Atlantia

Press Release

ATLANTIA GROUP'S RESULTS ANNOUNCEMENT FOR NINE MONTHS ENDED 30 SEPTEMBER 2017

Consolidated results [1]

- Motorway traffic on Group's network up 2.3% in 9M 2017 (up 2.9% after stripping out leap-year effect and including impact of traffic mix resulting from growth in heavy vehicles)
- Motorway traffic on Group's overseas network up 4.7% in Chile, 1.8% in Brazil and 6.2% in Poland
- Passenger traffic at Aeroporti di Roma broadly in line in 9M 2017 compared with same period of previous year
- Passenger traffic at Nice airport up 6.4% in 9M 2017 (up 6.7% after stripping out leap-year effect)
- Gross operating profit (EBITDA) amounts to €2,824m for 9M 2017, up 7% (up 4% on like-for-like basis[2]), with strong growth registered by overseas motorway operators (up 21%)
- Profit attributable to owners of parent, totalling €860m, up 6%
- Group capital expenditure totals €707m in 9M 2017

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(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 the "Explanatory notes" below.

(2) The "Explanatory notes" include a table showing the reconciliation of like-for-like consolidated APIs for the two comparative periods.

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- **Operating cash flow of €1,936m in 9M 2017 up 5% (up 5% on like-for-like basis)**
- **Net debt at 30 September 2017 totals €9,331m, down €2,346m compared with 31 December 2016**
- **Group's average workforce (excluding agency staff) totals 15,875 in 9M 2017, up 917 on 9M 2016, primarily due to consolidation of Aéroports de la Côte d'Azur group**

Rome, 10 November 2017 – Today's meeting of the Board of Directors of Autostrade per l'Italia SpA, chaired by Fabio Cerchiai, has approved the Atlantia Group's results announcement for the nine months ended 30 September 2017. As anticipated in the press release of 20 January 2017, Atlantia has elected to publish additional periodic information for the first quarter and the first nine months of each year on a voluntary basis. The related document will be published in accordance with the same terms established in the previous regulations, but will only include financial disclosures in the form of a results announcement. The previous "Consolidated Quarterly Report" will, instead, no longer be prepared or published.

Key performance indicators by operating segment [3]

	ITALIAN MOTORWAYS		OVERSEAS MOTORWAYS		ITALIAN AIRPORTS		OVERSEAS AIRPORTS		ATLANTIA AND OTHER ACTIVITIES		CONSOLIDATION ADJUSTMENTS		TOTAL ATLANTIA GROUP(1)	
	9M		9M		9M		9M		9M		9M		9M	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
REPORTED AMOUNTS														
External revenue	2,967	2,884	482	405	688	656	215	n.a.	180	184	-	-	4,532	4,129
Intersegment revenue	26	29	-	-	-	-	-	n.a.	348	322	-374	-351	-	-
Total operating revenue	2,993	2,913	482	405	688	656	215	n.a.	528	506	-374	-351	4,532	4,129
EBITDA	1,904	1,853	369	306	428	397	85	n.a.	38	84	-	-	2,824	2,640
Operating cash flow	1,260	1,219	294	248	323	291	58	n.a.	1	78	-	-	1,936	1,836
Capital expenditure	343	550	136	118	145	272	14	n.a.	55	49	14	9	707	998
ADJUSTED AMOUNTS(2)														
Adjusted EBITDA	1,904	1,853	442	373	428	397	85	n.a.	38	84	-	-	2,897	2,707
Adjusted operating cash flow	1,260	1,219	328	277	323	291	58	n.a.	1	78	-	-	1,970	1,865

(1) Information on the principal consolidated amounts and the related changes is provided in the "Group financial review".
(2) Details of the composition of the adjusted amounts are provided in the section, "Explanatory notes - Adjusted consolidated results of operations and financial position and reconciliation with reported consolidated amounts".

Operating review for the principal Group companies

Italian motorways

- **Traffic up 2.3% overall in 9M 2017 compared with 9M 2016 (up 2.9% after stripping out leap-year effect and including impact of traffic mix)**
- **Operating revenue of €2,993m up €80m (3%)**
- **EBITDA of €1,904m up €51m (3%)**
- **Capital expenditure totals €343m**

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[3] Details of the composition of the Atlantia Group's operating segments are provided in the "Explanatory notes - Composition of the Group's operating segments". The Atlantia Group's operating segments are identified based on the information provided to and analysed by Atlantia's Board of Directors, which represents the Group's chief operating decision maker, when taking decisions regarding the allocation of resources and assessing performance. In particular, the Board of Directors assesses the performance of the business in terms of geographical area and business segment. As a result of the restructuring of the Atlantia Group, completed in early 2017, information is now presented for five main operating segments ("Italian motorways", "Overseas motorways", "Italian airports", "Overseas airports" and a fifth operating segment including the Parent Company, Atlantia, and the Group's other activities).
Following these changes to the composition of the operating segments, amounts for the first nine months of 2016 have been restated with respect to those published in the interim report for the nine months ended 30 September 2016. Details of the composition of the operating segments are provided in a specific section below.

Traffic

Traffic on the Group's motorway network in the first nine months of 2017 is up 2.3% on the first nine months of the previous year. The number of kilometres travelled by vehicles with 2 axles is up 1.9%, with the figure for those with 3 or more axles up 5.0%.

After adjusting for the leap-year effect and including the impact of the traffic mix, traffic is up by an estimated 2.9% on the first nine months of the previous year.

OPERATOR	KM TRAVELLED (IN MILLIONS)		
	9M 2017 (1)	9M 2016	% CHANGE
Autostrade per l'Italia	36,678	35,871	2.3%
Autostrade Meridionali	1,281	1,239	3.4%
Tangenziale di Napoli	690	695	-0.7%
Autostrada Tirrenica (2)	255	242	5.3%
Raccordo Autostradale Valle d'Aosta	90	87	3.4%
Società Italiana per il Traforo del Monte Bianco	9.1	8.7	4.3%
Total Italian operators	**39,004**	**38,143**	**2.3%**

(1) The traffic figures for September 2017 are provisional.

(2) The 15-km Civitavecchia-Tarquinia section was opened to traffic at the end of March 2016.

Operating results

The Group's Italian motorway operations generated operating revenue of €2,993m in the first nine months of 2017, an increase of €80m on the same period of 2016 (up 3%).

Net toll revenue of €2,737m is up €82m on the first nine months of 2016. The increase is primarily due to traffic growth (boosting toll revenue by an estimated €63m, taking into account the positive impact of the different traffic mix) and application of annual toll increases (up €14m, above all reflecting a 0.64% increase in tolls at Autostrade per l'Italia from 1 January 2017).

EBITDA for the Italian motorways segment in the first nine months of 2017 amounts to €1,904m, up €51m (3%) on the same period of 2016.

This partly reflects an increase of approximately €29m in net operating costs, primarily due to the following:

- an increase in maintenance costs at Autostrade per l'Italia, reflecting an increase in work on the network and changes in the scheduling of resurfacing work, in addition to the costs linked to increased snowfall in early 2017;

- an increase in concession fees, primarily due to the traffic growth;
- a 2% increase in staff costs, before deducting capitalised expenses, essentially reflecting a combination of the following:
  - an increase in the average unit cost (up 4.8%), primarily due to the cost of contract renewals and an increase in the fair value of management incentive plans;
  - a reduction of 164 in the average workforce (down 2.2%), primarily attributable to the Atlantia Group's restructuring and slower turnover among toll collectors in the Italian motorway network.

Capital expenditure

Capital expenditure at the Group's Italian motorway operators in the first nine months of 2017 amounts to €343m.

(€M)	9M 2017	9M 2016
Autostrade per l'Italia -projects in Agreement of 1997	145	272
Autostrade per l'Italia - projects in IV Addendum of 2002	49	116
Autostrade per l'Italia: other capital expenditure (including capitalised costs)	112	108
Other operators (including capitalised costs)	21	36
Total investment in infrastructure operated under concession	**327**	**532**
Investment in other intangible assets	9	9
Investment in property, plant and equipment	7	9
Total capital expenditure	**343**	**550**

With regard to the works envisaged in the Agreement of 1997, work is continuing on widening the A1 between Barberino and Florence North to three lanes. Work is also continuing on the completion of off carriageway works for the *Variante di Valico* and for the Florence North-Florence South section of motorway. Finally, work on upgrading the A1 between Florence South and Incisa (Lot 1 North) is also in progress.

