€0.9 million), and the Chief Executive Officer and General Manager, Giovanni Castellucci (€1.9 million), in relation to positions held in Atlantia and in other Group companies.

The following table summarises the impact of related party transactions on the results of operations for 2009 and the financial position at 31 December 2009.

#### Material intercompany trading and other transactions

Name (€000)	31.12.2009		2009		31.12.2008		2008	
	Receivables	Payables	Income <sup>(1)</sup>	Expenses	Receivables	Payables	Income <sup>(1)</sup>	Expenses
<b>Subsidiaries</b>								
Telepass								
- taxes	12,903	-	-	-	-	-	-	-
Autostrade Meridionali								
- taxes	3,043	-	-	-	-	-	-	-
SPEA								
- taxes	3,261	-	-	-	-	-	-	-
Autostrada Torino-Savona								
- taxes	1,090	-	-	-	-	-	-	-
Gruppo Autostrade dell'Atlantico								
- trade	1,078	-	1,058	-	-	-	-	-
- taxes	61	-	-	-	-	-	-	-
Autostrade per l'Italia								
- trade	48	1,492	522	1,491	30	327	157	1,407
- taxes	-	4,644	-	-	2,304	-	-	-
Pavimental								
- trade	-	-	513	-	-	-	504	-
- taxes	-	2,796	-	-	-	-	-	-
<b>Total subsidiaries</b>	<b>21,484</b>	<b>8,932</b>	<b>2,093</b>	<b>1,491</b>	<b>2,334</b>	<b>327</b>	<b>661</b>	<b>1,407</b>
<b>Total</b>	<b>21,484</b>	<b>8,932</b>	<b>2,093</b>	<b>1,491</b>	<b>2,334</b>	<b>327</b>	<b>661</b>	<b>1,407</b>

(1) Includes reimbursements, accounted for as a reduction of operating costs in the income statement.

## Material intercompany financial transactions

Name (€000)	31.12.2009		2009		31.12.2008		2008	
	Receivables	Payables	Financial income <sup>(1)</sup>	Financial expenses	Receivables	Payables	Financial income <sup>(1)</sup>	Financial expenses
<b>Subsidiaries</b>								
Autostrade per l'Italia	8,655,616	48,695	969,972	77,486	7,388,065	198	991,510	50,033
TowerCo	-	-	4,898	-	-	-	3,819	-
Sitech (in liquidation) <sup>(2)</sup>	-	-	1,768	-	-	-	-	-
Autostrade International <sup>(2)</sup>	-	-	629	-	-	-	1,158	-
<b>Total subsidiaries</b>	<b>8,655,616</b>	<b>48,695</b>	<b>977,267</b>	<b>77,486</b>	<b>7,388,065</b>	<b>198</b>	<b>996,487</b>	<b>50,033</b>
<b>Total</b>	<b>8,655,616</b>	<b>48,695</b>	<b>977,267</b>	<b>77,486</b>	<b>7,388,065</b>	<b>198</b>	<b>996,487</b>	<b>50,033</b>

(1) Financial income includes dividends received from investments and the differential on intercompany derivatives.

(2) This company's liquidation was completed in 2009.

#### 4. Separate financial statements

### Regulation implementing Legislative Decree 58 of 24 February 1998 concerning the regulation of issuers (adopted by CONSOB by resolution 11971 of 14 May 1999 as subsequently amended)

Art. 78 (Notes to the financial statements) Pursuant to article 2427 of the Italian Civil Code, share issuers are required to provide the names of and remuneration received by directors, statutory auditors and general managers, regardless of reason or form and including remuneration received from subsidiaries, in accordance with the requirements of Annex 3C

First and last names	Note	Position	Period in position	
			From	To
GROS-PIETRO Gian Maria		Chairman of the Board of Directors	01.01.2009	31.12.2009
CASTELLUCCI Giovanni		Chief Executive Officer/General Manager	01.01.2009	31.12.2009
BENETTON Gilberto		Director	01.01.2009	31.12.2009
BERTANI Alessandro	(4)	Director	24.04.2009	31.12.2009
BOMBASSEI Alberto		Director	01.01.2009	31.12.2009
CAO Stefano	(3)	Director	24.04.2009	31.12.2009
CERA Roberto		Director	01.01.2009	31.12.2009
CLÒ Alberto		Director	01.01.2009	31.12.2009
COMINELLI Claudio		Director	01.01.2009	23.04.2009
DI SALVO Piero		Director	01.01.2009	23.04.2009
DI TANNO Tommaso		Statutory Auditor	01.01.2009	31.12.2009
FASSONE Antonio		Director	01.01.2009	31.12.2009
FERRARINI Guido		Director	01.01.2009	23.04.2009
LUPI Raffaello		Statutory Auditor	01.01.2009	31.12.2009
MALINCONICO Carlo		Director	24.04.2009	31.12.2009
MARI Giuliano		Director	24.04.2009	31.12.2009
MATTIOLI Francesco Paolo		Director	01.01.2009	31.12.2009
MIGLIETTA Angelo		Statutory Auditor	01.01.2009	31.12.2009
MION Gianni	(5)	Director	01.01.2009	31.12.2009
PIAGGIO Giuseppe		Director	01.01.2009	31.12.2009
SPADACINI Marco		Chairman of the Board of Statutory Auditors	01.01.2009	31.12.2009
TORCHIA Luisa		Director	01.01.2009	23.04.2009
TROTTER Alessandro		Statutory Auditor	01.01.2009	31.12.2009
TURICCHI Antonino		Director	24.04.2009	31.12.2009

(1) Amount relating to accommodation in use at Autostrade per l'Italia SpA.

(2) Amount relating to accommodation in use, a company car, medical insurance and other minor sums.

(3) Fee passed on to Sintonia SA.

(4) Fee passed on to Mediobanca Banca di Credito Finanziario SpA.

(5) Fee passed on to Edizione Srl.

(a) Remuneration includes €32,054.79 (art. 2389, paragraph 3 of the Italian Civil Code) not received but passed on to Autostrade per l'Italia SpA.

(b) Remuneration for position as Director and Chairman of Autostrade per l'Italia SpA.

(c) Remuneration for position as Director and CEO and as an employee of Autostrade per l'Italia SpA.

(d) Member of the Internal Control and Corporate Governance Committee required by the Corporate Governance Code.

(e) Member of the Human Resources Committee required by the Corporate Governance Code.

(f) Member of the Executive Committee elected by the Board of Directors on 28 April 2009.

(g) Fees paid for advisory services provided by the Bonelli Erede Pappalardo law firm, of which Roberto Cera is an associate, to Autostrade per l'Italia SpA and Atlantia SpA.

