Atlantia

Press Release

BOARD APPROVES ATLANTIA GROUP'S INTERIM REPORT FOR SIX MONTHS ENDED 30 JUNE 2018

Consolidated results for H1 2018[(1)]

- Traffic on Group's Italian motorway network up 0.6% (1.4% like-for-like increase[(2)])
- Traffic using Group's overseas motorway network up 2.2%
- Passenger traffic at Aeroporti di Roma up 3.9%
- Passenger traffic at Nice airport up 5.5%
- Gross operating profit (EBITDA) amounts to €1,743m, up 0.4% (up 3% on like-for-like basis[(3)(4)])
- Profit attributable to owners of parent totals €531m, up 2% (up 9% on like-for-like basis[(3)])
- Total capital expenditure amounts to €377m

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(1) In addition to the reported amounts in the statutory 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", used in describing changes in certain consolidated financial indicators, is provided in the "Explanatory notes" below.

(2) The negative impact of the snowfall between the end of February and early March 2018 has been stripped out from Autostrade per l'Italia's performance.

(3) The "Explanatory notes" include a table showing the reconciliation of certain consolidated financial indicators on a like-for-like basis for the two comparative periods.

(4) The reduction in intercompany margins reflects the temporary suspension of the award of contracts to in-house contractors, reducing EBITDA growth by 1%.

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- **Operating cash flow of €1,263m up 4% (up 5% on like-for-like basis[5])**
- **Net debt as at 30 June 2018 totals €10,344m, up €848m on 31 December 2017 (€9,496m) as a result of acquisition of 15.49% stake in Getlink (a reduction of €208m after stripping out impact of Getlink acquisition)**
- **On 4 July 2018, Atlantia completed refinancing of upcoming acquisition of investments in Abertis and Hochtief, signing five-year Term Loan of €1,750m**

Rome, 3 August 2018 – Today's meeting of the Board of Directors of Atlantia SpA, chaired by Fabio Cerchiai, has approved the Atlantia Group's interim report for the six months ended 30 June 2018 ("H1 2018"), which will be published within the deadline established by the relevant statutory requirements, together with the results of the audit currently in progress. The consolidated accounts presented in the interim report have been prepared in accordance with the IFRS in effect at 30 June 2018.

Key performance indicators by operating segment

	ITALIAN MOTORWAYS(1)		OVERSEAS MOTORWAYS		ITALIAN AIRPORTS(2)		OVERSEAS AIRPORTS(3)		ATLANTIA AND OTHER ACTIVITIES(1)		CONSOLIDATION ADJUSTMENTS		TOTAL ATLANTIA GROUP	
	H1		H1		H1		H1		H1		H1		H1	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
REPORTED AMOUNTS														
External revenue	1.884	1.842	308	316	439	425	143	127	129	122	-	-	2.903	2.832
Intersegment revenue	17	17	-	-	-	-	-	-	181	236	-198	-253	-	-
Total operating revenue	1.901	1.859	308	316	439	425	143	127	310	358	-198	-253	2.903	2.832
EBITDA	1.193	1.149	205	242	266	257	61	51	18	37	-	-	1.743	1.736
Operating cash flow	821	770	192	202	202	196	44	37	4	7	-	-	1.263	1.212
Capital expenditure	207	243	27	87	86	105	25	17	18	34	14	-1	377	485

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

(2) Application of the new accounting standard, IFRS 15 - Revenue from Contracts with Customers, from 1 January 2018, has resulted in the different classification of certain types of contract in operating revenue and costs. In particular, operating revenue and costs attributable to the "Italian airports" segment have been reduced by €3m, with EBITDA remaining

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

For details of the composition of the Atlantia Group's operating segments, reference should be made to the "Explanatory notes" below.

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(5) The "Explanatory notes" include a table showing the reconciliation of certain consolidated financial indicators on a like-for-like basis for the two comparative periods.

Operating review for the principal Group companies

Italian motorways

- **Traffic up 0.6% in H1 2018 (up 1.4% on like-for-like basis)**
- **Operating revenue of €1,901m up €42m (2%)**
- **EBITDA of €1,193m up €44m (4%)**
- **Capital expenditure totals €207m**

Traffic

The number of kilometres travelled on the Group's Italian network in the first six months of 2018 is up 0.6% on the first half of the previous year. The number of vehicles with 2 axles is up 0.3%, whilst the figure for those with 3 or more axles is up 2.9%. The performance for the first half of 2018, compared with the same period of 2017, reflects the negative impact of the heavy snowfall seen between the end of February and early March. After stripping out the resulting effect, like-for-like traffic using Autostrade per l'Italia's network in the first half of 2018 is up 1.4%.