In terms of the works contained in the IV Addendum of 2002, work on construction of link roads serving the A14 motorway and on mitigation works in the Municipality of Fano proceeded in the first nine months of 2017, as did work on completing off carriageway works for the sections between Cattolica and Fano and between Senigallia and Ancona South. The A4-A13 interchange in the vicinity of the Padua Industrial Park toll station was also opened to traffic in September 2017.

Finally, on 7 September 2017, the Grantor approved the Final Design for the upgrade of the road and motorway system serving Genoa (the so-called "*Gronda di Ponente*") and work on the executive design for the project is now in progress.

Autostrade per l'Italia's other capital expenditure includes approximately €41m invested in major works, primarily construction of the fourth free-flow lane for the A4 in the Milan area, work on the new Borgonuovo toll plaza, and design work and surveys carried out in preparation for work on the Bologna Interchange.

Overseas motorways

- **Traffic up 3.4% overall in 9M 2017, compared with 9M 2016 (up 3.8% after stripping out leap-year effect)**
- **Operating revenue of €482m up 19% compared with 2016 (up 11% at constant exchange rates)**
- **EBITDA of €369m up 21% compared with 2016 (up 12% at constant exchange rates)**
- **Capital expenditure totals €136m**

Traffic

The Group's overseas operators registered the following traffic growth in the first nine months of 2017, compared with the same period of 2016: Chile up 4.7%), Brazil up 1.8% and Poland up 6.2%. After adjusting the figures for 2016 for the leap-year effect, traffic is up 5.1% in Chile, 2.2% in Brazil and 6.5% in Poland.

OPERATOR	KM TRAVELLED (IN MILLIONS)		
	9M 2017	9M 2016	% CHANGE
Grupo Costanera			
Costanera Norte	926	878	5.4%
Nororiente	68	65	5.5%
Vespucio Sur	713	688	3.7%
Litoral Central	98	91	7.4%
AMB	20	18	9.2%
Los Lagos	571	548	4.3%
Total Chile	2.396	2.288	4.7%
Triangulo do Sol	1.058	1.046	1.2%
Rodovias das Colinas	1.484	1.469	1.0%
Rodovia MG050	627	597	4.9%
Total Brazil	3.169	3.112	1.8%
Stalexport Autostrada Malopolska	729	686	6.2%
Total Poland	729	686	6.2%
Total consolidated operators	6.293	6.087	3.4%

Operating results

The overseas motorways segment generated operating revenue of €482m in the first nine months of 2017, up €77m (19%) on the same period of 2016. At constant exchange rates, operating revenue is up €44m (11%), reflecting toll increases applied by operators and traffic growth.

Total EBITDA of €369m for the first nine months of 2017 is up €63m (21%) on the same period of 2016. At constant exchange rates, EBITDA is up €38m (12%).

Financial and operational data is provided below for each country.

Chile

Chilean operators' operating revenue for the first nine months of 2017 amounts to €248m, up €46m (23%) on the first nine months of 2016. At constant exchange rates, operating revenue is up €36m (18%), having benefitted from traffic growth and the toll increases that came into effect from January 2017.

EBITDA of €163m is up €27m (20%) on the first nine months of 2016. At constant exchange rates, EBITDA is up €20m (15%). This partly reflects increased margins earned by the in-house construction company, Gesvial, and an increase in the cost of maintenance and resurfacing work at Los Lagos.

The Chilean operators invested a total of €84m in the first nine months of 2017, primarily in connection with the *Santiago Centro Oriente* upgrade programme. As at 30 September 2017, 88% of the works to be carried out on the section of motorway operated by Costanera Norte has been completed. On 29 October, the Kennedy tunnel, a key part of the project in terms of its construction and operational importance, was opened to traffic 12 months ahead of the originally scheduled 53 months. This is a 4-lane underground tunnel of approximately 1.2 km in length passing through an urban area, resolving the traffic problems in one of Santiago's most congested areas. In addition, on 3 November, the operator, Nororiente, opened the Chamisero tunnel to traffic one month ahead of the scheduled 18 months. This 2-lane tunnel of 1.5 km in length duplicates the existing tunnel and means that the entire stretch of road operated by Nororiente now has two lanes in each direction, cutting journey times and improving road safety in one of the fastest growing urban areas in the north-eastern part of Santiago.

Brazil

Operating revenue for the first nine months of 2017 amounts to €232m, up €40m (21%) on the same period of 2016. At constant exchange rates, operating revenue is up €15m (8%). Toll revenue for the first nine months of 2017 benefitted from a recovery in traffic with respect to the same period of 2016 and the toll increases introduced with effect from July 2017, in the case of Triangulo Do Sol and Rodovia das Colinas, and from June 2017, in the case of Rodovia MG050[4].

EBITDA of €164m is up €35m (27%) compared with the first nine months of 2016. At constant exchange rates, EBITDA is up €17m (13%). The increase is partly due to a reduction in the cost of cyclical maintenance and road surfacing compared with the first nine months of 2016.

During the first nine months of 2017, Brazilian operators invested a total of €45m.

Poland

The Stalexport Autostrady group's operating revenue for the first nine months of 2017 amounts to €57m, up €6m (12%) compared with the same period of 2016. At constant exchange rates, operating revenue is up €5m (10%), having benefitted from traffic growth and the toll increases applied from March 2017. EBITDA of €44m is up €4m (10%) on the first nine months of 2016. At constant exchange rates, EBITDA is up €3m (7%).

[4] *On 1 February 2017, Rodovia MG050 applied the toll increase for 2016 following a precautionary injunction authorising the increase, which had been previously put on hold by the Grantor.*

Italian airports

- **Roman airport system handles 36m passengers in 9M 2017, down 0.3% on same period of previous year (in line after stripping out leap-year effect on figure for 2016)**
- **Operating revenue of €688m up €32m (5%)**
- **EBITDA of €428m up €31m (up 8%)**
- **Capital expenditure totals €145m**

Traffic

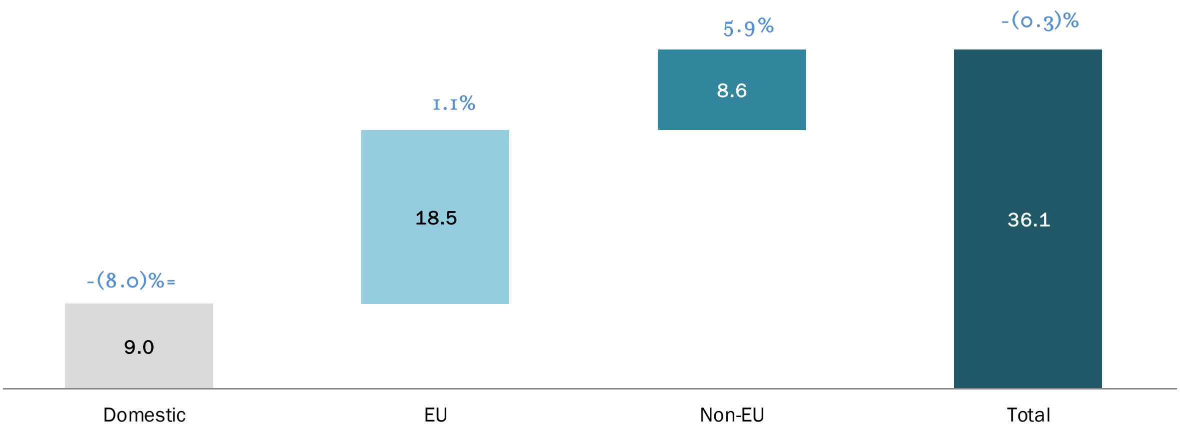
The Roman airport system handled 36m passengers in the first nine months of 2017, marking a slight 0.3% decline compared with the same period of the previous year. After stripping out the leap-year effect on the figure for 2016, traffic is in line with the same period of the previous year.

