Atlantia

Press Release

BOARD APPROVES CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR 2016

Consolidated results[1]

- **Motorway traffic on Group's Italian network up 3.2% on 2015; traffic on Group's overseas network up 1.7%**
- **Aeroporti di Roma reports passenger traffic growth of 1.8% in 2016**
- **Operating revenue of €5,484m for 2016 up 3%**
- **Gross operating profit (EBITDA) of €3,378m for 2016 up 5% on 2015**
- **Profit attributable to owners of parent totals €1,122m, up 32% on 2015, when the result reflected the cost of non-recurring financial transactions (up 10% on like-for-like basis[1])**
- **Group's average workforce totals 14,997 in 2016 (up 397 compared with 2015)**
- **Group capital expenditure in 2016 amounts to €1,422m**
- **Operating cash flow of €2,400m in 2016 is up 14% on 2015 (up 4% on like-for-like basis[1])**

(1) In addition to the reported amounts in the consolidated financial statements, this press release also presents and analyses alternative performance indicators ("APIs"), including EBITDA, operating cash flow and capital expenditure. A detailed description of the principal APIs used in the following consolidated financial review, including an explanation of the term "like-for-like basis", is provided in below.

Investor Relations
e-mail: investor.relations@atlantia.it

Media Relations
e-mail: media.relations@atlantia.it

www.atlantia.it

- **Net debt of €11,677m as at 31 December 2016 is up €1,290m compared with 31 December 2015, essentially reflecting acquisition of Aéroports de la Côte d'Azur[(2)]**

Annual General Meeting

- **Annual General Meeting of shareholders to approve financial statements to be held in single call on 21 April 2017**
- **Board to propose dividend of €0.970 per share for approval by AGM (€0.880 per share for 2015), with payment of final dividend of €0.530 per share in May 2017, following interim dividend of €0.440 paid in 2016**

Rome, 10 March 2017 – Today's meeting of the Board of Directors of Atlantia SpA, chaired by Fabio Cerchiai, has examined and approved Atlantia's separate and consolidated financial statements for the year ended 31 December 2016, which will be published within the deadline established by the relevant statutory requirements, together with the results of the audit currently in progress. The separate and consolidated financial statements for the year ended 31 December 2016 have been prepared in accordance with the IFRS in effect on 31 December 2016.

[(2)] Only this company's assets and liabilities have been Consolidated as at 31 December 2016.

Operating review for the principal Group companies

Key performance indicators by operating segment [3]

	ITALIAN MOTORWAYS		OVERSEAS MOTORWAYS		ITALIAN AIRPORTS		ATLANTIA AND OTHER ACTIVITIES(*)		TOTAL ATLANTIA GROUP	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
REPORTED AMOUNTS										
External revenue	3.794	3.661	558	546	883	803	249	294	5.484	5.304
Intersegment revenue	47	35	1	-	1	1	403	547	-	-
Total operating revenue(**)	3.841	3.696	559	546	884	804	652	841	5.484	5.304
EBITDA	2.384	2.238	422	407	532	450	40	120	3.378	3.215
Operating cash flow	1.632	1.403	340	335	387	320	41	47	2.400	2.105
Capital expenditure(***)	718	952	177	172	445	318	78	56	1.422	1.488

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

(**) The amount for the Atlantia Group's "Total operating revenue" is shown net of intersegment adjustments, esssentially linked to construction services performed by the Group's industrial companies.

(***) The amount for the Atlantia Group's "Capital expenditure" includes consolidated amounts primarily linked to construction services performed within the Group.

Italian motorways

- **Traffic up 3.2% overall compared with 2015**
- **Operating revenue for 2016 amounts to €3,841m, up €145m (4%) on 2015, essentially reflecting traffic growth of 3.2%, application of annual toll increases (1.09% for Autostrade per l'Italia) and consolidation of Autostrada Tirrenica from September 2015**
- **EBITDA for 2016 of €2,384m up €146m (7%) on 2015**
- **Capital expenditure totals €718m in 2016**

Traffic

Traffic on the Group's Italian network in 2016 (measured in kilometres travelled) is up 3.2% on the previous year. The number of kilometres travelled by vehicles with 2 axles is up 3.1%, with the figure for those with 3 or more axles up 4.1%. After adjusting for the leap-year effect, the increase in kilometres travelled in 2016 is 2.9%.

Capital expenditure

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

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[3] In 2016, Atlantia's Board of Directors approved a restructuring of the Group (described below) that has resulted in changes to the Atlantia Group's operating segments. Compared with the segment information provided in the Annual Report for 2015, the allocation of companies to the various operating segments has been modified. A detailed description of the Atlantia Group's identified operating segments is provided below.

In 2016, work continued on the completion of off carriageway works for the *Variante di Valico* (opened to traffic in December 2015) and on widening the A1 between Barberino and Florence North to three lanes (with approximately 2.5 km of third lane opened to traffic in December 2016). Work on widening the A14 from Rimini to Porto Sant'Elpidio, totalling 154.7 km, to three lanes was also completed, with the opening of 17 km between the Ancona North and Ancona South toll stations taking place in July 2016.

Investment in major works by the Group's other Italian operators almost entirely relates to works carried out by Autostrada Tirrenica, which invested €27m in completion of the Civitavecchia-Tarquinia South section, opened to traffic at the end of March 2016.