Traffic performance

OPERATOR	KM TRAVELLED (IN MILLIONS) (1)			
	VEHICLES WITH 2 AXLES	VEHICLES WITH 3+ AXLES	TOTAL VEHICLES	% CHANGE VERSUS H1 2017
Autostrade per l'Italia	19.240,9	3.321,6	22.562,5	0,7
Autostrade Meridionali	822,1	18,0	840,0	0,6
Tangenziale di Napoli	461,5	8,0	469,4	-0,2
Società Autostrada Tirrenica	116,9	12,0	128,9	-2,3
Raccordo Autostradale Valle d'Aosta	41,3	10,2	51,5	-1,9
Società Italiana per il Traforo del Monte Bianco	3,5	1,8	5,3	-0,6
Total Italian operators	**20.686,2**	**3.371,6**	**24.057,8**	**0,6**

(1) The data for June 2018 is provisional. Figures in millions of kilometres travelled, after rounding to the nearest decimal place.

Operating results

The Group's Italian motorway operations generated operating revenue of €1,901m in the first half of 2018, an increase of €42m (2%) on the same period of 2017. Toll revenue of €1,740m is up €44m on the first half of 2017. The increase is primarily due to traffic growth (boosting toll revenue by an estimated €16m, taking into account the positive impact of the traffic mix[6]) and application of annual toll increases from 1 January 2018 (boosting revenue by approximately

(6) Reflecting the different rates of increase for traffic in the individual categories of vehicle, each having their own pricing structure.

€25m). EBITDA for the Italian motorways segment in the first half of 2018 amounts to €1,193m, up €44m (4%) on the same period of 2017.

This is after a reduction of approximately €2m in net operating costs, primarily due to a combination of the following:

- a different scheduling of maintenance work on the network, above all at Autostrade per l'Italia, partly due to the introduction of new tendering procedures for resurfacing work, offset by increases in the variable cost of winter operations (due to intense snowfall in the first quarter of 2018) and other operating costs;
- an increase in concession fees, reflecting increased volumes of traffic;
- a reduction in staff costs, linked primarily to:
    - a reduction of 75 (1.0%) in the average headcount, broadly reflecting slower turnover among toll collectors and the transfer of staff from Autostrade per l'Italia's Foreign Department to Atlantia from March 2017 as part of the Group's restructuring, partially offset by the hiring of staff to fill specific roles within certain organisational units and an increase in the workforce at Giove Clear to cope with the greater volume of work;
    - an increase in capitalised costs and a reduction in the costs linked to changes in the fair value of management incentive plans, partially offset by the cost of contract renewals.

Capital expenditure

Capital expenditure at the Group's Italian motorway operators in the first half of 2018 amounts to €207m.

€M	H1 2018	H1 2017
Autostrade per l'Italia -projects in Agreement of 1997	82	103
Autostrade per l'Italia - projects in IV Addendum of 2002	43	39
Autostrade per l'Italia: other capital expenditure (including capitalised costs)	63	78
Other operators (including capitalised costs)	9	12
Total investment in infrastructure operated under concession	**197**	**232**
Investment in other intangible assets	6	6
Investment in property, plant and equipment	4	5
Total capital expenditure	**207**	**243**

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

In terms of the works contained in the IV Addendum of 2002, work on construction of link roads and on mitigation works in the Municipality of Fano, connected with work on the A14 motorway, proceeded in the first half of 2018. Preparations for the start-up of work on the upgrade of the road and motorway system serving Genoa (the so-called "*Gronda di Genova*") are in progress.

Autostrade per l'Italia's other capital expenditure includes approximately €21m invested in major works, primarily construction of the fourth free-flow lane for the A4 in the Milan area and improvements to feeder roads for the Tuscan stretch of the A1.

Overseas motorways

- **Traffic up 2.2% overall in H1 2018 (up 5% after excluding Brazil, which was affected by protests and strikes by local truck drivers)**
- **Operating revenue of €308m up 7% at constant exchange rates (down 3% at actual exchange rates)**
- **EBITDA of €205m up 4% on like-for-like basis[7] (down 15% on a reported basis at actual exchange rates)**
- **Capital expenditure totals €27m**

Traffic

The Group's overseas operators registered the following traffic growth in the first half of 2018, compared with the same period of 2017: Chile up 5.0%, Brazil down 0.8% and Poland up 5.2%.

[7] An explanation of the term "like-for-like basis", used in describing changes in certain consolidated financial indicators, is provided in the "Explanatory notes" below.

Traffic performance

OPERATOR	KM TRAVELLED (IN MILLIONS)		
	H1 2018	H1 2017	% CHANGE
Grupo Costanera			
Costanera Norte	641	607	5,6%
Nororiente	46	45	4,1%
Vespucio Sur	474	468	1,3%
Litoral Central	75	71	5,5%
AMB	14	13	7,5%
Los Lagos [1]	567	527	7,5%
Total Chile	**1.818**	**1.731**	**5,0%**
Triangulo do Sol	689	688	0,2%
Rodovias das Colinas	962	971	-1,0%
Rodovia MG050	403	412	-2,2%
Total Brazil	**2.054**	**2.071**	**-0,8%**
Stalexport Autostrada Malopolska	476	453	5,2%
Total Poland	**476**	**453**	**5,2%**
Total overseas operators	**4.348**	**4.255**	**2,2%**

(1) Traffic growth in terms of journeys is 8.3%.