The EU segment, representing 51% of total traffic, is up 1.1% on the previous year, whilst the Non-EU segment is up 5.9%. The Domestic segment, in contrast, is down 8%, partly due to a decline in operations at Alitalia, which is currently in extraordinary administration.

The reorganisation of Alitalia's network has, moreover, resulted in a reduction in transit passengers using Fiumicino.

Breakdown of traffic using the Roman airport system in 9M 2017

(millions of pax and change 9M 2017 versus 9M 2016)



Operating results

The Italian airports business generated operating revenue of €688m in the first nine months of 2017, an increase of €32m (5%) compared with the same period of the previous year. Aviation revenue of €491m is up €8m (2%) on the first nine months of 2016, reflecting the positive performance of the traffic mix and the increase in airport fees applied from 1 March of each year. Other operating income of €197m is up €24m on the first nine months of 2016, reflecting the opening of the new retail plaza in Terminal 3 at Fiumicino at the end of 2016. EBITDA of €428m is up €31m (8%) compared with the same period of the previous year.

Capital expenditure

Capital expenditure totalled €145m in the first nine months of 2017. Work on the upgrade of Runway 1 at Fiumicino was completed. Finishing work and complementary works for boarding area E were also completed, as was the internal upgrade and refurbishment of Terminals 1 and 3, in readiness for the transfer of flights that previously departed from Terminal 5. Finally, work continued on installation of the new runway electrical system.

At Ciampino airport, work on the upgrade of the General Aviation Terminal was completed.

(€M)	9M 2017	9M 2016
T3 wing and boarding area E	20	106
Work on baggage handling sub-systems and airport equipment	8	42
Work on terminals and piers	31	44
Work on technical systems and networks	13	24
Work on runways and aprons	42	12
Other	31	44
TOTAL	145	272

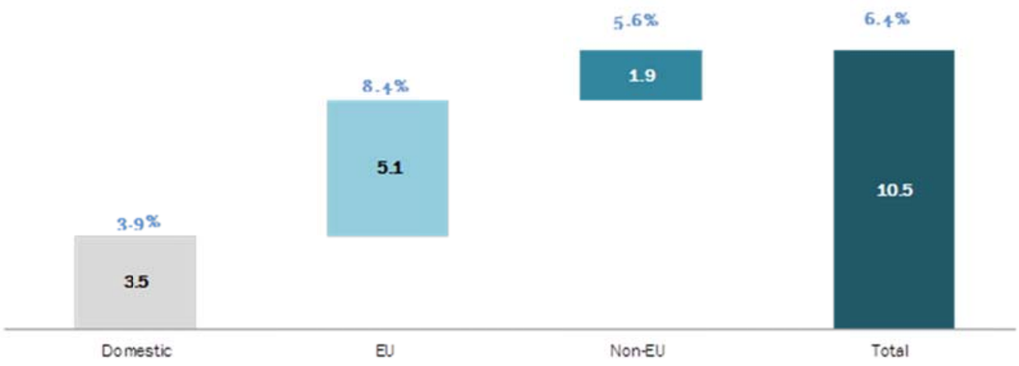
Overseas airports

- **Nice airport handles 10.5m passengers in 9M 2017, up 6.4% on same period of previous year (6.7% after stripping out leap-year effect on figure for 2016)**
- **Operating revenue totals €215m**
- **EBITDA totals €85m**
- **Capital expenditure totals €14m**

Traffic

Nice airport handled 10.5m passengers in the first nine months of 2017, marking an increase of 6.4% compared with the same period of the previous year. In terms of general aviation, movements were up 4.3% in the first nine months of 2017[5].

Breakdown of traffic using Nice airport in 9M 2017
(millions of pax and change 9M 2017 versus 9M 2016)



Operating results

The Group's overseas airports segment generated operating revenue of €215m in the first nine months of 2017. Aviation revenue of €123m primarily consists of fees earned by the airports of Nice, Cannes and Saint-Tropez, in addition to the contribution from the Sky Valet FBO network, which also includes the Portuguese ground handling operations acquired in May 2016. Other operating income amounts to €92m. EBITDA totals €85m.

Capital expenditure

The Aéroports de la Côte d'Azur group's capital expenditure amounts to €14m for the first nine months of 2017. Initiatives designed to expand capacity amount to €11m and include work on increasing the retail offering and expanding the capacity of Terminal 2 and work on the tram line to Nice airport. The Aéroports de la Côte d'Azur group invested a further €3m in the upgrade of airport infrastructure, primarily runways and taxiways, to comply with EASA regulations. The group also acquired security equipment and carried out work designed to ensure security in the area of the airport open to the public.

[5] The figures refer to the airports of Nice, Cannes and Saint-Tropez.

Events after 30 September 2017

Voluntary public tender offer, in cash and shares, for the entire issued capital of Abertis Infraestructuras

On 9 October 2017, the Spain's stock market regulator, the Comisión Nacional del Mercado de Valores ("CNMV") granted clearance for the voluntary public tender offer, in cash and shares, for the entire issued capital of Abertis and, on 10 October 2017, the acceptance period began. On 18 October 2017, a competing offer was submitted by Hochtief, thus interrupting the acceptance period for Atlantia's bid, which was due to close on 24 October 2017. If and when the CNMV grants clearance for the competing offer, the two offers will both be in the market.

Group operating review

Introduction

The financial review contained in this section presents and analyses the Atlantia Group's reclassified consolidated income statement and the statement of changes in consolidated net debt for the first nine months of 2017, with comparative amounts for the first nine months of 2016, and the reclassified statement of financial position as at 30 September 2017, compared with the corresponding amounts as at 31 December 2016. The consolidated financial statements for the first nine months of 2017 have been prepared in compliance with the international financial reporting standards (IFRS) in force and endorsed by the European Commission at 30 September 2017. These standards are not materially different from those used in the preparation of the consolidated financial statements as at and for the year ended 31 December 2016.

The Group's scope of consolidation as at 30 September 2017 is unchanged with respect to 31 December 2016. However, amounts for the first nine months of 2017 include the contribution of Aéroports de la Côte d'Azur ("ACA") and its subsidiaries following completion of the French company's acquisition at the end of 2016 through the acquisition vehicle, Azzurra Aeroporti. Whilst not modifying the Group's scope of consolidation, the Group's restructuring, begun in 2016, was completed in the first nine months of 2017. Completion of the process involved Autostrade per l'Italia's distribution of a special dividend in kind to its parent, Atlantia, via the transfer of its entire interests in Autostrade dell'Atlantico and Autostrade Indian Infrastructure Development.

Following the agreements entered into in April 2017, on 26 July 2017, the sale of an 11.94% stake in Autostrade per l'Italia to a number of institutional investors was completed.

On 15 May 2017, Atlantia announced that its Board of Directors had decided to launch a voluntary public tender offer, in cash and shares, for the entire issued capital of Abertis Infraestructuras, a listed Spanish company. In preparing its offer, Atlantia incurred expenses during the first nine months of 2017, as described in the section, "Explanatory notes – Like-for-like changes".

Finally, on 31 July 2017, Atlantia completed the sale of a 12.5% interest in Azzurra Aeroporti, the majority shareholder in Aéroports de la Côte d'Azur, to Société Monegasque d'Investissement Aeroportuaire SA (SMIA), a wholly owned subsidiary of the Principality of Monaco.

An explanation of the term "like-for-like basis", used in the description of certain amounts in the consolidated income statement and statement of financial position, is provided in the "Explanatory notes - Like-for-like changes" below.

Consolidated results of operations

"**Operating revenue**" for the first nine months of 2017 totals €4,532m, up €403m (10%) on the same period of 2016 (€4,129m).