Date of leaving position	Atlantia SpA emoluments		Non-monetary benefits		Bonuses and other incentives (€)	Other compensation (€)	Note
	(€)	Note	(€)	Note			
31.12.2009	130,273.41	(a) (f)	3,137.52	(1)		717,273.23	(b)
31.12.2009	104,000.00	(f)	16,231.44	(2)	903,654.00	906,211.43	(c)
31.12.2009	55,000.00						
31.12.2009	38,151.37						
31.12.2009	155,883.57	(e) (f)					
31.12.2009	79,826.03	(e) (f)				47,554.74	(o)
31.12.2009	55,500.00					1,181,131.33	(g)
31.12.2009	75,962.33	(e)					
	17,098.63						
	31,030.14	(d)				72,243.40	(h)
31.12.2009	56,250.00						
31.12.2009	55,500.00					20,794.52	(o)
	31,030.14	(d)					
31.12.2009	56,500.00						
31.12.2009	38,151.37					58,214.94	(o) (s)
31.12.2009	58,863.70	(d)					
31.12.2009	75,962.33	(e)				20,794.52	(o)
31.12.2009	55,250.00					4,164.00	(r)
31.12.2009	107,938.35	(q)					
31.12.2009	191,027.61	(d) (e) (f)				105,730.00	(i) (j)
31.12.2009	82,000.00						
	16,848.63					165,000.00	(k)
31.12.2009	57,500.00					81,657.56	(m) (n) (p)
31.12.2009	58,863.70	(d)					

(h) Chairman of Autostrade Meridionali SpA.

(i) Director of Autostrade per l'Italia SpA.

(j) Deputy Chairman of Società Italiana pA per il Traforo del Monte Bianco.

(k) Fees paid for professional advisory services provided by the law firm of Luisa Torchia and others to Atlantia SpA, Autostrade per l'Italia and other Group companies.

(m) Fees paid for position as Chairman of the Board of Statutory Auditors of Autostrade per l'Italia SpA.

(n) Fee paid for position as Chairman of the Board of Statutory Auditors of Sitech SpA (in liquidation) from 1 January 2009 to 23 April 2009.

(o) Fee of €47,554.79 for position as Director of Autostrade per l'Italia SpA.

(p) Fees paid for position as Statutory Auditor of Società Autostrada Tirrenica pA.

(q) Member of the Executive Committee until 23 April 2009.

(r) Fee paid for position as Chairman of the Board of Statutory Auditors of Sitech SpA (in liquidation) from 23 April 2009 to 22 September 2009.

(s) Fees paid for professional advisory services provided by the Malinconico law firm to Autostrade per l'Italia SpA.

### 7.3 Events after 31 December 2009

There are no events of material importance to report.

## Annex I

### Disclosures pursuant to art. 149-*duodecies* of the CONSOB Regulations for Issuers 11971/1999

Type of service (€000)	Provider of service	Note	Fees
Audit	KPMG SpA		77
Certification	KPMG SpA	(1)	45
Tax advisory	KPMG SpA		-
Other services	KPMG SpA	(2)	326
<b>Total Parent company</b>			<b>448</b>

(1) Opinion on payment of the interim dividend.

(2) Signing of Consolidated Tax Return and Form 770, and agreed-upon procedures on accounting data and information.







## 5. Reports



## Attestation of the consolidated financial statements pursuant to art. 81-ter of CONSOB Regulation 11971 of 14 May 1999 and subsequent amendments and additions

1. We, the undersigned, Giovanni Castellucci and Giancarlo Guenzi, as Chief Executive Officer and 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 applicationof the administrative and accounting procedures adopted in preparation of the consolidated financial statements during 2009.
2. The administrative and accounting procedures adopted in preparation of the consolidated financial statements as at and for the year ended 31 December 2009 were drawn up, and their adequacy assessed, on the basis of the regulations and methods drawn up by Atlantia SpA in accordance with the Internal Control-Integrated Framework model issued by the Committee of Sponsoring Organizations of the Treadway Commission. This Commission has established a body of general principles providing a standard for internal control systems that is generally accepted at international level.
3. We also attest that
  - 3.1 the consolidated financial statements:
    - a) have been prepared in compliance with international accounting standards approved for application in the European Community by EC Regulation 1606/2002, passed by the European Parliament and by the Council on 19 July 2002;
    - b) are consistent with the underlying accounting books and records;
    - c) appear to give a true and fair view of the financial position and results of operations of the issuer and of the group of companies included in the basis of consolidation;
  - 3.2 the report on operations contains a reliable analysis of operating trends and results, in addition to the issuer's state of affairs and that of all consolidated entities, together with a description of the principle risks and uncertainties to which they are exposed.

5 March 2010

Giovanni Castellucci  
Chief Executive Officer

Giancarlo Guenzi  
Manager responsible for financial reporting

## Attestation of the separate financial statements pursuant to art. 81-ter of CONSOB Regulation 11971 of 14 May 1999 and subsequent amendments and additions

1. We, the undersigned, Giovanni Castellucci and Giancarlo Guenzi, as Chief Executive Officer and 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 2009.
2. The administrative and accounting procedures adopted in preparation of the separate financial statements as at and for the year ended 31 December 2009 were drawn up, and their adequacy assessed, on the basis of the regulations and methods drawn up by Atlantia SpA in accordance with the Internal Control-Integrated Framework model issued by the Committee of Sponsoring Organizations of the Treadway Commission. This Commission has established a body of general principles providing a standard for internal control systems that is generally accepted at international level.
3. We also attest that
  - 3.1 the separate financial statements:
    - 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) appear to give 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 issuer's state of affairs, together with a description of the principle risks and uncertainties to which it is exposed.

5 March 2010

Giovanni Castellucci  
Chief Executive Officer

Giancarlo Guenzi  
Manager responsible for financial reporting

## Report of the Board of Statutory Auditors to the Shareholders

(pursuant to art. 153 of Legislative Decree 58/1998 and art. 2429, paragraph 3 of the Italian Civil Code)

To the shareholders of Atlantia SpA

During the financial year ended 31 December 2009, we performed the audit procedures required by law, adopting, *inter alia*, the Standards recommended by the Italian accounting profession.