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

Overseas motorways

- **Traffic up 1.7% overall on 2015, reflecting growth of 5.8% in Chile and 10.5% in Poland, compared with a 2.7% decline in Brazil**[4]
- **Operating revenue from Group's overseas motorways business amounts to €559m, up 2% on 2015 (up 6% at constant exchange rates)**
- **EBITDA totals €422m, up 4% on 2015 (up 8% at constant exchange rates)**
- **Capital expenditure totals €177m in 2016**

Chile

Traffic on the motorways operated by the Group's Chilean operators in 2016, measured in terms of kilometres travelled, rose by a total of 5.8% compared with the previous year. Chilean operators' operating revenue for 2016 amounts to a total of €198m, up €15% on 2015, benefitting partly from the toll increases that came into effect from January 2016. At constant exchange rates, operating

(4) After stripping out the leap-year effect, traffic in 2016 (measured in kilometres travelled) is up 5.5% in Chile, up 10.2% in Poland and down 3.0% in Brazil.

revenue is up 19%.

EBITDA of €189m is up 18% on 2015 (up 22% at constant exchange rates). The increase reflects lower maintenance costs, primarily at Vespucio Sur, compared with 2015, and increased margins on the work carried out by the in-house construction company, Gesvial.

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

Brazil

Traffic on the network operated by the Group's Brazilian operators fell 2.7% in terms of kilometres travelled in 2016, compared with the previous year. Operating revenue for 2016 amounts to €268m, down 3% compared with 2015. At constant exchange rates, revenue is up 1%. Toll revenue for 2016 benefitted from the annual toll increases applied by the operators in the State of Sao Paulo from July 2015 and by the operator, Rodovia MG050, in the State of Minas Gerais from June 2015, as well as from the adjustment applied in the State of Sao Paulo from 1 July 2016.

EBITDA of €181m is down approximately €15m (8%) on the figure for 2015. The reduction is primarily due to an increase in cyclical maintenance and resurfacing work compared with 2015, primarily by the operators, Triangulo do Sol and Rodovia MG050. At constant exchange rates, EBITDA is down 4%. Capital expenditure of €63m related to work on upgrading the network operated under concession in Brazil in 2016.

Poland

The Polish operator, Stalexport Autostrada Malopolska, registered a 10.5% increase in traffic, in terms of kilometres travelled, in 2016, compared with 2015.

The Stalexport Autostrady group's operating revenue for 2016 amounts to €68m, up 6% on 2015. At constant exchange rates, revenue is up 11%. EBITDA of €52m is up 2% on 2015. At constant exchange rates, EBITDA is up 6%.

Airports

- **Roman airport system handled over 47m passengers in 2016, up 1.8% compared with previous year**

- **Italian airports segment reports operating revenue of €884m for 2016, up €80m (10%) on 2015**
- **EBITDA of €532m up €82m (18%) on 2015**
- **Capital expendituretotals €445m (up €109m on 2015)**

Traffic

The Roman airport system handled 47m passengers in 2016, marking an increase of 1.8% on the previous year. After stripping out calendar-related effects (the leap-year effect), the increase is approximately 1.6%. In terms of the airport system as a whole, the EU segment is up 2.4% on 2015 (accounting for 51% of total traffic). The non-EU segment is up 3.6%, whilst domestic traffic is broadly stable (down 0.6%).

Results

The Italian airports business generated operating revenue of €884m in 2016, up €80m (10%) on the previous year. Aviation revenue of €636m is up by a total of €71m (13%) compared with 2015, reflecting traffic growth (passengers up 1.8%) and the increases in airport fees applied from 1 March in both 2016 and 2015. Other operating income of €248m is up €9m (4%) on the previous year, primarily due to the positive performance of non-aviation revenue, as well as to determination of the insurance proceeds receivable in order to cover the additional expenses and the cost of rebuilding and salvage operations incurred as a result of the fire that affected Terminal 3 in 2015. EBITDA of €532m is up €82m (18%) on the previous year. This figure also benefitted from a reduction in the cost of rebuilding work and salvage operations linked to the above fire.

Capital expenditure

Capital expenditure totalled €445m in 2016 (up €109m compared with 2015). The largest part regarded construction of the avant-corps for Terminal 3 at Fiumicino and the new departure area E, opened on 21 December 2016. Work on the new baggage handling system for Terminal 1 was also completed in 2016, as was the renovation of the Immigration Area in Terminal 3 and the upgrade and restyling of part of Boarding Area B in Terminal 1. With regard to work on runways and aprons, work on extension of the aprons included in the *Piazzali 200* ("200 Aprons") project has been completed, whilst work on the first phase of construction of the Western Aprons is in progress. Work at Ciampino, on upgrading runways and taxiways and on an upgrade of the arrivals hall for commercial flights, was completed.

(€M)	2016	2015
Departure area E (Avant-corps and third BHS)	195	82
Work on baggage handling sub-systems and airport equipment	55	80
Work on terminals and piers	62	69
Work on technical systems and networks	33	47
Work on runways and aprons	21	12
Other	81	46
TOTAL	447	336 (*)

(*) Including capital expenditure funded by ENAC, totalling €18m.

Other information

Atlantia acquires interest in SAVE

In September 2016, Atlantia acquired a 21.3% interest in SAVE SpA, the company that operates the Venice and Treviso airport system, at a price of €14.75 per share. In a subsequent transaction in November 2016, Atlantia acquired a further 0.8% interest at a price of €15.25 per share. The total outlay for a 22.1% interest in SAVE is approximately €180m.