"**Toll revenue**" of €3,189m is up €152m (5%) compared with the first nine months of 2016 (€3,037m). After stripping out the impact of exchange rate movements, which had a positive impact of €31m in the first nine months of 2017, toll revenue is up €121m, primarily as a result of the following:

- traffic growth on the Italian network (up 2.3%, boosting revenue by an estimated €63m, after taking into account the positive impact of the different traffic mix) and the application of annual toll increases (up €14m, above all reflecting a 0.64% increase in tolls at Autostrade per l'Italia from 1 January 2017);
- an improved contribution from overseas operators (up €38m), linked both to the application of toll increases on the overseas network and to traffic growth registered by operators in Chile (up 4.7%), Brazil (up 1.8%) and Poland (up 6.2%).

"**Aviation revenue**" of €614m is up €131m (27%) compared with the first nine months of 2016 (€483m), primarily reflecting the contribution of the ACA group (up €123m). The improvement also reflects annual increases in airport fees (applied from 1 March 2016 and 1 March 2017) and the positive impact of the passenger mix at Aeroporti di Roma (boosting revenue by €8m).

"**Contract revenue**" and "**Other operating income**", totalling €729m, is up €120m on the first nine months of 2016 (€609m), primarily reflecting the contribution from the ACA group (€92m) and increased retail revenue at Aeroporti di Roma, linked to the opening of the new retail plaza located in the new wing of Terminal 3 at Fiumicino at the end of 2016, as well as to increase revenue at Telepass.

Reclassified consolidated income statement (1)

€m	9M 2017	9M 2016	INCREASE (DECREASE) ABSOLUTE	%
Toll revenue	3,189	3,037	152	5
Aviation revenue	614	483	131	27
Contract revenue	24	42	-18	-43
Other operating income	705	567	138	24
Total operating revenue	**4,532**	**4,129**	**403**	**10**
Cost of materials and external services (2)	-657	-518	-139	27
Concession fees	-391	-377	-14	4
Staff costs	-740	-666	-74	11
Capitalised staff costs	80	72	8	11
Total net operating costs	**-1,708**	**-1,489**	**-219**	**15**
Gross opearting profit (EBITDA)	**2,824**	**2,640**	**184**	**7**
Amortisation, depreciation, impairment losses and reversals of impairment losses	-837	-688	-149	22
Changes on provisions and other adjustments	-87	-230	143	-62
Operating profit (EBIT)	**1,900**	**1,722**	**178**	**10**
Financial expenses, after financial income	-394	-374	-20	5
Share of profit/(loss) of associates and joint ventures accounted for using the equity method	-7	-6	-1	17
Profit (Loss) before tax from continuing operations	**1,499**	**1,342**	**157**	**12**
Income tax (expense)	-510	-442	-68	15
Profit/(Loss) from continuing operations	**989**	**900**	**89**	**10**
Profit/(Loss) from discontinued operations	-1	-	-1	n.s.
Profit for the period	**988**	**900**	**88**	**10**
Profit/(Loss) attributable to non-controlling interests	128	87	41	47
Profit/(Loss) attributable to owners of the parent	**860**	**813**	**47**	**6**

	9M 2017	9M 2016	INCREASE (DECREASE)
Basic earnings per share attributable to the owners of the parent (€)	**1.05**	**0.99**	**0.06**
of which: - continuing operations	1.05	0.99	0.06
- discontinued operations	-	-	-
Diluted earnings per share attributable to the owners of the parent (€)	**1.05**	**0.99**	**0.06**
of which: - continuing operations	1.05	0.99	0.06
- discontinued operations	-	-	-

(1) The reconciliation with the reported amounts in the consolidated income statement, is provided in the section "Methodological Notes".

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

"**Net operating costs**" of €1,708m are up €219m (15%) on the first nine months of 2016 (€1,489m).

The "**Cost of materials and external services**" amounts to €657m, up €139m compared with the first nine months of 2016 (€518m). After stripping out the impact of exchange rate movements, the increase is €134m, primarily due to a combination of the following:

- the contribution of the ACA group (€88m);
- the costs incurred for the external consultants engaged in relation to the public tender offer, in cash and shares, for the entire issued capital of Abertis Infraestructuras SA and to the sale of a non-controlling interest in Autostrade per l'Italia;
- an increase in maintenance costs at Autostrade per l'Italia, reflecting an increase in work on the network and changes in the scheduling of resurfacing work, in addition to the costs linked to increased snowfall in the period under review.

"**Concession fees**", totalling €391m, are up €14m (4%) compared with the first nine months of 2016 (€377m), primarily due to the increase in toll revenue at the Italian operators and the contribution of the ACA group.

"**Staff costs**", after deducting capitalised expenses, amount to €660m (€594m in the first nine months of 2016) and are up €66m (11%).

"**Gross staff costs**" of €740m are up €74m (11%) compared with the first nine months of 2016 (€666m). After stripping out the impact of exchange rate movements, the increase is €71m (11%) and reflects:

- an increase of 913 in the average workforce (up 6%), primarily reflecting the contribution from the ACA group, the recruitment of staff engaged in the implementation of investments provided for in the *Santiago Centro Oriente* expansion programme in Chile, an increase in motorway and airport construction work carried out by Pavimental in Italy, the increased volume of infrastructure operated and the Aeroporti di Roma group's continued implementation of insourcing programmes;
- an increase in the average unit cost (up 3.7%), primarily due to the cost of contract renewals at the Group's Italian companies and the increased fair value of management incentive plans.

"**Gross operating profit**" **(EBITDA)** of €2,824m is up €184m (7%) on the first nine months of 2016 (€2,640m). On a like-for-like basis, gross operating profit is up €159m (6%).

"**Amortisation and depreciation, impairment losses and reversals of impairment losses**", totalling €837m, is up €149m on the first nine months of 2016 (€688m). This is essentially due to increased charges for amortisation and depreciation recognised by the Italian motorway and airport operators and the contribution of the ACA group.

The "**Operating change in provisions and other adjustments**" shows an expense of €87m for the first nine months of 2017, compared with expense of €230m for the first nine months of 2016. The reduction in the expense compared with the same period of 2016, amounting to €143m, primarily reflects an increase in the interest rate used at 30 September 2017 to discount provisions for the repair and replacement of motorway infrastructure and provisions for the refurbishment of airport infrastructure.

"**Operating profit**" **(EBIT)** of €1,900m is up €178m (10%) compared with the first nine months of 2016 (€1,722m).

"**Net financial expenses**" of €394m in the first nine months of 2017 are up €20m compared with the same period of 2016 (€374m), essentially due to the following:

- the unwinding of a number of Forward-Starting Interest Rate Swaps on which fair value losses of €21m were incurred, following the issue and accompanying partial repurchase of certain bonds by Autostrade per l'Italia, completed in September 2017;
- financial expenses, attributable to the first nine months of 2017, linked to the tender offer for Abertis, totalling €13m;
- a reduction in financial expenses from the discounting of provisions in the first nine months of 2017, reflecting the different discount rates applied in the two comparative periods (€16m).

"**Income tax expense**" amounts to €510m, an increase of €68m compared with the first nine months of 2016. The increase essentially reflects recognition of the tax expense (€46m) on Autostrade per l'Italia's distribution, in the first nine months of 2017, of the special dividend in kind and of a portion of its equity reserves to Atlantia, only partially offset by the reduction in the IRES rate for the Group's Italian companies from the 2017 financial year.

"**Profit from continuing operations**" amounts to €989m, up €89m on the first nine months of 2016 (€900m).

"**Profit for the period**", amounting to €988m, is up €88m on the first nine months of 2016 (€900m). On a like-for-like basis, profit for the period is unchanged.

"**Profit for the period attributable to owners of the parent**" (€860m) is up €47m compared with the first nine months of 2016 (€813m). On a like-for-like basis, profit for the period attributable to owners of the parent is down €20m (2%), essentially due to the above sale of an 11.94% stake in Autostrade per l'Italia to non-controlling shareholders.

"**Profit attributable to non-controlling interests**" amounts to €128m, up €41m on the first nine months of 2016 (€87m), primarily following the acquisition of interests in Autostrade per l'Italia by new shareholders.