Operating results

The Group's overseas motorways segment generated operating revenue of €308m in the first half of 2018, down €8m (3%) compared with the same period of 2017. This reflects the impact of the fall in the value of the Brazilian real[8]. At constant exchange rates, operating revenue is up €22m (7%), primarily reflecting toll increases and movements in traffic, albeit the Brazilian performance was impacted by the truck drivers' strike of May 2018 and the federal government's subsequent decision to extend the exemption from tolls for vehicles with raised axles to the State of Sao Paulo. EBITDA of €205m for the first six months of 2018 is down €37m (15%) compared with the same period of 2017. On a like-for-like basis[9], EBITDA is up €10m (4%). Financial and operational data is provided below for each country.

Chile

Chilean operators' operating revenue for the first six months of 2018 amounts to €162m, up €3m

(8) The Brazilian real has fallen by approximately 17%, based on average exchange rates for the period January-June in each of the comparative years.

(9) An explanation of the term "like-for-like basis", used in describing changes in certain consolidated financial indicators, is provided in the "Explanatory notes" below.

(2%) on the first half of 2017. At constant exchange rates, operating revenue is up €9m (6%), primarily reflecting traffic growth and toll increases applied from January 2018, partially offset by reduced turnover at the in-house construction company, Gesvial. EBITDA of €110m is up €4m compared with the first half of 2017. At constant exchange rates, EBITDA is up €8m (8%). The Chilean operators invested a total of €13m in the first six months of 2018, primarily linked to the *Santiago Centro Oriente* upgrade programme being carried out by Costanera Norte (95% of the project has been completed as at 30 June 2018).

Brazil

Operating revenue for the first six months of 2018 amounts to €132m, down €21m (14%) compared with the same period of 2017 as a result of the sharp fall in the value of the Brazilian real(10). At constant exchange rates, operating revenue is up €5m (3%). The increase in toll revenue in the first half of 2018 benefited from the toll increases introduced by Triangulo Do Sol and Rodovia das Colinas with effect from July 2017, and by Rodovia MG050 with effect from February 2017, June 2017 and June 2018, partially offset by the truck drivers' strike of May 2018 and the resulting suspension of the tolls for vehicles with raised axles in the State of Sao Paulo, after coming into effect from 31 May 2018. Operators will be compensated for the lost revenue in accordance with their existing concession arrangements. EBITDA of €68m is down €41m (38%) compared with the first six months of 2017. This is partly due to planned resurfacing work on the network operated by Triangulo do Sol and Rodovias das Colinas. On a like-for-like basis(11), EBITDA is up €2m (2%). Capital expenditure in the first six months of 2018 amounted to €13m, primarily in relation to widening work carried out by Rodovia das Colinas and progress in implementing Nascentes da Gerais's investment programme.

Poland

The Stalexport Autostrady group's operating revenue for the first half 2018 amounts to €38m, an increase of €2m (6%) on the same period of 2017. This reflects traffic growth and toll increases for heavy vehicles applied from March 2017. EBITDA of €30m is up €2m (7%). The exchange rate has remained broadly stable and has not had an impact on the results.

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(10) The Brazilian real has fallen by approximately 17%, based on average exchange rates for the period January-June in each of the comparative years.

(8) An explanation of the term "like-for-like basis", used in describing changes in certain consolidated financial indicators, is provided in the "Explanatory notes" below.

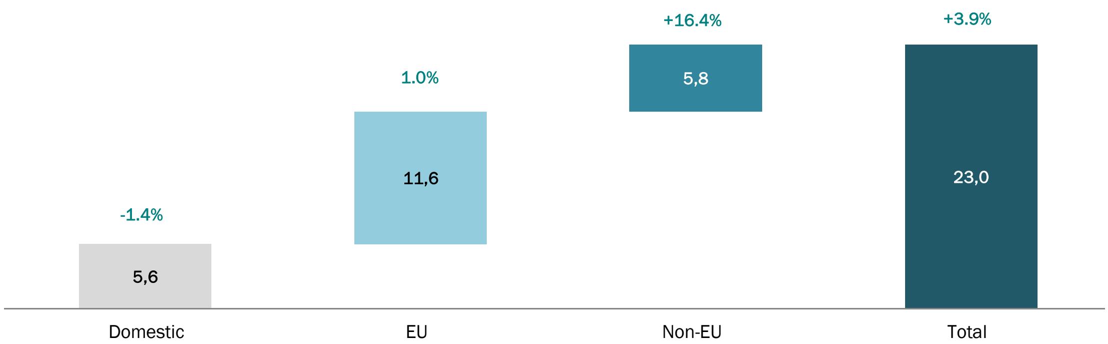
Italian airports

- **Roman airport system handles 23m passengers in H1 2018, up 3.9%**
- **Operating revenue of €439m up €14m (3%)**
- **EBITDA of €266m up €9m (4%)**
- **Capital expenditure totals €486**

Traffic

The Roman airport system handled 23.0m passengers in the first six months of 2018, marking an increase of 3.9% on the same period of the previous year. The Non-EU segment saw particularly strong growth of 16.4%, whilst Domestic segment was down 1.4%. The EU segment, which accounts for 50% of total traffic, was slightly up, rising 1.0% compared with the first six months of the previous year. The results for the first half of 2018 also reflect the impact of the cancellation of a number of flights due to the extremely bad weather that hit Europe between the end of February and the beginning of March.