As required by the above legislation and by the rules established by the CONSOB in its Ruling of 6 April 2001, we report the following:

- we verified compliance with the law and the articles of association;
- we obtained quarterly reports from the Directors, providing adequate information on the Company's activities and on transactions carried out by the Company and its subsidiaries with a major impact on the Company's results of operations, financial position and cash flow, ensuring that the actions decided on and carried out were in compliance with the law and the articles of association, were not subject to any potential conflict of interest or contrary to the resolutions adopted by the General Meeting, and were not clearly imprudent or risky or such as to compromise the value of the Company;
- in accordance with our responsibilities, we obtained information on and checked the adequacy of the Company's organisational structure and on observance of the principles of good governance, by means of direct observation, the gathering of information from the heads of the various departments and through meetings with the independent auditors with a view to exchanging the relevant data and information; in this regard we have no special observations to make;
- we verified the adequacy of the guidelines communicated by the Company to its subsidiaries pursuant to article 114, paragraph 2 of Legislative Decree 58/1998.

In this regard, it should be noted that the shareholder, Sintonia SA, via Schemaventotto SpA, directly and indirectly holds a relative majority of the issued capital of Atlantia SpA, holding sufficient voting rights to exercise dominant influence at the ordinary general meetings of Atlantia SpA's shareholders, pursuant to art. 2359 of the Italian Civil Code, as referred to by art. 2497-sexies of the Code. Nevertheless, as already noted in our report to last year's Annual General Meeting, and as stated in the "Annual report on Corporate Governance and the Ownership Structure", published on Atlantia's website, a specific joint declaration sent to Atlantia on 12 March 2009 by Sintonia SA and Schemaventotto SpA states that the pre-existing circumstances and structure of group relations have not changed. This means that neither Sintonia SA nor Schemaventotto SpA has ever exercised management and coordination of Atlantia or of the Group of which it is the Parent Company. Moreover, the declaration confirmed and left unchanged the information and explanations approved by the Board of Directors of Schemaventotto SpA and communicated to Atlantia in the past, in order to permit the latter, in its role as a holding company, to independently exercise management and coordination of its direct and indirect subsidiaries.

Finally, on 20 March 2009 Atlantia's Board of Directors thus issued an attestation stating that Atlantia is not subject to the management and coordination of either Sintonia SA or Schemaventotto SpA.

Therefore, as stated in the "Annual report on Corporate Governance and the Ownership Structure", given that there have not been any further announcements or changes in the relevant facts, the basis for considering Atlantia as not subject to management and coordination by its parents, Sintonia SA and Schemaventotto SpA, is deemed to be unchanged.

With reference, instead, to relations between Atlantia and its subsidiary, Autostrade per l'Italia, as noted in our report to last year's Annual General Meeting, and as stated in the "Annual report on Corporate Governance and the Ownership Structure", at its meeting of 14 February 2008, Atlantia's Board of Directors acknowledged, based on the evidence, that Autostrade per l'Italia was subject to the management and coordination of Atlantia. In this regard, as noted in our report to last year's Annual General Meeting, and as stated in the "Annual report on Corporate Governance and the Ownership Structure", following the Group's restructuring in 2007, Atlantia is a holding company responsible for investments and portfolio strategies, capable of supporting growth in the infrastructure and network management sector, but without having any direct operational role, which has been assigned to the subsidiary, Autostrade per l'Italia SpA, as an operating parent company in the motorway sector. At its meeting of 14 December 2007, the Board of Directors, partly as a consequence of the new Corporate Governance Code, assigned Autostrade per l'Italia SpA responsibility for management and coordination of the motorway concessionaires and industrial companies it controls. As a result, Autostrade per l'Italia's subsidiaries have complied with the requirements of art. 2497-bis of the Italian Civil Code.

- we assessed and verified the adequacy of the internal control system.

You will recall that, in order to assess the correct functioning of the internal control system, the Board of Directors makes use of the Internal Control and Corporate Governance Committee, in addition to one or more staff with responsibility for internal controls, who operate with an adequate level of independence and are suitably equipped to carry out their role. These members of staff are the heads of the Internal Audit and Risk Management departments, who report on their activities to the Chairman, Chief Executive Officer, the Internal Control and Corporate Governance Committee and the Board of Statutory Auditors.

In particular, during our periodic meetings with the heads of the Internal Audit and Risk Management departments, the Board of Statutory Auditors was kept fully informed regarding internal auditing activities (with a view to assessing the adequacy and functionality of the internal control system, and compliance with the law and with internal procedures and regulations), and the activities of the Risk Management department in identifying, measuring, managing and monitoring the risks included in the Company's current Business Risk Model (compliance, regulatory and operational risks), in order to provide the necessary support to these departments in reviewing the design of the internal control system and monitoring implementation of the resulting changes.

Moreover, as stated in the "Annual report on Corporate Governance and the Ownership Structure", published on Atlantia's website, pursuant to art. 33 of the Articles of Association, which is in compliance with the provisions of art. 154-bis of the Consolidated Finance Act, in 2009 the Board of Directors, subject to the approval of the Board of Statutory Auditors, confirmed the appointment of the Chief Financial Officer (CFO) as the manager responsible for financial reporting until the conclusion of the Board of Directors' term of office.

Internal administrative and accounting controls were updated during 2009 in order to enable the Chief Executive Officer and the manager responsible for financial reporting to issue the required attestations.

The project 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. The effectiveness of the administrative and accounting procedures was verified by the manager responsible for financial reporting, with the assistance of the relevant internal departments (Financial and Accounting Compliance, Foreign Reporting and Administrative Compliance, Internal Audit and Organisation) and supported by a leading firm of specialist consultants, using a programme designed to monitor the control and governance environment, as well as key controls at process level of the significant entities and processes.

The results of this process were verified by us during our periodic meetings with the manager responsible for financial reporting.

From the first half of 2009 the attestation issued complies with the format set out in CONSOB Resolution 16850 of 1 April 2009, following the entry into effect of Legislative Decree 195/2007, which transposed the EU "Transparency" Directive;

- during 2009, we carried out a specific in-depth assessment of the financial instruments used by the Group to hedge interest rate and exchange rate risks, and of the rationale underlying the hedges entered into in relation to the €1.5 billion bond issue carried out in the first half of 2009;
- we assessed and verified the adequacy of the administrative/accounting system and its ability to correctly represent operating activities, by gathering information from the respective heads of department, examining corporate documents and analysing the results of the work carried out by the independent auditors;
- we held meetings with representatives of the independent auditors, pursuant to art. 150, paragraph 2 of Legislative Decree 58/98, and no significant information that should be included in this report has come to light;
- as noted above, we held periodic meetings during the year with the manager responsible for financial reporting and the head of the Internal Audit department;
- we verified the absence of atypical and/or unusual transactions, including intercompany or related party transactions;
- we assessed the adequacy of the information provided in the management report on operations, regarding the absence of atypical and/or unusual transactions, including intercompany or related party transactions;
- as noted in our report to last year's Annual General Meeting, in July 2004, the Board of Directors, taking account of art. 71-bis of CONSOB Regulation 11971 of 14 May 1999 and subsequent amendments and IAS 24, approved the Procedure for Related Party Transactions. Following adoption of the new Corporate Governance Code in December 2007, the Company began a review of the Procedure for Related Party Transactions, also in the light of further consultation on the issue launched by the CONSOB in April 2008. As stated in the "Annual report on Corporate Governance and the Ownership Structure", in 2009 the Internal Control and Corporate Governance Committee carried out, examined and updated the Procedure for Related Party Transactions, a process that was concluded with the Committee's validation of a new text on 9 July 2009. This was subsequently approved by the Company's Board of Directors on 16 July 2009.