Consolidated financial position

As at 30 September 2017, "**Non-current non-financial assets**", totalling €29,726m, are down €672m compared with 31 December 2016 (€30,398m). This essentially reflects the effect of currency translation differences on the concession rights of overseas operators due to a weakening of the Brazilian real and the Chilean peso against the euro as at 30 September 2017, compared with 31 December 2016.

"**Working capital**" reports a negative balance of €1,637m, compared with a negative €1,329m as at 31 December 2016, marking an increase of €308m. This primarily reflects the following:

- an increase net current tax liabilities of €250m due to recognition of tax expense for the period, after the balance due for 2016 and payments on account for 2017;
- an increase of €279m in the current portion of provisions for construction services required by contract, reflecting the combined effect of reclassification of the current portion (€543m) and uses during the period (€264m);
- an increase in trade receivables of €212m, primarily linked to trends in the billing of motorway tolls and an increase in amounts due from airport customers.

"**Non-current non-financial liabilities**", totalling €6,768m are down €615m compared with 31 December 2016 (€7,383m), essentially due to the above reclassification of the current portion of provisions for construction services required by contract, totalling €543m.

As a result, "**Net invested capital**" totals €21,321m (€21,686m as at 31 December 2016).

"**Equity attributable to owners of the parent and non-controlling interests**" totals €11,990m (€10,009m as at 31 December 2016).

"**Equity attributable to owners of the parent**", totalling €8,950m, is up €1,726m compared with 31 December 2016 (€7,224m). This essentially reflects a combination of the following:

- the sales of an 11.94% stake in Autostrade per l'Italia and of a 12.5% interest in Azzurra Aeroporti and the acquisition of 2.65% of Aeroporti di Roma, resulting in an overall increase of €1,398m;
- profit for the period (€860m);
- the payment of the final dividend for 2016 (€433m);
- the purchase of treasury shares (€84m).

"**Equity attributable to non-controlling interests**" of €3,040m is up €255m compared with 31 December 2016 (€2,785m), primarily due to the above acquisitions of interests in Autostrade per l'Italia and Azzurra Aeroporti by non-controlling shareholders.

Reclassified consolidated statement of financial position[1]

€m	30/09/2017	31/12/2016	INCREASE (DECREASE)
Non-current non-financial assets (A)	29,726	30,398	-672
Working capital (B)	-1,637	-1,329	-308
Gross invested capital (C=A+B)	28,089	29,069	-980
Non-current non-financial liabilities (D)	-6,768	-7,383	615
NET INVESTED CAPITAL (E=C+D)	21,321	21,686	-365
Equity attributable to owners of the parent	8,950	7,224	1,726
Equity attributable to non-controlling interests	3,040	2,785	255
Equity (F)	11,990	10,009	1,981
Non-current net debt (G)	14,571	12,595	1,976
Current net debt (H)	-5,240	-918	-4,322
Net Debt (I=G+H)	9,331	11,677	-2,346
NET DEBT AND EQUITY (L=F+I)	21,321	21,686	-365

(1) The reconciliation with the reported amounts in the consolidated statement of financial position, is provided in the section "Methodological Notes".

"**Net debt**" as at 30 September 2017 amounts to €9,331m, down €2,346m compared with 31 December 2016 (€11,677m). A detailed analysis of this change is provided in the following section, "Consolidated cash flow".

The residual weighted average term to maturity of the Group's interest bearing debt as at 30 September 2017 is six years and six months. 93% of the Group's debt is fixed rate.
The average cost of the Group's medium/long-term borrowings in the first nine months of 2017 was approximately 3.9% (reflecting the combined effect of 3.3% for the companies operating in Italy, 5.6% for the Chilean companies and 13% for the Brazilian companies).

As at 30 September 2017, project debt attributable to specific overseas companies amounts to €1,481m. At the same date, the Group has cash reserves of €8,272m, consisting of:

a) €5,450m in cash and/or in investments maturing in the short term;
b) €492m in term deposits allocated primarily to part finance the execution of specific construction services and to service the debt of the Chilean companies;
c) €2,330m in undrawn committed lines of credit.

As at 30 September 2017, the Group has lines of credit with an average residual term to maturity of approximately seven years and a weighted average residual drawdown period of two years and three months.

Consolidated cash flow

"**Net cash from operating activities**" amounts to €1,886m, a reduction of €15m compared with the comparative period (€1,901m). This essentially reflects a combination of the following:

- the increased outflow in the first nine months of 2017 due to movements in operating capital, primarily caused by the above increases in motorway tolls receivable and amounts due from airport customers;
- an increase of €100m in operating cash flow, which in the first nine months of 2017 includes the contribution of the ACA group, totalling €58m. On a like-for-like basis, operating cash flow amounts to €1,967m, marking an increase of €92m (5%) compared with the first nine months of 2016, primarily due to an increase in cash from operating activities (EBITDA).

"Cash from investment in non-financial assets" amounts to €961m, compared with an outflow of €1,127m in the first nine months of 2016. This reflects the following:

- the proceeds from the sale of an 11.94% stake in Autostrade per l'Italia and of a 12.50% interest in Azzurra Aeroporti to non-controlling shareholders, totalling €1,870m;

- a reduction of €291m in capital expenditure on motorway and airport assets;
- investment in companies already consolidated, totalling €99m, almost entirely reflecting the acquisition of a further interest (2.65%) in Aeroporti di Roma.

"Net equity cash outflows" amount to €643m, reflecting dividends payable to owners of the parent and non-controlling shareholders, totalling € €473m (€419m in the first nine months of 2016), the purchase of treasury shares at a cost of €84m and the return of capital to non-controlling shareholders by the Chilean holding company, Grupo Costanera (€94m).

Net debt also declined €142m in the first nine months of 2017, primarily due to the change in the fair value of hedging derivatives, reflecting higher interest rates during the period and accrued financial income on the medium/long-term receivable due from Infra Bertin Empreendimentos, which controls the project company, SPMAR. There was an increase of €152 million in net debt in the first nine months of 2016, above all reflecting an increase in fair value losses on hedging derivatives as a result of falling interest rates.

Statement of changes in consolidated net debt[1]

€m	9M 2017	9M 2016
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Operating cash flow	1,936	1,836
Change in operating capital	-324	-219
Other changes in non-financial assets and liabilities	274	284
Net cash generated from operating activities (A)	**1,886**	**1,901**
NET CASH FROM/(USED IN) INVESTMENT IN NON-FINANCIAL ASSETS		
Capital expenditure	-707	-998
Government grants related to assets held under concession	1	6
Increase in financial assets deriving from concession rights (related to capital expenditure)	51	54
Purchase of investments	-169	-179
Purchase of additional capital in consolidated investments	-99	-
Proceeds from sales of property, plant and equipment, intangible assets and unconsolidated investments	-	4
Proceeds from sales of minority stakes in consolidated investments	1,870	-
Net change in other non-current assets	14	-14
Net cash used in investment in non-financial assets (B)	**961**	**-1,127**
NET EQUITY CASH INFLOWS/(OUTFLOWS)		
Purchase of treasury shares	-84	-
Dividends declared by Group companies to non-controlling shareholders	-473	-419
Proceeds from exercise of rights under share-based incentive plans	9	1
Capital redemption to non-controlling interest	-95	-6
Net equity cash outflows (C)	**-643**	**-424**
Increase in cash and cash equivalents during period (A+B+C)	**2,204**	**350**
Other changes in net debt (D)	**142**	**-152**
Decrease in net debt during period (A+B+C+D)	**2,346**	**198**
Net debt at beginning of period	**-11,677**	**-10,387**
Net debt at end of period	**-9,331**	**-10,189**

(1) The reconciliation with the reported amounts in the consolidated statement of cash flows is provided in the section "Methodological Notes".

Outlook and risks or uncertainties

We expect to see an improvement in the Group's earnings in 2017. In particular:

Italian motorways

The operating results for the Italian motorways segment for the current year will benefit from positive traffic trends.

Overseas motorways

Traffic growth will have a positive impact on the Group's results. The contribution of the Group's overseas motorway operations to its results is, however, subject to movements in the respective currencies.