The investment does not form part of any shareholder agreement and does not grant Atlantia any additional rights with respect to those provided for in SAVE's articles of association.

Group restructuring

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

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

The new organisational structure will allow each area of business to develop independently and offer the potential to offer investment opportunities to international equity partners.

The restructuring process involved Atlantia's acquisition, in December 2016, of Autostrade per l'Italia's interests in Telepass and Stalexport Autostrady. In addition, Autostrade per l'Italia's investments in Autostrade dell'Atlantico Srl (the holding company that controls the Group's Chilean and Brazilian motorway businesses and ETC in the USA) and Autostrade Indian Infrastructure Development Private Limited were transferred to Atlantia via distribution of a special dividend in kind, using available reserves. The transaction was approved by Autostrade per l'Italia's shareholders in January 2017.

Partial buyback of bonds in the form of a Tender Offer

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

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

Issuer substitution

On 10 July 2016, the boards of directors of Atlantia and Autostrade per l'Italia approved a plan involving Autostrade per l'Italia's replacement of Atlantia as the principal debtor for bonds originally issued by the latter under its €10bn Euro Medium Term Note Programme guaranteed by Autostrade per l'Italia SpA. The substitution took effect on 22 December 2016 with the signature of a supplemental trust deed and of supplemental agency agreements for the related series of private and public bond issues. In this way, Autostrade per l'Italia has assumed the role of issuer of the above borrowings. The Public Bonds are covered by a new guarantee issued by Atlantia through to the respective maturities, whilst the Private Bonds are covered until September 2025. The above substitution did not apply to the retail bonds issued by Atlantia in 2012, maturing in 2018.

Other events after 31 December 2016

€750m bond issue by Atlantia, maturing in 2025

On 26 January 2017, Atlantia carried out the first bond issue forming part of its €3bn Euro Medium Term Note Programme launched in October 2016. The transaction involved the issue of a series with a value of €750m, maturing in 2025, paying a fixed coupon of 1.625% in February of each year, with effect from February 2018.

Consolidated financial review

Introduction

The scope of consolidation at 31 December 2016 differs from the scope used at 31 December 2015, due to the acquisition of a controlling interest in Aéroports de la Côte d'Azur ("ACA") and its subsidiaries. This follows completion, at the end of 2016, of the acquisition of shares representing a 64% stake in this company through the acquisition vehicle, Azzurra Aeroporti[5].
In accordance with IFRS 3, the assets and liabilities of ACA and its subsidiaries have been recognised at their fair value at the acquisition date and the companies consolidated on a line-by-line basis as at 31 December 2016. 2016 also benefitted from the contribution of Autostrada Tirrenica ("SAT"), consolidated from September 2015.
The above restructuring of the Atlantia Group has not had a material impact on the Group's operating results or financial position.

Operating results

Revenue

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

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

- a 3.2% increase in traffic on the Italian network, accounting for an increase in toll revenue of approximately €97m (including the impact of the different traffic mix and the extra day in

(5) Azzurra Aeroporti is owned by Atlantia and Aeroporti di Roma (with interests of 65.01% and 10%, respectively) and by EDF Invest (with a 24.99% interest).

February 2016) and the application of annual toll increases (essentially a 1.09% increase applied by Autostrade per l'Italia with effect from 1 January 2016), boosting toll revenue by an estimated €30m;

- an improved contribution from overseas operators (up €33m), primarily reflecting traffic growth in Chile (up 5.8%) and Poland (up 10.5%) and toll increases applied by the various operators, partially offset by falling traffic in Brazil (down 2.7%);
- the contribution of SAT, amounting to €30m.

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

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

Operating costs

Net operating costs of €2,106m are up €17m (1%) on 2015 (€2,089m), primarily due to a combination of the following:

- a reduction of €33m in the cost of materials and external services compared with 2015, essentially reflecting:
  - lower costs incurred by Autostrade per l'Italia due to a different scheduling of maintenance work on the network, following the decision to bring forward some work to 2015 and reduced snowfall in the two comparative periods, partially offset by an increase in maintenance costs on the Brazilian network;
  - a reduction in the costs incurred by Aeroporti di Roma for safety and salvage operations in the areas affected by the fire in Terminal 3, partially offset by an increase in maintenance costs with the aim of improving quality;
  - lower margins on construction services, primarily due to the application of less favourable discounts on a number of intragroup contracts and an increase in costs at Telepass and

Spea Engineering, linked to the increase in turnover; these changes were partially offset by lower costs incurred by Pavimental, Autostrade Tech and ETC as a result of the reduced volume of work carried out for external customers;

  - the increase in costs contributed by SAT and the cost of the acquisition of ACA;

- an €18m (4%) increase in concession fees compared with 2015 (€477m), primarily in relation to the increase in toll revenue at the Italian operators;
- a €32m (4%) increase in staff costs, after deducting capitalised expenses, compared with 2015. Staff costs, before deducting capitalised expenses, amount to €911m, marking an increase of €45m (5%) on 2015 (€866m). After stripping out the impact of exchange rate movements, staff costs are up €47m (5.4%) due to:
  - an increase of 395 in the average workforce excluding agency staff (up 2.6%), attributable to Aeroporti di Roma as a result of heightened anti-terrorism measures, the recruitment of staff in relation to implementation of the development plan and initiatives designed to improve the quality of passenger assistance. The increase also reflects the decision to insource airport cleaning services and the motorway maintenance carried out by the Brazilian operators, as well as the contribution of SAT;
  - an increase in the average unit cost (up 2.8%), due to contract renewals at the Group's Italian companies and an increase in the cost of early retirement incentives.