The new Procedure defines the organisational profiles for identification of the entities to be classified as related parties of Atlantia, contains the guidelines to be followed in conducting transactions with these entities, and establishes the criteria for the identification of transactions.

In particular, it has introduced a more detailed distinction between immaterial and material transactions than in the past, thus establishing different internal regulations for managing transactions on the basis of this distinction. The procedures involved have also been simplified and the allocation of responsibility clarified. The new Procedure for

Related Party Transactions will be updated further in response to the new regulations adopted by the CONSOB on 12 March 2010 and that will come into effect next year;

- we verified that related party or intercompany transactions were of an ordinary or recurring nature, in relation to which we report the following:
  - intercompany transactions, whether of a trading or financial nature, between the Parent Company and its subsidiaries were all conducted on an arm's length basis, according to the terms and conditions of contractual agreements. Such transactions are adequately described in the Annual Report. In particular, the section, "Related party transactions", in the report on operations provides details of transactions between the Group and Atlantia and their related parties. Neither the Group nor Atlantia SpA engaged in material transactions with Atlantia's direct or indirect parents;
  - with reference to the Atlantia Group's related party transactions, the section, "Related party transactions", in the report on operations states that in compliance with IAS 24, the Autogrill group, which is under the common control of Edizione Srl, is classified as a related party. Moreover, with regard to relations between the Atlantia Group's concessionaires and the Autogrill group, it should be noted that, at 31 December 2009, Autogrill holds 140 food service concessions for service areas along the Group's motorway network (including 136 granted by Autostrade per l'Italia SpA and 3 operated as part of temporary consortia with other operators). In 2009 the Group earned revenues of approximately €101.8 million (of which €97.6 million attributable to Autostrade per l'Italia SpA) on transactions with Autogrill, including €27.4 million (all of which attributable to Autostrade per l'Italia SpA) in the form of non-recurring income from the transfer free of charge of buildings located at 41 service areas (following expiry of the related sub-concessions) and €65.0 million royalties deriving from management of service areas (of which €61.1 million attributable to Autostrade per l'Italia SpA). This income is generated by contracts entered into over the years, of which a large part was entered into after transparent and non-discriminatory competitive tenders. With regard to the process of awarding food service concessions, as you have been informed in the Board of Statutory Auditors' reports for previous years, it should be noted that Antitrust Authority Ruling 8009 of 2 March 2000, relating to clearance for the purchase of a controlling interest in Autostrade (now Atlantia) by Edizione Holding, laid down that the execution of such activities be entrusted to an external entity which, acting as "Adviser", would have the task of independently managing competitive tenders, including drawing up the requirements for participation, the parameters for awarding the related contracts and publishing all the relevant information. KPMG was retained as the Adviser in 2001. Roland Berger Strategy Consultants has performed this role since 1 June 2003;
  - with reference to Atlantia's related party transactions, the section, "Related party transactions", in the report on operations states that the Company primarily engages in transactions with its subsidiary, Autostrade per l'Italia SpA, over which it exercises management and coordination. At 31 December 2009 the Company had granted medium/long-term loans with a total face value of €8,149.2 million to Autostrade per l'Italia (representing an increase of €1,199.2 million on 2008) on the same terms as those applied to Atlantia's bank borrowings, increased by a spread that takes account of the cost of managing the loans. A portion of these loans is hedged against interest rate and fair value risk through the use of specific derivative financial instruments.

Atlantia also has an intercompany current account with Autostrade per l'Italia, which provides centralised treasury services for the Group. The account has a credit balance of €123.2 million at 31 December 2009. Finally, as a result of the tax consolidation arrangement headed by Atlantia, the statement of financial position at 31 December 2009 includes current tax assets due from Group companies of €8.5 million;

- details of the impact of related party transactions on the Group's results of operations and the financial position at and for the year ended 31 December 2009 are provided in note 10.4 to the consolidated financial statements, whilst details of the impact of related party transactions on Atlantia's results of operations and financial position at and for the year ended 31 December 2009 are provided in note 7.2 to the separate financial statements;
- with regard to Directors, Statutory Auditors and General Managers, a special schedule covering the type and amounts of remuneration is annexed to the financial statements in compliance with the Regulations implementing Legislative Decree 58 of 24 February 1998, as adopted by CONSOB Resolution 11971 of 14 May 1999 and subsequent amendments;
- we note that, as described in the Introduction to the section "Consolidated financial review" in the report on operations, the Company has presented the reclassified consolidated income statement, the statement of changes in consolidated equity, the consolidated statement of comprehensive income and the statement of changes in consolidated net debt for the year ended 31 December 2009, and the reclassified consolidated balance sheet at 31 December 2009, which include comparative amounts for the previous year, prepared under the international financial reporting standards (IFRS) issued by the International Accounting Standards Board, endorsed by the European Commission, and in force at 31 December 2009.

The accounting standards and policies used are consistent with those applied for the previous year, with the exception of the different presentation of certain amounts following the entry into effect of the new version of IAS 1 regarding the presentation of financial statements. In this regard, it should be noted that, unlike the previous year, the Company has presented the statement of comprehensive income.

The basis of consolidation has increased as a result of inclusion of the subsidiaries acquired from the Itinere group, as part of the transaction described in full in the section of the report on operations dealing with "International operations".