Breakdown of traffic using the Roman airport system in H1 2018
(millions of pax and change H1 2018 versus H1 2017)



Operating results

The Italian airports business generated operating revenue of €439m in the first half of 2018, an increase of €14m (3%) compared with the same period of the previous year. Aviation revenue of €311m is up €14m (5%) due to the positive performance of traffic and the related mix, partially offset by a reduction in airport fees at Fiumicino and Ciampino. Other operating income totals €128m, in line with the first half of 2017. This is the result of the positive performance of non-aviation revenue across all lines of business, partly as a result of the entry into full operation of the retail plaza in Boarding Area E (opened in December 2016), and revenue from the sub-concession of space. This is partially offset by the fact that the first half of 2017 benefitted from the greater amount of provisions released. EBITDA of €266m is up €9m (4%) compared with the same period of the previous year.

Capital expenditure

Capital expenditure totalled €86m in the first quarter of 2018. At Fiumicino airport, as part of plans to upgrade the Eastern area, which is to be used primarily for domestic and Schengen flights, work continued on the new boarding area A and on a new wing for Terminal 1. Preparations for work to begin on Lot 2 (the extension of T1, a new hub for boarding area D and the restructuring of boarding area C) also continued.

The construction of aircraft aprons and flood defences for the western area continued. Work on the new transformer substation (HV/MV), and on the new electricity system serving the runways is also ongoing. Work on the upgrade of runways 400-500 at Ciampino airport is nearing completion.

€M	H1 2018	H1 2017
Work on terminals and piers	15	36
Terminal system for Eastern area	19	3
Work on runways and aprons	16	36
Work on technical systems and networks	8	9
Work on baggage handling sub-systems and airport equipment	4	3
Other	24	18
TOTAL	86	105

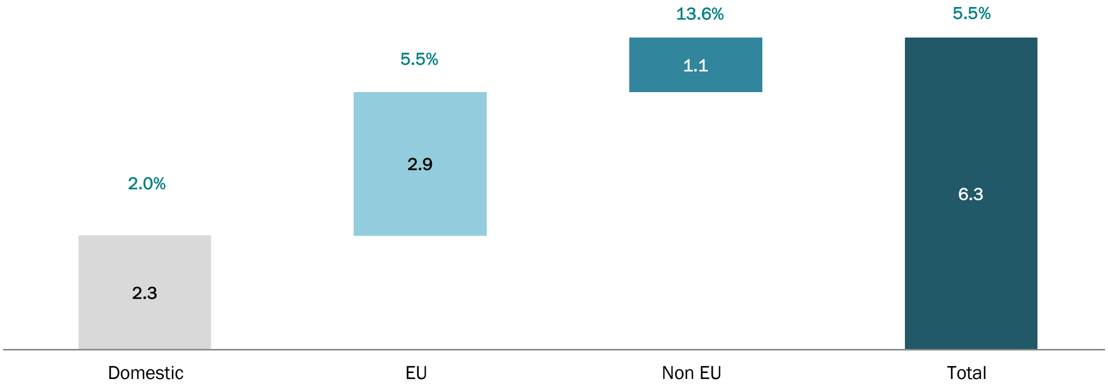
Overseas airports

- **Nice airport handles 6.3m passengers in H1 2018, up 5.5%**
- **Operating revenue of €143m up €16m**
- **EBITDA of €61m up €10m**
- **Capital expenditure totals €25m**

Traffic

Nice airport handled 6.3m passengers in the first half of 2018, marking an increase of 5.5% compared with the same period of the previous year. In terms of general aviation, movements were up 5.0% in the first six months of 2018[12].

Breakdown of traffic using Nice airport in H1 2018
(millions of pax and change H1 2018 versus H1 2017)



Operating results

The Group's overseas airports segment generated operating revenue of €143m in the first half of 2018, up €16m on the same period of the previous year. Aviation revenue, primarily consisting of fees earned by the airports of Nice, Cannes and Saint-Tropez, in addition to the contribution from the Sky Valet FBO network, amounts to €76m. This is up €4m on the same period of the previous year and reflects the significant increase in traffic (up 5.5%) and in general aviation movements (up 5%). Other operating income of €67m is up €12m compared with the first half of 2017, reflecting the positive performance of non-aviation and parking revenue and the impact of the sale of an area belonging to Nice airport under agreements regarding the exchange of areas in relation to property development schemes. EBITDA of €61m is up €10m on the same period of the previous year.