Results

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

Operating profit (EBIT) of €2,315m is up €103m (5%) compared with 2015 (€2,212m).
Financial expenses from discounting of provisions for construction services required by contract and other provisions amount to €65m and are down €9m compared with 2015, reflecting declines in the discount rates used in 2016 with respect to those used in 2015.

Net other financial expenses of €539m are down €253m compared with 2015 (€792m). The difference reflects the impact of the financial expenses incurred, in the comparative periods, in relation to the partial buyback of certain bonds issued by Atlantia and maturing in 2016, 2017 and 2019 (€19m in 2016 and €121m in 2015) and Atlantia's buyback, in 2015, of notes issued by Romulus Finance (having a total impact on financial expenses of €113m, including the termination fee paid to AMBAC in order to terminate the guarantee for the notes). After stripping out the impact of these two transactions in the comparative periods, net financial expenses are down €38m (7%), essentially reflecting:

- impairment losses on the investment in CAI-Compagnia Aerea Italiana (amounting to €9m in 2016 and €36m in 2015);
- reversal of the previous impairment loss on the investment in Lusoponte (€25m);
- income of €8m, recognised by Tangenziale di Napoli in 2015 following settlement of a legal dispute;
- the effects of the acquisition of ACA in 2016 and the different contribution of SAT, resulting in an overall negative impact of €11m.

Income tax expense amounts to €533m, up €63m on 2015 (€470m), essentially reflecting the improvement in pre-tax profit in 2016, partly offset by the benefit generated by reassessment of deferred taxation linked to the Group's Chilean companies following full implementation of the Chilean tax reforms that came into effect in 2016. Income tax expense for 2015 included the negative impact on deferred taxation at the Italian companies following approval of the 2016 Stability Law (Law 2018/2015), which has reduced the IRES rate from 2017.
Profit from continuing operations amounts to €1,243m, marking an increase of €275m compared with 2015 (€968m).

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

Operating cash flow for 2016 amounts to €2,400m, up €295m (14%) compared with 2015. On a like-for-like basis, operating cash flow is €2,361m, up €93m (4%) on 2015, primarily due to an increase in cash from operating activities (EBITDA), after the related current tax expense.

Equity attributable to owners of the parent as at 31 December 2016 amounts to €7,224m, marking an increase of €424m compared with the figure as at 31 December 2015 (€6,800m). This essentially reflects:

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

The Group's net debt as at 31 December 2016 amounts to €11,677m (€10,387m as at 31 December 2015). As at 31 December 2016, the Group has cash reserves (cash, term deposits and undrawn committed lines of credit) of €6,144m.

Atlantia SpA's profit for 2016 is €919m, up €186m on the figure for 2015 (€733m). The Company's equity as at 31 December 2016 amounts to €9,746m. As at 31 December 2016, Atlantia SpA has net funds of €1,031m, compared with net funds of €886m as at 31 December 2015.

Outlook and risks or uncertainties

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

Italian motorways

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

Overseas motorways

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

Italian airports

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

The Group's results for 2017 will also benefit from line-by-line consolidation of Aéroports de la Côte d'Azur, which is registering positive traffic trends.

Call of the Annual General Meeting

The Board of Directors intends to propose to the Annual General Meeting ("AGM") of Atlantia's shareholders, to be held in single call on 21 April 2017, payment of a final dividend of €0.530 per share with a value date of 24 May 2017. The ex-dividend date (coupon no. 30) is 22 May 2017 and the record date 23 May 2017. The final dividend adds to the interim dividend of €0.440 paid in 2016, resulting in a total dividend for 2016 of €0.970, up 10% on 2015 (€0.880 per share).

The Board will also propose that the AGM again approve the purchase and sale of the Company's own shares, subject to revocation of the unexercised portion of the resolution passed on 21 April 2016.

Alternative performance indicators

In application of the CONSOB Ruling of 3 December 2015, which applies the guidelines for alternative performance indicators ("APIs") issued by the European Securities and Markets Authority (ESMA), and which are mandatory in order to meet regulatory reporting requirements or for accounts published after 3 July 2016, the basis used in preparing the APIs published by the Atlantia Group is described below. The APIs shown in this release are deemed relevant to an assessment of the operating performance based on the Group's overall results and the results of its operating segments and of individual Group companies. In addition, the APIs provide an improved basis for comparison of the results over time, even if they are not a replacement for or an alternative to the results published in accordance with international financial reporting standards (IAS/IFRS). With regard to the APIs, Atlantia presents the following reclassified financial statements for both the Group and the Parent Company as attachments to this release: the reclassified income statements, the reclassified statements of financial position and the statements of cash flows. These are different from IAS/IFRS financial statements. In addition to amounts from the income statement and statement of financial position prepared under IAS/IFRS, these reclassified financial statements thus present a number of indicators and items derived from them, even when they are not required by the above standards and are, therefore, identifiable as APIs.