The reclassified financial statements have not been independently audited and there are certain differences compared with the official financial statements presented in the section "Consolidated financial statements";

- the accounts have been submitted to the required controls by the independent auditors KPMG SpA, which, during periodic meetings with the Board, had nothing to report on this matter;
- we checked that no complaints have been lodged under art. 2408 of the Italian Civil Code, and no petitions of any kind have been presented;
- we note that the "Corporate Governance Code" approved by the Company's Board of Directors on 14 December 2007 (the full text of the Code is available on the Company's website) substantially applies the standards and criteria in Borsa Italiana SpA's Corporate Governance Code of March 2006, with the exception of certain aspects and exemptions described in the Code itself, having taken account of the changes resulting from the Group's reorganisation in 2007. This is fully reported in the "Annual Report on Corporate Governance and the Ownership Structure";



- we note that the “Annual Report on Corporate Governance and the Ownership Structure”, the full text of which is available on the Company’s website, has been prepared in accordance with the guidelines established by Assonime/Emittenti Titoli and the indications contained in the second edition of the format for corporate governance reports published by Borsa Italiana in February 2010;
- we note that during 2009, Atlantia’s Supervisory Board oversaw a review of the organisational, management and control model adopted by Atlantia SpA, pursuant to Legislative Decree 231/2001, identifying, with the help of an expert in criminal law, the necessary measures to be taken as a result of changes in legislation and the Company’s new organisational structure;
- we oversaw the independence of the independent auditors, KPMG, checking the nature and entity of any services other than auditing provided to Atlantia and its subsidiaries by the auditors, and by entities belonging to its network. we have received a specific report from the management detailing the latest engagements assigned to the independent auditors during 2009 and the related fees:
  - review of documentation relating to and consequent signature of the simplified and ordinary 2009 tax return 770/2009 for a fee of €7,500.00 plus VAT;
  - review of the English translation of the consolidated and separate financial statements for the year ended 31 December 2008 for a fee of €8,300.00 plus VAT;
  - review of the English translation of the interim report for the six months ended 30 June 2009 for a fee of €5,000.00 plus VAT;
  - 2 comfort letters on the offering circular for a fee of €67,500.00 each, amounting to a total of €135,000.00 plus VAT;
  - the issuance of an opinion on the documents required by art. 2433-bis of the Italian Civil Code, regarding payment of an interim dividend for 2009, for a fee of €45,000.00 plus VAT;
  - the Bid India tender for a fee of approximately €44,000.00 plus VAT (in addition to €2,108.00 in expenses);
  - comfort letters on the “Atlantia SpA” programme for a fee of €100,000.00 plus VAT;
  - review procedure for Financial Covenants for a fee of €28,000.00 plus VAT (in addition to €957.00 in expenses);
  - agreed upon procedures for the document “List of Material Subsidiaries” for a fee of €5,000.00 plus VAT (in addition to €366.00 in expenses);
  - Bid India (due diligence) for a fee of €6,000.00 plus VAT.

We have also verified that, in compliance with the provisions of art. 149-*duodecies* of the CONSOB Regulation for Issuers 11971/1999, details of the type of services provided by the independent auditors, KPMG, to Atlantia, and the related fees (amounting to €448 thousand) are annexed to the Annual Report, together with details of the type of services provided by the independent auditors, KPMG, or companies belonging to their network, to subsidiaries, and the related fees (amounting to €1,552);

- we note that in the section “Other information” of the report on operations it is stated that the Company, in accordance with the Data Protection Act (Legislative Decree 196/2003, annex B, point 26), has updated its Security Planning Document for 2009;
- the members of the Board of Statutory Auditors, pursuant to art. 144-*quinquiesdecies* of the CONSOB Regulations for Issuers, have attached to this report to the Annual General Meeting (in compliance with art. 153 of the Consolidated

Finance Act) a list of positions held at the date of issue of the report, prepared pursuant to Form 4 of Annex 5-bis of the CONSOB Regulations for Issuers;

- with regard to the provisions of art. 149 of the Consolidated Finance Act relating to the Board of Statutory Auditors' supervision "of the methods of actually implementing the corporate governance rules laid down in the corporate governance codes prepared by stock exchange companies and the related trade associations, with which the Company has publicly declared it will comply", taking account of the fact that art. 15, paragraph 2 of the Corporate Governance Code approved by Atlantia's Board of Directors on 14 December 2007, requires that "Statutory Auditors shall be chosen from people who may be qualified as independent also on the basis of the criteria contained in this Code with reference to Directors" and that "the Board of Statutory Auditors shall check compliance with the above criteria after election and every year thereafter, including the outcome of their checks in the corporate governance report", at the meeting of 8 May 2009 the Board of Statutory Auditors checked that all the Statutory Auditors elected for the period 2009-2011 by the Ordinary General Meeting of 23 April 2009 continue to meet the independence requirements;
- we checked, pursuant to art. 15, paragraph 6 of Atlantia's Corporate Governance Code, the correct application of the assessment criteria and procedures used by the Board of Directors in assessing the independence of the Directors, Alberto Bombassei, Alberto Clò, Carlo Malinconico, Giuliano Mari, Francesco Paolo Mattioli and Antonino Turicchi, announcing the result of their assessment to the market, via the relevant department;
- during the year the Board of Statutory Auditors issued its opinion, pursuant to art. 154-bis of the Consolidated Finance Act and art. 33 of the Articles of Association, on the re-appointment of the CFO as the manager responsible for financial reporting on 11 June 2009;
- at a meeting held on 20 March 2009, the Board of Statutory Auditors approved the proposed addition to the independent auditors' engagement for the years 2008-2011 (regarding an opinion, to be included in the auditors' report pursuant to art. 156 of the Consolidated Finance Act, on the consistency of the report on operations with the financial statements), to be presented to the Company's Board of Directors for submission to the General Meeting for approval by shareholders;
- we examined the financial statements for the year ended 31 December 2009, the consolidated financial statements and the report on operations, with regard to which we state the following.
  - In view of the fact that it is not our responsibility to audit the financial statements, we checked the overall basis of presentation of the separate and consolidated financial statements and their general compliance with the laws relating to their preparation and structure; we have no particular observations to make in this regard.
  - We verified compliance with the laws governing preparation of the management report on operations and have no particular observations to make in this regard.
  - To the best of our knowledge, in preparing the financial statements, the Directors did not elect to apply any of the exemptions permitted by art. 2433, paragraph 4 of the Italian Civil Code.
  - We verified that the financial statements are consistent with the information in our possession, as a result of carrying out our duties, and have no particular observations to make in this regard.
  - We note that the report on operations includes a section "Significant regulatory aspects", in which the Directors provide detailed information and their views on certain events in 2009, including reference to their potential implications for the future. In particular, full and extensive information is provided on:
    - tariff increases for 2009 and the new legislation governing toll surcharges;

- tariff increases with effect from 1 January 2010;
  - the Council of State's sentence regarding the award of the concession to Pedemontana Veneta;
  - other ongoing litigation;
  - Law Decree 207/2008 and new provisions regarding contract awards.
- We note that the report on operations includes a section, "Outlook and risks or uncertainties", in which the Directors, based on the figure for traffic using the network operated by the Group's concessionaires during the first two months of 2010, toll charge increases and the development of related activities, state that they expect an improvement in the Group's operating performance in 2010 with respect to the previous year. The Directors also note, however, that the volume of traffic using the Group's motorway network is affected by numerous macroeconomic factors, and that any resulting shift in traffic trends may have an impact on the Group's operating results or financial position.
- The Directors also call attention to the impact of the introduction of IFRIC 12 (to be applied with effect from the interim report for the three months ended 31 March 2010), governing the method of accounting for and measuring service concession arrangements. The Group expects the introduction of IFRIC 12 to have a positive effect in terms of gross operating profit (EBITDA), accompanied by a reduction in consolidated net profit, without, however, any impact on operating cash flow.
- After also considering the report of the independent auditors, we invite the Annual General Meeting to approve the Annual Report for the year ended 31 December 2009, as prepared by the Directors.