Capital expenditure

The Aéroports de la Côte d'Azur group's capital expenditure amounts to €25m for the first half of 2018, including €21m on initiatives designed to expand capacity, primarily regarding improvements to aircraft aprons and the purchase of new land to be developed for real estate purposes and for a fuel depot. A further €1m was invested in a tram line providing access to Nice airport and €1m in airport security.

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

Events after 30 June 2018

Refinancing of Abertis acquisition completed

On 4 July 2018, Atlantia agreed a new five-year Term Loan worth €1,750m to refinance the bridge loan obtained in May 2018 to finance the acquisition of investments in Abertis and Hochtief. The new Term Loan is in addition to the similar five-year loan of €1,500m previously entered into for the same purposes in May 2018 and completes the refinancing of the above acquisition financing. On the same date, Atlantia obtained a five-year Revolving Facility of €1,250m for general corporate purposes.

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

On 6 July 2018, the European Commission approved the new structure of the acquisition of Abertis in the form of a joint offer with ACS-Hochtief. The process of obtaining the remaining consents needed before the transaction can complete is in progress.

On 25 July 2018, an extraordinary general meeting of Abertis's shareholders approved the company's delisting from the Barcelona, Madrid, Bilbao and Valencia stock exchanges, subsequently authorised by Spain's market regulator, the *Comisión Nacional del Mercado de Valores* (the "CNMV") with effect from 31 July 2018. On the same date, the extraordinary general meeting of Abertis's shareholders also approved cancellation of all the shares held in treasury. Following settlement of the public tender offer and Hochtief's issue of a standing purchase order in preparation for the delisting, the latter holds a 97.75% interest in Abertis.

Sale of 29.9% interest in Cellnex Telecom SA

On 13 March 2018, as part of the preliminary agreement concerning the joint investment in Abertis, Atlantia SpA was granted a call option by Hocthief and ACS on Abertis's investment in Cellnex Telecom SA ("Cellnex"). On 23 March 2018, Atlantia's Board of Directors decided to partially exercise the call option on a 29.9% stake in Cellnex (the "Stake"), designating Edizione Srl as the purchaser of the Stake, subject to the prior consent of the Committee of Independent Directors with responsibility for Related Party Transactions, in accordance with the Company's Procedure for Related Party Transactions, and to completion of the competitive procedure designed to search for potential buyers of the Stake. The above process was subject to the terms and conditions described in greater detail in the Information Document relating to transactions of greater significance with related parties, prepared in accordance with art. 5 of CONSOB Regulation 17221/2010 (as amended) and published on 30 March 2018. On 12 July 2018, following the positive outcome to the public tender offer for Abertis's shares launched by Hochtief, Edizione – via ConnecT SpA, a newly established, wholly-owned subsidiary of Sintonia (a sub-holding in turn a wholly-owned subsidiary of Edizione) – thus completed the purchase of the Stake from Abertis. On 24 July 2018, Atlantia, ConnecT, Sintonia and Edizione entered into a specific co-investment agreement in accordance with the commitments set out in the above Information Document.

Group financial review

Operating revenue for the first half of 2018 totals €2,903m and is up €71m (3%) on the same period of 2017 (€2,832m).

Toll revenue of €2,026m is up €32m (2%) compared with the first half of 2017 (€1,994m). After stripping out the impact of exchange rate movements, which had a negative impact of €29m in the first half of 2018, toll revenue is up €61m, primarily as a result of the following:

- traffic growth on the Italian network (up 0.6%, boosting revenue by an estimated €16m, after taking into account the positive impact of the different traffic mix[13]) and the application of annual toll increases for 2018 on the Italian network (up €25m, primarily reflecting a 1.08% increase applied by Autostrade per l'Italia from 1 January 2018[14]);
- an improved contribution from overseas operators (up €17m), linked to the application of toll increases on the overseas network and traffic growth registered by the operators in Chile (5.0%) and Poland (5.2%).

Aviation revenue of €387m is up €17m (5%) compared with the first half of 2017 (€370m), primarily due to traffic growth at Aeroporti di Roma and the Aéroports de la Côte d'Azur group.

(13) Reflecting the different rates of increase for traffic in the individual categories of vehicle, each having their own pricing structure.

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

Other operating income, totalling €490m, is up €22m on the first half of 2017 (€468m), primarily reflecting an increase in non-aviation revenue at Aeroporti di Roma and at the Aéroports de la Côte d'Azur group, as well as increased revenue at Telepass and a greater volume of contract work carried out by Spea Engineering for external customers.