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

a) "Gross operating profit (EBITDA)" is the synthetic indicator of earnings from operations, calculated by deducting operating costs, with the exception of amortisation, depreciation, impairment losses and reversals of impairment losses, the operating change in provisions and other adjustments, from operating revenue;
b) "Operating profit (EBIT)" is the indicator that measures the return on invested capital, calculated by deducting amortisation, depreciation, impairment losses and reversals of impairment losses, the operating change in provisions and other adjustments from EBITDA. Like EBITDA, EBIT does not include the capitalised component of financial expenses relating to construction services, which is shown in a specific item under financial income and expenses in the reclassified statement, whilst being included in revenue in the consolidated income statement on a reported basis;
c) "Net invested capital", showing the total value of non-financial assets, after deducting non-financial liabilities;
d) "Net debt", indicating the portion of net invested capital funded by net financial liabilities, calculated by deducting "Current and non-current financial assets" from "Current and non-current financial liabilities";
e) "Capital expenditure", indicating the total amount invested in development of the Group's businesses, calculated as the sum of cash used in investment in property, plant and equipment, in assets held under concession and in other intangible assets, excluding investments in investees;
f) "Operating cash flow", indicating the cash generated by or used in operating activities. Operating cash flow is calculated as profit for the period + amortisation/depreciation +/- impairments/reversals of impairments of assets +/- provisions/releases of provisions + other adjustments + financial expenses from discounting of provisions +/- share of profit/(loss) of investees accounted for using equity method +/- (losses)/gains on sale of assets +/- other non-cash items +/- portion of net deferred tax assets/liabilities recognised in profit or loss.

A number of APIs, calculated as above, are also presented after applying certain adjustments in order to provide a consistent basis for comparison over time, or in application of a different financial statement presentation deemed to be more effective in describing the financial performance of specific activities of the Group. These adjustments to APIs are linked to the "Like-for-like changes" used in the analysis of changes in gross operating profit (EBITDA), profit for the year, profit for the year attributable to owners of the parent and operating cash flow, and calculated by excluding, where present, the impact of: (i) changes in the scope of consolidation; (ii) changes in exchange rates on the value of assets and liabilities denominated in functional currencies other than the euro; and (iii) events and/or transactions not strictly connected with operating activities that have an appreciable influence on amounts for at least one of the two comparative periods.

In particular, like-for-like amounts for the two comparative periods have been determined by eliminating:

a) from consolidated amounts for 2016:
    1) SAT's contribution for the first nine months of 2016 and the cost of the acquisition of ACA by Azzurra Aeroporti;
    2) the difference between foreign currency amounts for 2016 for companies with functional currencies other than the euro, converted at average exchange rates for the period, and the matching amounts converted using average exchange rates for 2015;

3) the after-tax revenue and expenses reported by Aeroporti di Roma in 2016, reflecting the insurance proceeds received and the cost of operational solutions and safety operations in the areas most damaged by the fire in Fiumicino airport's Terminal 3;
4) the after-tax impact of the difference in the discount rates applied to the provisions accounted for among the Group's liabilities;
5) the impact of a number of major financial transactions, linked to the partial buyback of certain bonds issued by Atlantia, and the issuer substitution, involving the transfer of bonds from Atlantia to Autostrade per l'Italia;
6) reversal of the previous impairment loss on the investment in Lusoponte and the impairment loss on the carrying amount of the investment in Compagnia Aerea Italiana;
7) the net change in deferred taxation linked to certain Chilean companies, following a merger of a number of such companies in 2016, full implementation of the Chilean tax reforms that came into effect in 2016 and revisions of estimates;
8) current taxation linked to the intragroup transfer of a number of consolidated investments, relating to the above Group restructuring;

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

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

€m	GROSS OPERATING PROFIT (EBITDA)	PROFIT FOR THE YEAR	PROFIT FOR THE YEAR ATTRIBUTABLE TO THE OWNER OF THE PARENT	OPERATING CASH FLOW
Amounts for 2016 (A)	3,378	1,238	1,122	2,400
Adjustment for non like-for-like items in 2016				
Changes in the scope of consolidation (SAT) and costs for the acquisition of ACA	10	-9	-7	1
Exchange rate movements	-16	-7	-4	-12
Effects of 2015 fire to the Terminal 3 of Fiumicino airport	3	2	2	-6
Change in discount rate applied to provisions	-	-60	-57	1
Partial repurchase of Atlantia bonds and effects deriving from operation of "issuer substitution"	-	-7	-7	71
Reversal of impairment losses on investments	-	15	15	-
Change in deferred tax related to Chilean activities	-	64	68	-
Taxes on corporate restructuring of the Group	-	-16	-16	-16
Sub-total (B)	**-3**	**-18**	**-6**	**39**
Like-for-like amounts for 2016 (C) = (A)-(B)	**3,381**	**1,256**	**1,128**	**2,361**
Amounts for 2015 (D)	3,215	975	853	2,105
Adjustment for non like-for-like items in 2015				
Result of a judicial proceeding for Tangenziale di Napoli	4	9	9	9
Effects of 2015 fire to the Terminal 3 of Fiumicino airport	-12	-20	-20	-11
Change in discount rate applied to provisions	-	48	45	-
Non recurring financial operations	-3	-168	-166	-161
Change in the IRES tax rate (2016 Stability Law)	-	-42	-40	-
Sub-total (E)	**-11**	**-173**	**-172**	**-163**
Like-for-like amounts for 2015 (F) = (D)+(E)	**3,226**	**1,148**	**1,025**	**2,268**
Like-for-like amounts (G) = (C)-(F)	**155**	**108**	**103**	**93**