Italian airports

Aviation revenue for the current year will be affected by 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 will, instead, benefit from the opening of the new retail plaza in the non-Schengen area at Fiumicino.

Overseas airports

The Group's results for 2017 will also include the impact of the consolidation of Aéroports de la Côte d'Azur throughout the full year.

Atlantia and other activities

Finally, the operating results for the current year will include the expenses incurred by Atlantia in relation to its sale of a minority interest in Autostrade per l'Italia and the process involved in the voluntary public tender offer, in cash and shares, for the entire issued capital of Abertis Infraestructuras.

Explanatory notes

Like-for-like changes

The term "like-for-like basis", used in the consolidated financial review, indicates that amounts for comparative periods have been determined by eliminating:

- from consolidated amounts for the first nine months of 2017:
    - the contribution of ACA and its subsidiaries, consolidated from December 2016, and the cost of the acquisition of ACA by Azzurra Aeroporti;
    - the charges incurred in relation to the voluntary public tender offer, in cash and shares, for the entire issued capital of Abertis Infraestructuras, announced on 15 May 2017, and the unlocking of value from the Italian motorway assets through the sale of an 11.94% stake in Autostrade per l'Italia;
    - the difference between foreign currency amounts for the first nine months of 2017 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 the same period of 2016;
    - the after-tax impact of the difference in the discount rates applied to the provisions accounted for among the Group's liabilities;
    - the after-tax impact of the financial income and expenses resulting from the issue and accompanying partial repurchase of certain bonds by Autostrade per l'Italia in September 2017;
    - the current tax expense connected with Autostrade per l'Italia's distribution, to its parent, Atlantia, of available equity reserves and of a special dividend in kind via the transfer of its entire interests in Autostrade dell'Atlantico and Autostrade Indian Infrastructure Development;
- from consolidated amounts for the first nine months of 2016:
    - the financial income generated by reversal of the impairment loss on the investment in Lusoponte;
    - the after-tax impact of the difference in the discount rates applied to the provisions accounted for among the Group's liabilities;
    - the financial expenses, after the related taxation, linked to the partial buyback, in early 2016, of certain bonds issued by Atlantia;
    - the increase in the Italian companies' tax expense resulting from approval of the 2016 Stability Law, which reduced the IRES tax rate from 27.5% to 24% with effect from 1 January 2017.

The following table shows a reconciliation of like-for-like consolidated amounts for gross operating profit (EBITDA), profit for the period, profit for the period attributable to owners of the parent and operating cash flow for the comparative periods and the corresponding amounts presented in the reclassified consolidated financial statements shown above.

€M	GROSS OPERATING PROFIT (EBITDA)	PROFIT FOR THE PERIOD	PROFIT FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT	OPERATING CASH FLOW
Reported amounts for 9M 2017 (A)	2,824	988	860	1,936
Adjustment for non like-for-like items 9M 2017				
Change in scope of consolidation (ACA Group and Azzurra Aeroporti related expenses)	85	13	4	58
Exchange rate movements	25	9	5	15
Expenses related to Atlantia tender offer on Abertis and Italian motorway activities improvement	-35	-39	-38	-39
Change in discount rate applied to provisions	-	26	21	-3
Impact of issue and partial repurchase of certain bonds (September 2017)	-	-16	-14	-16
Tax on transactions involved in Group restructuring	-	-46	-46	-46
Sub-total (B)	**75**	**-53**	**-68**	**-31**
Like-for-like amounts 9M 2017 (C) = (A)-(B)	2,749	1,041	928	1,967
Reported amounts for 9M 2016 (D)	2,640	900	813	1,836
Adjustment for non like-for-like items 9M 2016				
Reversal of impairment loss on carrying amount of Lusoponte	-	25	25	-
Change in discount rate applied to provisions	-	-114	-109	-
Partial redemptions of Atlantia Bonds	-	-7	-7	-7
Higher IRES (corporation tax) rate reduced from 2017 with 2016 Stability Law	-	-45	-44	-32
Sub-total (E)	**-**	**-141**	**-135**	**-39**
Like-for-like amounts 9M 2016 (F) = (D)-(E)	2,640	1,041	948	1,875
Like-for-like change (G) = (C)-(F)	109	-	-20	92

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

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

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

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

RECONCILIATION OF ADJUSTED AND REPORTED CONSOLIDATED AMOUNTS

€M	9M 2017		9M 2016	
	EBITDA	Operating cash flow	EBITDA	Operating cash flow
Reported amounts	2,824	1,936	2,640	1,836
Increase in revenue for guaranteed minimum revenue	61	61	54	54
Grants for motorway maintenance	12	12	12	12
Grants for investment in motorway infrastructure	-	-	1	1
Reversal of financial income deriving from discounting of financial assets deriving from concession rights (guaranteed minimums)	-	-34		-33
Reversal of financial income deriving from discounting of financial assets deriving from government grants for motorway maintenance	-	-5		-5
Total adjustments	73	34	67	29
Adjusted amounts	2,897	1,970	2,707	1,865

€M	NET DEBT AS AT 30 SEPTEMBER 2017	NET DEBT AS AT 31 DECEMBER 2016
Reported amounts	9,331	11,677
Reversal of financial assets deriving from:		
- takeover rights	400	398
- guaranteed minimums	597	656
- grants for motorway maintenance	75	92
Total adjustments	1,072	1,146
Adjusted amounts	10,403	12,823

Composition of the Group's operating segments

The Atlantia Group's operating segments have been identified in terms of both business segment and geographical area. The composition of the Atlantia Group's operating segments as at 30 September 2017 is 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 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, and its subsidiaries;
- **Overseas airports**: this includes the airport operations of the companies controlled by Aéroports de la Côte d'Azur (ACA), the company that (directly and indirectly) operates the airports of Nice, Cannes-Mandelieu and Saint-Tropez and the international network of ground handlers, Sky Valet, in addition to the Italian hol.ding company, Azzurra Aeroporti, which holds the investment in ACA;
- **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 most important companies in this segment are Telepass and Electronic Transaction Consultants;
  - the companies whose business is the design, construction and maintenance of infrastructure, essentially Spea Engineering and Pavimental.

Alternative performance indicators

In application of the CONSOB Ruling of 3 December 2015, governing implementation in Italy of the guidelines for alternative performance indicators ("APIs") issued by the European Securities and Markets Authority (ESMA), 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 consolidated companies. In addition, the APIs provide an improved basis for comparison of the results over time, even if they are not a replacement for or an alternative to the results published in accordance with international financial reporting standards (IFRS).

With regard to the APIs, Atlantia presents its reclassified income statement, reclassified statement of financial position and statement of cash flows in the "Group financial review" included in this release. In addition to amounts from the income statement and statement of financial position prepared under 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.

In this regard, the "Reconciliation of the reclassified and reported financial statements", included below, presents the reconciliation of the reported financial statements with the corresponding reclassified financial statements. A list of the APIs used in this release, together with a brief description and reconciliation with reported amounts, is provided below:

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

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

- "**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. The reconciliation of the like-for-like indicators and the corresponding amounts in the reclassified financial statements is provided in the section, "Explanatory notes - Like-for-like changes", in this press release, in addition to details of the adjustments made;
- "**Adjusted consolidated results of operations and financial position**", which present adjusted amounts for consolidated gross operating profit (EBITDA), operating cash flow and net debt. These amounts are adjusted by stripping out, from the reported amounts in the reclassified consolidated financial statements, the impact of application of the "financial model", introduced by IFRIC 12, by certain of the Group's operators. Details of the adjustments made and the reconciliation with the corresponding reported amounts are provided in the section, "Explanatory notes - Adjusted consolidated results of operations and financial position and reconciliation with reported consolidated amounts", included in this release.

Reconciliation of the reported and reclassified financial statements

Reconciliations of the income statement, statement of financial position and statement of cash flows, as prepared under international financial reporting standards (IFRS), with the corresponding reclassified financial statements presented in the "Group financial review" are shown below.