Net operating costs of €1,160m are up €64m (6%) on the first half of 2017 (€1,096m). The cost of materials and external services and other expenses, totalling €474m, are up €43m compared with the first half of 2017 (€431m). After stripping out the impact of exchange rate movements, the increase is €54m, primarily due to a combination of the following:

- an increase in maintenance costs, primarily due to planned resurfacing work on the motorways operated by the Brazilian operators, Triangulo do Sol and Rodovias das Colinas;
- an increase in costs at Telepass, Aeroporti di Roma and the Aéroports de la Côte d'Azur group linked to the increase in other operating income;
- increased costs at Spea Engineering as a result of the greater volume of contract work.

The intercompany margin on capital expenditure in the first half of 2018 has resulted in income of €6m, a reduction of €24m compared with the first half of 2017 (€30m). This reflects the reduced volume of work carried out by the Group's own in-house technical units, linked to application of the new legislation governing tenders.

Concession fees of €247m are up €3m (1%) compared with the first half of 2017 (€244m), primarily due to traffic growth reported by the Group's Italian motorway operators.

Net staff costs of €445m are down €6m (€451m in the first half of 2017). After stripping out the impact of exchange rate movements, these costs are down €1m.

Gross operating profit (EBITDA) of €1,743m is up €7m compared with the first half of 2017 (€1,736m). On a like-for-like basis(15)(16), EBITDA is up €51m (3%).

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(15) An explanation of the term "like-for-like basis", used in describing changes in certain consolidated financial indicators, is provided in the "Explanatory notes" below.

(16) The reduction in intercompany margins reflects the temporary suspension of the award of contracts to in-house contractors, reducing EBITDA growth by 1%.

Amortisation, depreciation, impairment losses and reversals of impairment losses, totalling €565m, are up €14m compared with the first half of 2017 (€551m).

The operating change in provisions and other adjustments have resulted in an expense of €41m, broadly in line with the figure for the first half of 2017 (an expense of €37m).

Operating profit (EBIT) of €1,137m is down €11m (1%) on the first half of 2017 (€1,148m).

Financial expenses from discounting of provisions for construction services required by contract and other provisions amount to €22m. This figure is broadly unchanged with respect to the first half of 2017 (€21m), as the discount rates applied have remained practically unchanged from comparative period to another.

Net other financial expenses of €278m are up €31m compared with the first half of 2017 (€247m).
This essentially reflects:

- recognition, in the first half of 2018, of the financial expenses linked to the acquisition financing obtained in relation to the tender offer for Abertis Infraestructuras, amounting to €21m, essentially in the form of commitment fees on committed lines of credit and upfront fees on lines of credit obtained in May 2017 and cancelled in April 2018;
- an increase in financial expenses of €11m, primarily linked to Atlantia's issue of bonds with a par value of €1,000m in July 2017 (maturing in July 2027 and paying coupon interest of 1.875%), under the Company's €10bn Euro Medium Term Note Programme finalised in November 2017.

Total income tax expense amounts to €257m, reduction of €72m compared with the first half of 2017 (€329m). This primarily reflects the tax expense of €46m recognised in the comparative period on Autostrade per l'Italia's distribution of the special dividend in kind to Atlantia, as part of the Group's restructuring completed in 2017.

Profit from continuing operations amounts to €618m, up €31m compared with the first half of 2017 (€587m).

Profit for the period attributable to owners of the parent, amounting to €531m, is up €11m on the first half of 2017 (€520m). On a like-for-like basis, profit for the period attributable to owners of the parent is up €45m (9%).

Operating cash flow for the first half of 2018 amounts to €1,263m, up €50m on the first half of 2017. On a like-for-like basis, operating cash flow amounts to €1,331m, marking an increase of €61m (5%) compared with the first half of 2017, primarily due to an increase in cash from operating activities.

Equity attributable to owners of the parent, totalling €8,678m, is down €94m compared with the figure for 31 December 2017 (€8,772m). This essentially reflects:

- payment of Atlantia's final dividend for 2017 (€532m);
- comprehensive income for the period (€407m);
- recognition of the after-tax impact of first-time application of the new international financial reporting standard, IFRS 9 (totalling €29m).

The Group's net debt as at 30 June 2018 amounts to €10,344m (€9,496m as at 31 December 2017).

As at 30 June 2018, the Group has cash reserves (including cash, term deposits and undrawn committed lines of credit) of €11,349m, including €4,000m earmarked to finance the investments in Abertis Infraestructuras and Hochtief.

Outlook and risks or uncertainties

Key performance indicators for the Group's Italian and overseas businesses lead us to expect earnings growth in full year 2018.

The Abertis Infraestructuras group will be included in Atlantia's scope of consolidation only once its acquisition has been completed.

Explanatory notes

Alternative performance indicators

The Group's performance is assessed on the basis of a number of alternative performance indicators ("APIs"), calculated on the same basis used in the Group's Annual Report for 2017, to which reference should be made for detailed information.