Composition of the Group's operating segments

The Atlantia Group's operating segments have been identified both in terms of geographical area and in terms of business segment. In 2016, Atlantia's Board of Directors approved a restructuring of the Group that has resulted in changes to the Atlantia Group's operating segments. Compared with the segment information provided in the Annual Report for 2015, the allocation of companies to the various operating segments has been modified. As a result, the Group's new structure presents information for four main operating segments (Italian motorways, overseas motorways, Italian airports and a fourth operating segment including the Parent Company, Atlantia, and the other remaining activities). Following these changes to the composition of the operating segments, amounts for 2015 have been restated with respect to those published in the Annual Report for 2015.
Details of the Atlantia Group's new operating segments are as follows:

- **Italian motorways**: this includes the Italian motorway operators (Autostrade per l'Italia, Autostrade Meridionali, Tangenziale di Napoli, Società Italiana per Azioni per il Traforo del Monte Bianco, Raccordo Autostradale Valle d'Aosta and Società Autostrada Tirrenica), whose core business consists of the management, maintenance, construction and widening of the related motorways operated under concession. This operating segment also includes companies (AD Moving, Giove Clear, Infoblu, Essediesse and Autostrade Tech) that provide support for the Italian motorway operators and that are subsidiaries of Autostrade per l'Italia;
- **Overseas motorways**: this includes the activities of the holders of motorway concessions in Brazil, Chile, India and Poland, and the companies that provide operational support for these operators and the related foreign-registered holding companies. In addition, this segment includes the Italian holding company, Autostrade dell'Atlantico, which holds investments in South America;
- **Italian airports:** this includes the airports business of Aeroporti di Roma, which holds the concession to operate and expand the airports of Rome Fiumicino and Rome Ciampino;
- **Atlantia and other activities:** this segment includes:
    - the Parent Company, Atlantia, which operates as a holding company for its subsidiaries and associates whose business is the construction and operation of motorways, airports and transport infrastructure, parking areas and intermodal systems, or who engage in activities related to the management of motorway or airport traffic;
    - the companies that produce and operate free-flow tolling systems, traffic and transport management systems and electronic payment systems. The key companies in this segment are Telepass and Electronic Transaction Consultants;
    - the companies whose business is the design, construction and maintenance of infrastructure, essentially referring to Spea Engineering and Pavimental.

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The manager responsible for financial reporting, Giancarlo Guenzi, declares, pursuant to section 2 of article 154 bis of the Consolidated Finance Act, that the accounting information contained in this release is consistent with the underlying accounting records.

In addition to the conventional financial indicators required by IFRS contained in this press release, certain alternative performance indicators have been included (e.g., EBITDA) in order to permit a better appraisal of the company's results and financial position. These indicators have been calculated in accordance with market practices.

The Group's net debt, as defined in the European Securities and Market Authority – ESMA Recommendation of 20 March 2013 (which does not entail the deduction of non-current financial assets from debt), amounts to €13,914m as at 31 December 2016, compared with €12,168m as at 31 December 2015.

The reclassified income statements and statements of financial position, the statements of comprehensive income and the statements of cash flows of the Atlantia Group and Atlantia SpA as at and for the year ended 31 December 2016 are attached hereinafter. The reclassified statements, which are included in the report on operations, have not been audited by the Independent Auditors.

It should be noted that, to date, the audit of Atlantia's separate and consolidated financial statements for the year ended 31 December 2016 has yet to be completed.

Reclassified consolidated income statement

€m	2016	2015	INCREASE (DECREASE) ABSOLUTE	%
Toll revenue	4,009	3,836	173	5
Aviation revenue	636	565	71	13
Contract revenue	54	107	-53	-50
Other operating income	785	796	-11	-1
Total operating revenue	**5,484**	**5,304**	**180**	**3**
Cost of materials and external services (1)	-799	-832	33	-4
Concession fees	-495	-477	-18	4
Staff costs	-911	-866	-45	5
Capitalised staff costs	99	86	13	15
Total net operating costs	**-2,106**	**-2,089**	**-17**	**1**
Gross opearting profit (EBITDA)	**3,378**	**3,215**	**163**	**5**
Amortisation, depreciation, impairment losses and reversals of impairment losses	-956	-918	-38	4
Changes on provisions and other adjustments	-107	-85	-22	26
Operating profit (EBIT)	**2,315**	**2,212**	**103**	**5**
Financial income from discounting to present value of concession rights and government grants	67	63	4	6
Financial expenses from discounting of provisions for construction services required by contract	-65	-56	-9	16
Other financial income (expenses)	-539	-792	253	-32
Capitalised financial expenses	5	29	-24	-83
Share of profit/(loss) of associates and joint ventures accounted for using the equity method	-7	-18	11	-61
Profit (Loss) before tax from continuing operations	**1,776**	**1,438**	**338**	**24**
Income tax (expense)	-533	-470	-63	13
Profit/(Loss) from continuing operations	**1,243**	**968**	**275**	**28**
Profit/(Loss) from discontinued operations	-5	7	-12	n.s.
Profit for the year	**1,238**	**975**	**263**	**27**
Profit/(Loss) attributable to non-controlling interests	116	122	-6	-5
Profit/(Loss) attributable to owners of the parent	**1,122**	**853**	**269**	**32**

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

	2016	2015	INCREASE (DECREASE)
Basic earnings per share attributable to the owners of the parent (€)	**1.36**	**1.04**	**0.32**
of which:			
- continuing operations	1.37	1.03	0.34
- discontinued operations	-0.01	0.01	-0.02
Diluted earnings per share attributable to the owners of the parent (€)	**1.36**	**1.04**	**0.32**
of which:			
- continuing operations	1.37	1.03	0.34
- discontinued operations	-0.01	0.01	-0.02