The above audit procedures were carried out during 14 meetings of the Board, by taking part in 14 meetings of the Board of Directors, attended by the Chairman of the Board of Statutory Auditors, or another Statutory Auditor delegated to attend, and by attending meetings of the Internal Control and Corporate Governance Committee, which met on 12 occasions.

Finally, as a result of the audit procedures carried out and on the basis of the information obtained from the independent auditors, we are not aware of any omissions, frauds, irregularities or any other material events, that would require a report to be made to regulatory bodies.

Finally, the Board of Statutory Auditors reminds the Meeting that, with the approval of the Annual Report for 2009, the term of office of the Board of Directors has expired. As a result, we invite the Meeting to elect new members.

Spadacini Marco (Chairman)  
 Di Tanno Tommaso (Auditor)  
 Lupi Raffaello (Auditor)  
 Miglietta Angelo (Auditor)  
 Trotter Alessandro (Auditor)

17 March 2010

## Reports of the Independent Auditor



**KPMG S.p.A.**  
**Revisione e organizzazione contabile**  
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(Translation from the Italian original which remains the definitive version)

### Report of the auditors in accordance with article 156 of Legislative decree no. 58 of 24 February 1998

To the shareholders of  
 Atlantia S.p.A.

- 1 We have audited the consolidated financial statements of the Atlantia Group as at and for the year ended 31 December 2009, comprising the statement of financial position, income statement, statement of comprehensive income, statement of changes in equity, cash flow statement and notes thereto. The parent's directors are responsible for the preparation of these financial statements in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2 We conducted our audit in accordance with the auditing standards recommended by Consob, the Italian Commission for Listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement and are, as a whole, reliable. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by directors. We believe that our audit provides a reasonable basis for our opinion.

Reference should be made to the report dated 3 April 2009 for our opinion on the prior year consolidated financial statements, which included the corresponding figures presented for comparative purposes that have been restated to reflect the changes in the presentation of financial statements introduced by IAS 1.

- 3 In our opinion, the consolidated financial statements of the Atlantia Group as at and for the year ended 31 December 2009 comply with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05. Therefore, they are clearly stated and give a true and fair view of the financial position of the Atlantia Group as at 31 December 2009, the results of its operations and its cash flows for the year then ended.

KPMG S.p.A., an Italian limited liability share capital company and a member firm of the KPMG network of independent member firms affiliated with KPMG International, a Swiss cooperative.

Milano Ancona Asti Bari  
 Bergamo Bologna Brescia  
 Cagliari Catania Como Firenze  
 Genova Lecce Napoli Novara  
 Padova Palermo Parma Perugia  
 Pescara Roma Torino Trento  
 Trieste Udine Varese Verona

Divisione per azioni  
 Capitale sociale  
 Euro 1410.000.000 i.v.  
 Registro Imprese Milano n.  
 Codice Fiscale n. 00109600155  
 R.E.A. Milano n. 012967  
 Part. IVA 00109600155  
 Sede legale: Via Vittor Pisani, 25  
 20124 Milano MI



*Atlantia Group*  
*Report of the auditors*  
*31 December 2009*

- 4 The directors of Atlantia S.p.A. are responsible for the preparation of a report on operations and a report on the corporate governance and shareholding structure, published in the Corporate Governance section of Atlantia S.p.A.'s website, in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the report on operations and the information required by article 123-bis.1.c/d/f/l/m and article 123-bis.2.b of Legislative decree no. 58/98 disclosed in the report on the corporate governance and shareholding structure with the financial statements to which they refer, as required by the law. For this purpose, we have performed the procedures required by the Italian Standard on Auditing 001 issued by the Italian Accounting Profession and recommended by Consob. In our opinion, the report on operations and the information required by article 123-bis.1.c/d/f/l/m and article 123-bis.2.b of Legislative decree no. 58/98 disclosed in the report on the corporate governance and shareholding structure are consistent with the consolidated financial statements of the Atlantia Group as at and for the year ended 31 December 2009.

Rome, 25 March 2010

KPMG S.p.A.

(signed on the original)

Marcella Balistreri  
 Director of Audit



**KPMG S.p.A.**  
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(Translation from the Italian original which remains the definitive version)

## Report of the auditors in accordance with article 156 of Legislative decree no. 58 of 24 February 1998

To the shareholders of  
 Atlantia S.p.A.

- 1 We have audited the separate financial statements of Atlantia S.p.A. as at and for the year ended 31 December 2009, comprising the statement of financial position, income statement, statement of comprehensive income, statement of changes in equity, cash flow statement and notes thereto. The company's directors are responsible for the preparation of these financial statements in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2 We conducted our audit in accordance with the auditing standards recommended by Consob, the Italian Commission for Listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the separate financial statements are free of material misstatement and are, as a whole, reliable. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by directors. We believe that our audit provides a reasonable basis for our opinion.

Reference should be made to the report dated 3 April 2009 for our opinion on the prior year separate financial statements, which included the corresponding figures presented for comparative purposes that have been restated to reflect the changes in the presentation of financial statements introduced by IAS 1.

- 3 In our opinion, the separate financial statements of Atlantia S.p.A. as at and for the year ended 31 December 2009 comply with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05. Therefore, they are clearly stated and give a true and fair view of the financial position of Atlantia S.p.A. as at 31 December 2009, the results of its operations and its cash flows for the year then ended.

KPMG S.p.A., an Italian limited liability share capital company and a member firm of the KPMG network of independent member firms affiliated with KPMG International, a Swiss cooperative.

Stipendi per azioni  
 Capitale sociale  
 Euro 7470.000,00 i.e.  
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 20124 Milano MI



*Atlantia S.p.A.*  
*Report of the auditors*  
*31 December 2009*

- 4 The directors of Atlantia S.p.A. are responsible for the preparation of a report on operations and a report on the corporate governance and shareholding structure, published in the Corporate Governance section of Atlantia S.p.A.'s website, in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the report on operations and the information required by article 123-bis.1.c/d/l/m and article 123-bis.2.b of Legislative decree no. 58/98 disclosed in the report on the corporate governance and shareholding structure with the financial statements to which they refer, as required by the law. For this purpose, we have performed the procedures required by the Italian Standard on Auditing 001 issued by the Italian Accounting Profession and recommended by Consob. In our opinion, the report on operations and the information required by article 123-bis.1.c/d/l/m and article 123-bis.2.b of Legislative decree no. 58/98 disclosed in the report on the corporate governance and shareholding structure are consistent with the separate financial statements of Atlantia S.p.A. as at and for the year ended 31 December 2009.