A number of APIs are also presented after certain adjustments applied in order to provide a consistent basis for comparison over time. These "like-for-like changes" are used in the analysis of changes in gross operating profit (EBITDA), profit for the period, profit for the period attributable to owners of the parent and operating cash flow.

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 two comparative periods and the corresponding amounts presented in the reclassified consolidated financial statements shown below.

€M	Note	Amounts for H1 2018				Amounts for H1 2017			
		GROSS OPERATING PROFIT (EBITDA)	PROFIT FOR THE PERIOD	PROFIT FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT	OPERATING CASH FLOW	GROSS OPERATING PROFIT (EBITDA)	PROFIT FOR THE PERIOD	PROFIT FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT	OPERATING CASH FLOW
Reported amounts (A)		1.743	618	531	1.263	1.736	586	520	1.213
Adjustment for non like-for-like items									
Exchange rate movements	(1)	-18	-5	-3	-10	-	-	-	-
Extraordinary maintenance work (Brazil)	(2)	-35	-	-	-23	-6	-	-	-4
Charges pertaining to corporate transactions	(3)	-7	-14	-14	-36	-10	-7	-7	-7
Change in discount rate applied to provisions	(4)	-	8	7	1	-	32	31	-
Tax on transactions involved in Group restructuring	(5)	-	-	-	-	-	-46	-46	-46
Change in non-controlling interests	(6)	-	-	-	-	-	-	46	-
Sub-total (B)		-60	-11	-10	-68	-16	-21	24	-57
Like-for-like amounts (C) = (A)-(B)		1.803	629	541	1.331	1.752	607	496	1.270

Notes:

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

1) from consolidated amounts for the first half of 2018, the difference between foreign currency amounts for the first half 2018 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 first half of 2017;
2) from consolidated amounts for the first half of 2018 and the first half of 2017, the extraordinary maintenance work carried out by the Brazilian operators, uses of the same amount of the provisions for the repair and replacement of motorway infrastructure made for this purpose in previous years, and the related current and deferred taxation. As opposed to being cyclical, this maintenance work regards short sections of motorway, is carried out only in certain years and is of a variable entity. To provide a like-for-like basis for comparing EBITDA and operating cash flow for the two comparative periods, the accounting effects of this work have been eliminated;
3) from consolidated amounts for the first half of 2018 and the first half of 2017, the costs incurred in relation to the acquisition of Abertis Infraestructuras SA;
4) from consolidated amounts for the first half of 2018 and the first half of 2017, the after-tax impact of the difference in the discount rates applied to the provisions accounted for among the Group's liabilities;
5) from consolidated amounts for the first half of 2017 alone, the current tax expense connected with Autostrade per l'Italia's distribution of available equity reserves and 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;
6) from consolidated amounts for the first half of 2018, the estimated impact on profit attributable to owners of the parent had the changes in interests in consolidated companies, completed in 2017, occurred in the first half of 2017 and regarding: i) the sale of 11.94% of Autostrade per l'Italia, ii) the sale of 12.50% of Azzurra Aeroporti, and iii) the acquisition of a further 2.65% of Aeroporti di Roma.

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 business segment and geographical area.

The composition of the Atlantia Group's operating segments as at 30 June 2018 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 the support activities for the Italian concessions held by the subsidiaries of Autostrade per l'Italia (AD Moving, Giove Clear, Essediesse and Autostrade Tech);
- Overseas motorways: this includes the activities of the holders of motorway concessions in Brazil, Chile and Poland, and the companies that provide operational support for these operators and the related foreign-registered holding companies. In addition, this segment includes the Italian holding company, Autostrade dell'Atlantico, which primarily holds investments in South America;
- 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), which operates (directly or through its subsidiaries) the airports of Nice, Cannes-Mandelieu and Saint-Tropez and the international network of ground handlers, Sky Valet, in addition to Azzurra Aeroporti (the parent of ACA);
- 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;
    - Aero I Global & International Sarl, the Luxembourg-registered investment vehicle that holds the 15.49% interest in Getlink.

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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 €12,607m as at 30 June 2018, compared with €11,812m as at 31 December 2017.

The Atlantia Group's reclassified income statement and statement of financial position, statement of comprehensive income and statement of cash flows as at and for the six months ended 30 June 2018 are attached hereinafter. The reclassified statements, which are included in the report on operations, are not audited by the Independent Auditors.

It should be noted that, to date, the audit of the Atlantia Group's condensed consolidated interim financial statements for the six months ended 30 June 2018 has yet to be completed.