Consolidated statement of comprehensive income

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

Reclassified consolidated statement of financial position

€m	31/12/2016	31/12/2015	INCREASE (DECREASE)
Non-current non-financial assets			
Property, plant and equipment	291	232	59
Intangible assets	28,383	24,845	3,538
Investments	291	97	194
Deferred tax assets	1,403	1,575	-172
Other non-current assets	30	12	18
Total non-current non-financial assets (A)	**30,398**	**26,761**	**3,637**
Working capital			
Trading assets	1,672	1,469	203
Current tax assets	106	44	62
Other current assets	197	245	-48
Non-financial assets held for sale or related to discontinued operations	4	6	-2
Current portion of provisions for construction services required by contract	-531	-441	-90
Current provisions	-446	-429	-17
Trading liabilities	-1,651	-1,582	-69
Current tax liabilities	-63	-30	-33
Other current liabilities	-611	-497	-114
Non-financial liabilities related to discontinued operations	-6	-6	-
Total working capital (B)	**-1,329**	**-1,221**	**-108**
Gross invested capital (C=A+B)	**29,069**	**25,540**	**3,529**
Non-current non-financial liabilities			
Non-current portion of provisions for construction services required by contract	-3,270	-3,369	99
Non-current provisions	-1,576	-1,501	-75
Deferred tax liabilities	-2,439	-1,701	-738
Other non-current liabilities	-98	-99	1
Total non-current non-financial liabilities (D)	**-7,383**	**-6,670**	**-713**
NET INVESTED CAPITAL (E=C+D)	**21,686**	**18,870**	**2,816**

Reclassified consolidated statement of financial position

€m	31/12/2016	31/12/2015	INCREASE (DECREASE)
Equity			
Equity attributable to owners of the parent	7,224	6,800	424
Equity attributable to non-controlling interests	2,785	1,683	1,102
Total equity (F)	10,009	8,483	1,526
Net Debt			
Non-current net debt			
Non-current financial liabilities	14,832	14,044	788
Bond issues	10,176	10,301	-125
Medium/long-term borrowings	4,002	3,256	746
Non-current derivative liabilities	631	461	170
Other non-current financial liabilities	23	26	-3
Non-current financial assets	-2,237	-1,781	-456
Non-current financial assets deriving from concession rights	-931	-766	-165
Non-current financial assets deriving from government grants	-265	-256	-9
Non-current term deposits	-322	-325	3
Non-current derivative assets	-83	-	-83
Other non-current financial assets	-636	-434	-202
Total non-current net debt (G)	12,595	12,263	332
Current net debt			
Current financial liabilities	3,249	1,939	1,310
Bank overdrafts	5	37	-32
Short-term borrowings	1,859	246	1,613
Current derivative liabilities	26	7	19
Intercompany current account payables due to related parties	-	-	-
Current portion of medium/long-term borrowings	1,346	1,649	-303
Other current financial liabilities	13	-	13
Cash and cash equivalents	-3,391	-2,997	-394
Cash in hand	-2,788	-2,251	-537
Cash equivalents	-595	-707	112
Cash and cash equivalents related to discontinued operations	-8	-39	31
Current financial assets	-776	-818	42
Current financial assets deriving from concession rights	-441	-435	-6
Current financial assets deriving from government grants	-68	-75	7
Current term deposits	-194	-222	28
Current portion of other medium/long-term financial assets	-66	-69	3
Other current financial assets	-7	-17	10
Total current net debt (H)	-918	-1,876	958
Total net debt (I=G+H)	11,677	10,387	1,290
NET DEBT AND EQUITY (L=F+I)	21,686	18,870	2,816

Consolidated statement of cash flows

€m	2016	2015
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Profit for the year	1,238	975
Adjusted by:		
Amortisation and depreciation	955	917
Provisions, net of utilization of provision for infrastructure renewal airport	137	85
Financial expenses from discounting of provisions for construction services required by contract	65	56
Impairment losses/(Reversal of impairment losses) on non-current financial assets and investments accounted for at cost or fair value	-11	36
Share of (profit)/loss of associates and joint ventures accounted for using the equity method	7	18
Impairment losses/(Reversal of impairment losses) and adjustments of other current and non-current assets	-24	1
(Gain)/Loss on sale of non-current assets	-1	-
Net change in deferred tax (assets)/liabilities through profit or loss	111	21
Other non-cash costs (income)	-77	-4
Change in working capital and other changes	-38	106
Net cash from operating activities [a]	2,362	2,211
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Investment in assets held under concession	-1,263	-1,352
Purchases of property, plant and equipment	-113	-96
Purchases of other intangible assets	-46	-40
Government grants related to assets held under concession	6	56
Increase in financial assets deriving from concession rights (related to capital expenditure)	76	95
Purchase of investments	-190	-18
Purchase of consolidated investments, net of cash acquired	-1,294	-72
Proceeds from sales of property, plant and equipment, intangible assets and unconsolidated investments	5	3
Net change in other non-current assets	-13	-18
Net change in current and non-current financial assets	-66	102
Net cash generated used in investing activities [b]	-2,898	-1,340
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
(Purchase)/Disposal of treasury shares	-77	228
Dividends paid	-775	-724
Contributions from non-controlling shareholders	130	-
Capital redemption to non-controlling shareholders	-6	-
Proceeds from transfer of treasury shares due to exercise of rights under share-based incentive plans	4	3
Issuance of bonds	654	2,758
Increase in short term borrowings	1,600	-
Increase in medium/long term borrowings (excluding finance lease liabilities)	739	261
Bond redemptions	-971	-148
Repurchase of Atlantia bonds and purchase of Romulus Finance Bond	-220	-1,638
Repayments of medium/long term borrowings (excluding finance lease liabilities)	-253	-358
Payment of finance lease liabilities	-3	-3
Net change in other current and non-current financial liabilities	107	-207
Net cash generated from financing activities [c]	929	172
Net effect of foreign exchange rate movements on net cash and cash equivalents [d]	33	-36
Increase/(Decrease) in cash and cash equivalents [a+b+c+d]	426	1,007
NET CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2,960	1,953
NET CASH AND CASH EQUIVALENTS AT END OF YEAR	3,386	2,960