Rome, 25 March 2010

KPMG S.p.A.

(signed on the original)

Marcella Balistreri  
 Director of Audit







## 6. Summary of the principal investments

## Summary of the principal investments in subsidiaries, associates and joint ventures

The figures presented below have been extracted from financial statements of companies in which Atlantia holds shares. The year-end of all of Atlantia's subsidiaries, associates and joint ventures is 31 December. The most recent financial statements approved by the relevant corporate bodies are those prepared as at and for the year ended 31 December 2009. Autostrade per l'Italia SpA, Autostrada Mazowsze SA and Autostrade for Russia GmbH prepare financial statements in accordance with international financial reporting standards, Pune-Solapur Expressways Private Ltd. prepares its financial statements under local GAAP, whereas all other companies prepare financial statements in accordance with Italian generally accepted accounting principles.

### Subsidiaries

#### Autostrade per l'Italia SpA

Highlights (€000)	31.12.2009	31.12.2008
Non-current assets	14,991,404	14,259,101
Current assets	2,328,480	1,202,752
<b>Total assets</b>	<b>17,319,884</b>	<b>15,461,853</b>
Equity	2,976,268	2,874,224
<i>of which issued capital</i>	622,027	622,027
Liabilities	14,343,616	12,587,629
<b>Total equity and liabilities</b>	<b>17,319,884</b>	<b>15,461,853</b>

	2009	2008
Operating income	2,920,824	2,883,204
Operating costs	-1,433,156	-1,395,407
Operating profit	1,487,668	1,487,797
<b>Profit for the year</b>	<b>606,254</b>	<b>735,289</b>

## Autostrada Mazowsze SA

Highlights (€000)	31.12.2009	31.12.2008
Non-current assets	2	15
Current assets	294	951
<b>Total assets</b>	<b>296</b>	<b>966</b>
Equity	94	320
<i>of which issued capital</i>	2,923	2,167
Liabilities	202	646
<b>Total equity and liabilities</b>	<b>296</b>	<b>966</b>
	<b>2009</b>	<b>2008</b>
Operating income	2	-
Operating costs	-912	-1,623
Operating loss	-910	-1,623
<b>Loss for the year</b>	<b>-910</b>	<b>-1,596</b>

## TowerCo SpA

Highlights (€000)	31.12.2009	31.12.2008
Non-current assets	26,062	26,559
<i>of which non-current investments</i>	-	-
Current assets	9,622	5,385
Other assets	73	80
<b>Total assets</b>	<b>35,757</b>	<b>32,024</b>
Equity	25,557	25,789
<i>of which issued capital</i>	20,100	20,100
Provisions and post-employment benefits	238	215
Borrowings	9,879	5,930
Other liabilities	83	90
<b>Total equity and liabilities</b>	<b>35,757</b>	<b>32,024</b>
	<b>2009</b>	<b>2008</b>
Value of production	17,889	15,913
Cost of production	-10,964	-8,551
Operating profit	6,925	7,362
<b>Profit for the year</b>	<b>4,666</b>	<b>4,994</b>

## 6. Summary of the principal investments

### Mizard Srl

Highlights (€000)	31.12.2009	31.12.2008
Non-current assets	-	-
<i>of which non-current investments</i>	-	-
Current assets	8	8
Other assets	-	-
<b>Total assets</b>	<b>8</b>	<b>8</b>
Equity	7	8
<i>of which issued capital</i>	10	10
Provisions and post-employment benefits	-	-
Borrowings	-	-
Other liabilities	1	-
<b>Total equity and liabilities</b>	<b>8</b>	<b>8</b>

	2009	2008
Value of production	-	-
Cost of production	-1	-3
Operating loss	-1	-3
<b>Loss for the year</b>	<b>-1</b>	<b>-2</b>

### Joint ventures

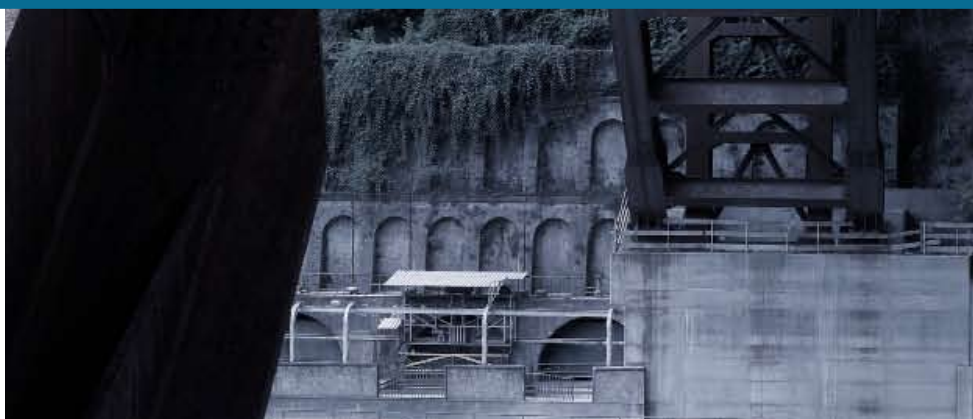
#### Autostrade for Russia GmbH

Highlights (€000)	31.12.2008
Non-current assets	379
Current assets	930
<b>Total assets</b>	<b>1,309</b>
Equity	423
<i>of which issued capital</i>	60
Liabilities	886
<b>Total equity and liabilities</b>	<b>1,309</b>

	2008
Operating income	-
Operating costs	-28
Operating loss	-28
<b>Loss for the year</b>	<b>-14</b>

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## 7. Shareholders' resolutions







## Shareholders' resolutions

The Annual General Meeting of Atlantia SpA's shareholders, held in ordinary and extraordinary session and in second call at the Company's registered office at via Antonio Nibby 20 in Rome on 14 April 2010, passed resolutions on the following

### Agenda

#### Ordinary session:

1. Financial statements for the year ended 31 December 2009. Reports of the Board of Directors, the Board of Statutory Auditors and the Independent Auditors. Appropriation of profit for the year. Presentation of the consolidated financial statements for the year ended 31 December 2009. Related and resulting resolutions.
2. Authority, pursuant and for the purposes of articles 2357 et seq. of the Italian Civil Code, article 132 of Legislative Decree 58 of 24 February 1998 and article 144-bis of the CONSOB Regulation adopted with Resolution 11971 and subsequent amendments, to purchase and sell treasury shares, subject to prior revocation of the unused portion of the authority granted by the General Meeting of 23 April 2009. Related and resulting resolutions.
3. Determination of the number of Board Directors and their term of office. Election of Directors and the Chairman of the Board of Directors. Determination of Directors' remuneration, including the remuneration to be paid to members of the board committees established pursuant to the Corporate Governance Code.