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

€m	9M 2017						9M 2016					
Reconciliation of items	Reported basis			Reclassified basis			Reported basis			Reclassified basis		
	Ref.	Sub-items	Main entries	Ref.	Sub-items	Main entries	Ref.	Sub-items	Main entries	Ref.	Sub-items	Main entries
Toll revenue			3,189			3,189			3,037			3,037
Aviation revenue			614			614			483			483
Revenue from construction services			307						450			
Revenue from construction services - government grants and cost of materials and external services	*(a)*	*270*					*(a)*	*417*				
Capitalised staff costs - construction services for which additional economic benefits are received	*(b)*	*28*					*(b)*	*28*				
Revenue from construction services: capitalised financial expenses	*(c)*	*2*					*(c)*	*5*				
Revenue from construction services provided by sub-operators	*(d)*	*7*					*(d)*	*-*				
Contract revenue			24			24			42			42
Other revenue	*(e)*		698				*(e)*		567			
Other operating income				*(e+d)*		705				*(e+d)*		567
Total revenue			**4,832**						**4,579**			
TOTAL OPERATING REVENUE						**4,532**						**4,129**
Raw and consumable materials			**-231**		-231				**-194**		-194	
Service costs			**-878**		-878				**-1,102**		-1,102	
Gain/(Loss) on sale of elements of property, plant and equipment			**1**		1				**-**		-	
Other expenses			**-478**						**-431**			
Concession fees	*(r)*		-391				*(r)*		-377			
Lease expense			-18		-18				-12		-12	
Other			-69		-69				-42		-42	
Use of provisions for construction services required by contract				*(i)*	*222*					*(i)*	*341*	
Revenue from construction services: government grants and capitalised cost of materials and external services				*(a)*	*270*					*(a)*	*417*	
Use of provisions for refurbishment of airport infrastructure				*(h)*	*46*					*(h)*	*74*	
COST OF MATERIALS AND EXTERNAL SERVICES						**-657**						**-518**
CONCESSION FEES				*(r)*		**-391**				*(r)*		**-377**
Staff costs	*(f+g)*		**-732**				*(f+g)*		**-662**			
GROSS STAFF COSTS				*(f)*		**-740**				*(f)*		**-666**
Capitalised staff costs for non-concession-related activities				*(g)*	*8*					*(g)*	*4*	
Capitalised staff costs - construction services for which no additional economic benefits are received				*(j)*	*44*					*(j)*	*40*	
Capitalised staff costs - construction services for which additional economic benefits are received				*(b)*	*28*					*(b)*	*28*	
CAPITALISED STAFF COSTS						**80**						**72**
TOTAL NET OPERATING COSTS						**-1,708**						**-1,489**
GROSS OPERATING PROFIT (EBITDA)						**2,824**						**2,640**
OPERATING CHANGE IN PROVISIONS AND OTHER ADJUSTMENTS						**-87**						**-230**
Operating change in provisions			**-32**						**-153**			
(Provisions)/ Uses of provisions for repair and replacement of motorway infrastructure			-24		-24				-173		-173	
(Provisions)/ Uses of provisions for refurbishment of airport infrastructure			6						28			
Provisions for refurbishment of airport infrastructure		*-40*			-40			*-46*			-46	
Use of provisions for refurbishment of airport infrastructure	*(h)*	*46*					*(h)*	*74*				
Other provisions			-14		-14				-8		-8	
(Impairment losses)/Reversals of impairment losses on current assets				*(m)*	-9					*(m)*	-3	
Use of provisions for construction services required by contract			**266**						**381**			
Use of provisions for construction services required by contract	*(i)*	*222*					*(i)*	*341*				
Capitalised staff costs - construction services for which no additional economic benefits are received	*(j)*	*44*					*(j)*	*40*				
Amortisation and depreciation	*(k)*		**-837**				*(k)*		**-688**			
Depreciation of property, plant and equipment			-49						-39			
Amortisation of intangible assets deriving from concession rights			-743						-604			
Amortisation of other intangible assets			-45						-45			
(Impairment losses)/Reversals of impairment losses			**-9**						**-3**			
(Impairment losses)/Reversals of impairment losses on property, plant and equipment and intangible assets	*(l)*	*-*					*(l)*	*-*				
(Impairment losses)/Reversals of impairment losses on current assets	*(m)*	*-9*					*(m)*	*-3*				
AMORTISATION, DEPRECIATION, IMPAIRMENT LOSSES AND REVERSALS OF IMPAIRMENT LOSSES				*(k+l)*		**-837**				*(k+l)*		**-688**
TOTAL COSTS			**-2,930**						**-2,852**			
OPERATING PROFIT/(LOSS)			**1,902**						**1,727**			
OPERATING PROFIT/(LOSS) (EBIT)						**1,900**						**1,722**
Financial income			**285**						**288**			
Financial income accounted for as an increase in financial assets deriving from concession rights and government grants	*(n)*		55				*(n)*		49			
Dividends received from investees	*(o)*		12				*(o)*		8			
Other financial income	*(p)*		218				*(p)*		231			
Financial expenses			**-689**						**-674**			
Financial expenses from discounting of provisions for construction services required by contract and other provisions	*(q)*		-32				*(q)*		-48			
Other financial expenses	*(r)*		-657				*(r)*		-626			
Foreign exchange gains/(losses)	*(s)*		**8**				*(s)*		**7**			
Other financial expenses, after other financial income												
Capitalised financial expenses on intangible assets deriving from concession rights												
FINANCIAL INCOME/(EXPENSES)			**-396**						**-379**			
Financial expenses, after financial income				*(n+o+p+q+r+s+c)*		**-394**				*(n+o+p+q+r+s+c)*		**-374**
Share of (profit)/loss of investees accounted for using the equity method			**-7**			**-7**			**-6**			**-6**
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS			**1,499**			**1,499**			**1,342**			**1,342**
Income tax (expense)/benefit			**-510**			**-510**			**-442**			**-442**
Current tax expense			-457						-420			
Differences on tax expense for previous years			2						10			
Deferred tax income and expense			-55						-32			
PROFIT/(LOSS) FROM CONTINUING OPERATIONS			**989**			**989**			**900**			**900**
Profit/(Loss) from discontinued operations			**-1**			**-1**			**-**			**-**
PROFIT FOR THE YEAR			**988**			**988**			**900**			**900**
of which:												
Profit attributable to owners of the parent			**860**			**860**			**813**			**813**
Profit attributable to non-controlling interests			**128**			**128**			**87**			**87**