Additional information on the consolidated statement of cash flows

€m	2016	2015
Income taxes paid	455	446
Interest income and other financial income collected	110	149
Interest expense and other financial expenses paid	809	867
Dividends received	8	3
Foreign exchange gains	1	-
Foreign exchange losses	1	-

Reconciliation of net cash and cash equivalents

€m	2016	2015
NET CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2,960	1,953
Cash and cash equivalents	2,958	1,905
Bank overdrafts repayable on demand	-37	-1
Intercompany current account payables due to related parties	-	-
Cash and cash equivalents related to discontinued operations	39	49
NET CASH AND CASH EQUIVALENTS AT END OF YEAR	3,386	2,960
Cash and cash equivalents	3,383	2,958
Bank overdrafts repayable on demand	-5	-37
Intercompany current account payables due to related parties	-	-
Cash and cash equivalents related to discontinued operations	8	39

Reclassified income statement for Atlantia S.p.A.

€m	2016	2015	INCREASE/ (DECREASE) ABSOLUTE	%
Operating income	2	2	-	-
Total revenue	**2**	**2**	**-**	**-**
Cost of materials and external services	-17	-17	-	-
Staff costs	-21	-15	-6	40
Total net operating costs	**-38**	**-32**	**-6**	**19**
Gross operating profit (EBITDA)	**-36**	**-30**	**-6**	**20**
Amortisation, depreciation, impairment losses and reversals of impairment losses	-1	-1	-	-
Operating loss (EBIT)	**-37**	**-31**	**-6**	**19**
Dividends from investee companies	980	794	186	23
Impairment losses on investments	-31	-36	5	-14
Other financial income/(expenses)	6	9	-3	-33
Profit (Loss) before tax from continuing operations	**918**	**736**	**182**	**25**
Income tax (expense)	1	-3	4	n.s.
Profit (Loss) from continuing operations	**919**	**733**	**186**	**25**
Profit/(loss) from discontinued operations	-	-	-	-
Profit for the year	**919**	**733**	**186**	**25**

Statement of comprehensive income for Atlantia S.p.A.

€m		2016	2015
Profit for the year	(A)	919	733
Fair value losses on cash flow hedges		-3	-6
Tax espense on fair value losses on cash flow hedges		1	5
Deferred tax expense from "issuer substitution" operations on cash flow hedges		22	-
Other comprehensive income/(loss) for the year reclassifiable to profit or loss	(B)	20	-1
Reclassification of cash flow hedge reserve measured at fair value from "issuer substitution" operations		-71	-
Reclassifications of other components of comprehensive income to profit or loss for the year	(C)	-71	-
Total other comprehensive income/(loss) for the year	(D=A+B+C)	-51	-1
Comprehensive income for the year	(A+D)	868	732

Reclassified statement of financial position for Atlantia S.p.A.

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

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

Statement of cash flows for Atlantia S.p.A.

€m	2016	2015
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Profit for the year	919	733
Adjusted by:		
Amortisation and depreciation	1	1
Impairments/(Reversal of impairment losses) on financial assets and investments	31	36
Net change in deferred tax (assets)/liabilities through profit or loss	-	-2
Other non-cash costs (income)	3	3
Change in working capital and other changes	35	-20
Net cash generated from operating activities [a]	**989**	**751**
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Purchase of investments	-1,998	-9
Net change in current and non-current financial assets	1,318	1,062
Net cash generated (used in) from investing activities [b]	**-680**	**1,053**
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
(Purchase)/Disposal of treasury shares	-77	228
Dividends paid	-758	-695
Proceeds from transfer of treasury shares due to exercise of rights under share-based incentive plans	4	3
Bond redemptions	-1,101	-1,351
Increase in short term borrowings	1,600	-
Net change in other current and non-current financial liabilities	-175	-37
Net cash generated used in financing activities [c]	**-507**	**-1,852**
Decrease in cash and cash equivalents [a+b+c]	**-198**	**-48**
Net cash and cash equivalents at beginning of year	**417**	**465**
Net cash and cash equivalents at end of year	**219**	**417**

Additional information on the statement of cash flows of Atlantia

€m	2016	2015
Income taxes paid to tax authorities	329	280
Income taxes refunded from tax consolidation arrangement	328	281
Interest income and other financial income collected	668	628
Interest expense and other financial expenses paid	637	605
Dividends received	980	794
Foreign exchange gains	1	-
Foreign exchange losses	1	-

Reconciliation of net cash and cash equivalents

€m	2016	2015
Net cash and cash equivalents at beginning of year	**417**	**465**
Cash and cash equivalents	417	465
Net cash and cash equivalents at end of year	**219**	**417**
Cash and cash equivalents	219	417