#### Extraordinary session:

1. Par value € 28,585,578.00 increase in issued capital via the capitalisation of distributable reserves through the issue, in accordance with article 2442 of the Italian Civil Code, to existing shareholders of no. 28,585,578 ordinary bonus shares, ranking equally in all respects with the existing issued ordinary shares. Consequent amendment of article 6 of the Articles of Association. Related and resulting resolutions.

#### Ordinary session:

With regard to item 1) on the agenda the shareholders resolved:

- to approve the Board of Directors' management report on operations and the financial statements for the year ended 31 December 2009, which report profit for the year of € 482,919,831;
- to appropriate the remaining € 284,036,427 in profit for the year, after payment of the interim dividend of € 198,883,404 in 2009, to:
  1. pay a final dividend of € 0.391 per share for 2009, payable to holders of each of the shares with a par value € 1.00 outstanding at the ex dividend date, excluding treasury shares held in portfolio at that date. The total value of the final dividend, based on the number of shares outstanding (560,234,941) and of treasury shares in portfolio (11,476,616), is estimated at € 219,051,862;

2. take the remaining profit for the year, after payment of the final dividend, to the extraordinary reserve. This amount, based on the number of shares outstanding at the ex dividend date, is estimated at € 64,984,565;
- to establish the dividend payment date as 27 May 2010 and the ex dividend date as 24 May 2010.

With regard to item 2) on the agenda the shareholders resolved:

- following revocation of the unexecuted part of the previous shareholder resolution of 23 April 2009, to authorise, pursuant and for the purposes of articles 2357 *et seq.* of the Italian Civil Code, article 132 of Legislative Decree 58 of 24 February 1998 and article 144-*bis* of the CONSOB Regulation adopted with Resolution 11971 and subsequent amendments, the purchase in the market, within the next 18 months, in one or more tranches and at any time, of up to 57,171,000 ordinary treasury shares, all with a par value of € 1.00 each, including any and all of the 11,476,616 treasury shares purchased by the Company and not yet sold in execution of the previous authority granted by shareholders on 23 April 2009;
- to authorise, subject to obtaining adequate financial resources for your Company's future plans and investment programmes, the purchase in question at a price not less than 20% below and not more than 20% above the official price of Atlantia's shares recorded by Borsa Italiana SpA on the prior trading day, and in any case in accordance with the procedures, terms and requirements that, though they may vary from the foregoing, are in keeping with accepted market practices, in accordance with rules and regulations issued by the CONSOB from time to time. Pursuant to article 2357-*ter* of the Italian Civil Code, the Company will transfer, as required and depending on the amounts of shares to be repurchased, a maximum amount of up to € 1,250,000,000 from the "Extraordinary reserve" to the undistributable "Reserve for the purchase of treasury shares";
- to authorise, pursuant to and for the purposes of article 2357-*ter* of the Italian Civil Code, the sale and/or use of all the treasury share held by the Company, including prior to reaching the maximum amount for purchases authorised by this resolution, in full or in part, and of the treasury shares purchased in accordance with this resolution, including in this authority the sale and/or use of any shares purchased on the basis of the authority granted by the General Meeting of 22 April 2008 and held by the Company at the date of today's resolution, in one or more tranches and at any time, as well as for exchanges or contributions, in all cases in accordance with the procedures, terms and requirements in keeping with accepted market practices, in compliance with rules and regulations issued by the CONSOB from time to time;
- to authorise the Board of Directors to establish on each occasion the criteria for determining the related price and/or the procedures, terms and conditions for using all the treasury shares held by the Company, including any shares held at the date of today's resolution, taking account of the method of implementation actually employed, the price performance of the shares over the period prior to the transaction and the best interests of the Company. Should all or a part of the treasury shares purchased and/or held at the date of today's resolution be disposed of, the existing undistributable "Reserve for share repurchases" will be debited for the amount of the disposal and the proceeds from the sale will be credited to the Extraordinary reserve;

- to grant the Board of Directors, and on its behalf the Chairman and Chief Executive Officer, acting either jointly or severally, all the necessary powers to effect the purchases, sales and uses of all the treasury shares held by the Company and, in any event, to implement the above resolutions, including via the use of powers of attorney, in compliance with any relevant regulatory requirements.

With regard to item 3) on the agenda the shareholders resolved:

- to fix the number of members of the Board of Directors as fifteen;
- to fix the term of office of the new Board of Directors as three financial years;
- to elect the following as members of the Board of Directors: Benetton Gilberto, Bertani Alessandro, Bombassei Alberto, Cao Stefano, Castellucci Giovanni, Cera Roberto, Cerchiai Fabio, Clò Alberto, Fassone Antonio, Malinconico Carlo, Mari Giuliano, Mion Gianni, Piaggio Giuseppe, Turicchi Antonino and Zannoni Paolo;
- to elect Fabio Cerchiai as Chairman of the Board of Directors;
- to fix the remuneration payable to Directors at € 52,000 per annum for each Director, and to pay an attendance fee of € 250 for each Board meeting, in addition to the above remuneration;
- to fix the annual remuneration payable to the Internal Control and Corporate Governance Committee at € 40,000 for the Chairman and € 30,000 for each of the other members;
- to fix the annual remuneration payable to the Human Resources Committee at € 40,000 for the Chairman and € 30,000 for each of the other members.

#### **Extraordinary session:**

With regard to item 1) on the agenda the shareholders resolved:

- to approve a par value € 28,585,578.00 increase in issued capital, in accordance with article 2442 of the Italian Civil Code, through the issue to existing shareholders of 28,585,578 ordinary bonus shares, ranking equally in all respects with the existing issued ordinary shares, via the capitalisation of a corresponding portion of the extraordinary reserve, and the allotment to shareholders of bonus shares on the basis of 1 new ordinary share for every 20 shares held;
- to approve the consequent amendment of art. 6 of the Articles of Association.

# Corporate information and contacts

## Registered office

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## Legal information

Issued capital: €571,711,557.00, fully paid-up

Tax code, VAT number and Rome Companies'

Register no. 03731380261

REA no. 1023691

## Investor Relations

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## Media Relations

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