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

€M	30 September 2017				31 December 2016			
Reconciliation of items	**Reported basis**		**Reclassified basis**		**Reported basis**		**Reclassified basis**	
	Ref.	**Main entries**	**Ref.**	**Main entries**	**Ref.**	**Main entries**	**Ref.**	**Main entries**
Property, plant and equipment	*(a)*	297		297	*(a)*	291		291
Intangible assets	*(b)*	27,654		27,654	*(b)*	28,383		28,383
Investments	*(c)*	447		447	*(c)*	291		291
Deferred tax assets	*(d)*	1,313		1,313	*(d)*	1,403		1,403
Other non-current assets	*(e)*	15		15	*(e)*	30		30
Total non-current non-financial assets (A)				**29,726**				**30,398**
Working capital								
Trading assets	*(f)*	1,909		1,909	*(f)*	1,672		1,672
Current tax assets	*(g)*	217		217	*(g)*	106		106
Other current assets	*(h)*	185		185	*(h)*	197		197
Non-financial assets held for sale or related to discontinued operations			*(w)*	5			(w)	4
Current portion of provisions for construction services required by contract	*(i)*	-810		-810	*(i)*	-531		-531
Current provisions	*(j)*	-453		-453	*(j)*	-446		-446
Trading liabilities	*(k)*	-1,613		-1,613	*(k)*	-1,651		-1,651
Current tax liabilities	*(l)*	-424		-424	*(l)*	-63		-63
Other current liabilities	*(m)*	-647		-647	*(m)*	-611		-611
Non-financial liabilities related to discontinued operations			*(x)*	-6			(x)	-6
Total working capital (B)				**-1,637**				**-1,329**
Gross invested capital (C=A+B)				**28,089**				**29,069**
Non-current non-financial liabilities								
Non-current portion of provisions for construction services required by contract	*(n)*	-2,726		-2,726	*(n)*	-3,270		-3,270
Non-current provisions	*(o)*	-1,567		-1,567	*(o)*	-1,576		-1,576
Deferred tax liabilities	*(p)*	-2,377		-2,377	*(p)*	-2,439		-2,439
Other non-current liabilities	*(q)*	-98		-98	*(q)*	-98		-98
Total non-current non-financial liabilities (D)				**-6,768**				**-7,383**
Net invested capital (E=C+D)				**21,321**				**21,686**
Total equity (F)		**11,990**		**11,990**		**10,009**		**10,009**
Net debt								
Non-current net debt								
Non-current financial liabilities	*(r)*	16,883		16,883	*(r)*	14,832		14,832
Non-current financial assets	*(s)*	-2,312		-2,312	*(s)*	-2,237		-2,237
Total non-current net debt (G)				**14,571**				**12,595**
Current net debt								
Current financial liabilities	*(t)*	1,260		1,260	*(t)*	3,249		3,249
Bank overdrafts repayable on demand		*44*		*44*		*5*		*5*
Short-term borrowings		*470*		*470*		*1,859*		*1,859*
Current derivative liabilities		*1*		*1*		*26*		*26*
Current portion of medium/long-term borrowings		*725*		*725*		*1,346*		*1,346*
Other current financial liabilities		*20*		*20*		*13*		*13*
Cash and cash equivalents	*(u)*	-5,711		-5,718	*(u)*	-3,383		-3,391
Cash in hand		*-4,833*		*-4,833*		*-2,788*		*-2,788*
Cash equivalents		*-878*		*-878*		*-595*		*-595*
Cash and cash equivalents related to discontinued operations			*(y)*	*-7*			(y)	*-8*
Current financial assets	*(v)*	-782		-782	*(v)*	-776		-776
Current financial assets deriving from concession rights		*-444*		*-444*		*-441*		*-441*
Current financial assets deriving from government grants		*-68*		*-68*		*-68*		*-68*
Current term deposits		*-177*		*-177*		*-194*		*-194*
Current derivative assets		*-2*		*-2*		*-*		*-*
Current portion of other medium/long-term financial assets		*-77*		*-77*		*-66*		*-66*
Other current financial assets		*-14*		*-14*		*-7*		*-7*
Total current net debt (H)				**-5,240**				**-918**
Total net debt (I=G+H)				**9,331**				**11,677**
Net debt and equity (L=F+I)				**21,321**				**21,686**
Assets held for sale or related to discontinued operations	*(-y-z+w)*	12			*(-y-z+w)*	12		
Liabilities related to discontinued operations	*(-x+aa)*	6			*(-x+aa)*	6		
TOTAL NON-CURRENT ASSETS	*(a+b+c+d+e-s)*	**32,038**			*(a+b+c+d+e-s)*	**32,635**		
TOTAL CURRENT ASSETS	*(f+g+h-u-v-y-z+w)*	**8,816**			*(f+g+h-u-v-y-z+w)*	**6,146**		
TOTAL NON-CURRENT LIABILITIES	*(-n-o-p-q+r)*	**23,651**			*(-n-o-p-q+r)*	**22,215**		
TOTAL CURRENT LIABILITIES	*(-i-j-k-l-m+t-x+aa)*	**5,213**			*(-i-j-k-l-m+t-x+aa)*	**6,557**		

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

€m		9M 2017			9M 2016		
Reconciliation of items	Notes	Consolidated statement of cash flows	Changes in consolidated net debt		Consolidated statement of cash flows	Changes in consolidated net debt	
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES							
Profit for the year		988	988		900	900	
Adjusted by:							
Amortisation and depreciation		837	837		688	688	
Operating change in provisions, after use of provisions for refurbishment of airport infrastructure		85	85		228	228	
Financial expenses from discounting of provisions for construction services required by contract and other provisions		32	32		48	48	
Impairment losses/(Reversal of impairment losses) on financial assets and investments accounted for at cost or fair value		4	4		-21	-21	
Share of (profit)/loss of investees accounted for using the equity method		7	7		6	6	
Impairment losses/(Reversal of impairment losses) and adjustments of current and non-current assets		2	2		2	2	
(Gains)/Losses on sale of non-current assets		-1	-1		-	-	
Net change in deferred tax (assets)/liabilities through profit or loss		58	58		32	32	
Other non-cash costs (income)		-76	-76		-47	-47	
Operating cash flow				1,936			1,836
Change in operating capital	(a)			-324			-219
Other changes in non-financial assets and liabilities	(b)			274			284
Change in working capital and other changes	(a+b)	-50			65		
Net cash generated from/(used in) operating activities (A)		1,886		1,886	1,901		1,901
NET CASH FROM/(USED IN) INVESTMENT IN NON-FINANCIAL ASSETS							
Investment in assets held under concession		-611	-611		-904	-904	
Purchases of property, plant and equipment		-56	-56		-68	-68	
Purchases of other intangible assets		-40	-40		-26	-26	
Capital expenditure				-707			-998
Government grants related to assets held under concession		1		1	6		6
Increase in financial assets deriving from concession rights (related to capital expenditure)		51		51	54		54
Purchase of investments		-169		-169	-179		-179
Purchase of additional capital in consolidated investments		-99		-99	-		-
Proceeds from sales of property, plant and equipment, intangible assets and unconsolidated investments		-		-	4		4
Proceeds from sales of minority stakes in consolidated investments		1,870		1,870	-		-
Net change in other non-current assets		14		14	-14		-14
Net change in current and non-current financial assets	(c)	-104			-115		
Net cash from/(used in) investment in non-financial assets (B)	(d)			961			-1,127
Net cash generated from/(used in) investing activities (C)	(c+d)	857			-1,242		
NET EQUITY CASH INFLOWS/(OUTFLOWS)							
(Purchase)/Sale of treasury shares		-84		-84	-		-
Dividends declared by Group companies to non-controlling shareholders	(e)			-473			-419
Dividends paid	(f)	-469			-410		
Proceeds from exercise of rights under share-based incentive plans		9		9	1		1
Capital redemption to non-controlling interest		-95		-95	-6		-6
Net equity cash inflows/(outflows) (D)				-643			-424
Net cash generated during the year (A+B+D)				2,204			350
Issuance of bonds		2,237			25		
Increase in medium/long term borrowings (excluding finance lease liabilities)		229			21		
Bonds redemptions		-709			-911		
Bonds repurchase		-			-72		
Repayments of medium/long term borrowings (excluding finance lease liabilities)		-186			-110		
Payment of finance lease liabilities		-3			-2		
Net change in other current and non-current financial liabilities		-1,367			57		
Net cash generated from/(used in) financing activities (E)		-438			-1,407		
Change in fair value of hedging derivatives	(g)			95			-215
Financial income/(expenses) accounted for as an increase in financial assets/(liabilities)	(h)			72			41
Effect of foreign exchange rate movements on net debt and other changes	(i)			-25			22
Other changes in net debt (F)				142			-152
Net effect of foreign exchange rate movements on net cash and cash equivalents (G)		-17			26		
Increase/(decrease) in net debt for year (A+B+D+F)				2,346			198
Net debt at beginning of year				-11,677			-10,387
Net debt at end of year				-9,331			-10,189
Increase/(Decrease) in cash and cash equivalents during year (A+C+E+G)		2,288			-722		
NET CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		3,386			2,960		
NET CASH AND CASH EQUIVALENTS AT END OF YEAR		5,674			2,238		

Notes:

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

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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.

The Group's net debt, as defined in the European Securities and Market Authority – ESMA (formerly CESR) Recommendation of 10 February 2005, subsequently amended by ESMA on 20 March 2013 (which does not entail the deduction of non-current financial assets from debt), amounts to €11,642m as at 30 September 2017, compared with €13,914m as at 31 December 2016.