Reclassified consolidated income statement

€M	H1 2018	H1 2017	INCREASE/ (DECREASE) ABSOLUTE	INCREASE/ (DECREASE) %
Toll revenue	2,026	1,994	32	2
Aviation revenue	387	370	17	5
Other operating income	490	468	22	5
Total operating revenue	**2,903**	**2,832**	**71**	**3**
Cost of materials and external services and other expenses [1]	*-474*	*-431*	*-43*	*10*
Intercompany margin on capital expenditure [2]	*6*	*30*	*-24*	*-80*
Cost of materials and external services	-468	-401	-67	17
Concession fees	-247	-244	-3	1
Net staff costs	-445	-451	6	-1
Total net operating costs	**-1,160**	**-1,096**	**-64**	**6**
Gross operating profit (EBITDA)	**1,743**	**1,736**	**7**	**-**
Amortisation, depreciation, impairment losses and reversals of impairment losses	-565	-551	-14	3
Operating change in provisions and other adjustments	-41	-37	-4	11
Operating profit (EBIT)	**1,137**	**1,148**	**-11**	**-1**
Financial income accounted for as an increase in financial assets deriving from concession rights and government grants	37	37	-	-
Financial expenses from discounting of provisions for construction services required by contract and other provisions	-22	-21	-1	5
Net other financial expenses	-278	-247	-31	13
Financial expenses capitalised as intangible assets deriving from concession rights	3	1	2	n.s.
Share of profit/(loss) of investees accounted for using the equity method	-2	-2	-	-
Profit/(Loss) before tax from continuing operations	**875**	**916**	**-41**	**-4**
Income tax expense	-257	-329	72	-22
Profit/(Loss) from continuing operations	**618**	**587**	**31**	**5**
Profit/(Loss) from discontinued operations	-	-1	1	n.s.
Profit for the period	**618**	**586**	**32**	**5**
(Profit)/Loss attributable to non-controlling interests	87	66	21	32
(Profit)/Loss attributable to owners of the parent	**531**	**520**	**11**	**2**

(1) The increase in this item in the first half of 2018 reflects both the increase in the Group's turnover (as can be seen particularly from the increase in other operating revenue), and the extraordinary maintenance work carried out by the Brazilian operators (described in more detail in the section, "Like-for-like financial indicators"). After stripping out the latter item, the increase in the "Cost of materials and external services and other expenses" is 5%.

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

	H1 2018	H1 2017	INCREASE/ (DECREASE)
Basic earnings per share attributable to the owners of the parent (€)	**0.65**	**0.64**	**0.01**
of which:			
- from continuing operations	0.65	0.64	0.01
- from discontinued operations	-	-	-
Diluted earnings per share attributable to the owners of the parent (€)	**0.65**	**0.64**	**0.01**
of which:			
- from continuing operations	0.65	0.64	0.01
- from discontinued operations	-	-	-

Consolidated statement of comprehensive income

€M		H1 2018	H1 2017
Profit for the period	**(A)**	**618**	**586**
Fair value gains/(losses) on cash flow hedges		-61	110
Tax effect of fair value gains/(losses) on cash flow hedges		17	-25
Gains/(losses) from translation of assets and liabilities of consolidated companies denominated in functional currencies other than the euro		-158	-209
Gains/(Losses) from translation of investments accounted for using the equity method denominated in functional currencies other than the euro		-1	-2
Other comprehensive income/(loss) for the period reclassifiable to profit or loss	**(B)**	**-203**	**-126**
Reclassifications of other components of comprehensive income to profit or loss for the period	**(C)**	**2**	**-**
Tax effect of reclassifications of other components of comprehensive income to profit or loss for the period	**(D)**	**-**	**-4**
Total other comprehensive income/(loss) for the period	**(E=B+C+D)**	**-201**	**-130**
Comprehensive income for the period	**(A+E)**	**417**	**456**
Of which attributable to owners of the parent		*407*	*490*
Of which attributable to non-controlling interests		*10*	*-34*

Reclassified consolidated statement of financial position

€M	30 June 2018	31 December 2017	INCREASE/ (DECREASE)
Non-current non-financial assets			
Property, plant and equipment	284	303	-19
Intangible assets	26,945	27,424	-479
Investments	1,300	267	1,033
Deferred tax assets	1,214	1,258	-44
Other non-current assets	7	8	-1
Total non-current non-financial assets (A)	**29,750**	**29,260**	**490**
Working capital			
Trading assets	1,945	1,798	147
Current tax assets	66	79	-13
Other current assets	224	187	37
Non-financial assets held for sale or related to discontinued operations	4	5	-1
Current portion of provisions for construction services required by contract	-649	-427	-222
Current provisions	-380	-380	-
Trading liabilities	-1,564	-1,583	19
Current tax liabilities	-325	-151	-174
Other current liabilities	-661	-634	-27
Non-financial liabilities related to discontinued operations	-	-6	6
Total working capital (B)	**-1,340**	**-1,112**	**-228**
Gross invested capital (C=A+B)	**28,410**	**28,148**	**262**
Non-current non-financial liabilities			
Non-current portion of provisions for construction services required by contract	-2,640	-2,961	321
Non-current provisions	-1,566	-1,566	-
Deferred tax liabilities	-2,191	-2,254	63
Other non-current liabilities	-110	-108	-2
Total non-current non-financial liabilities (D)	**-6,507**	**-6,889**	**382**
NET INVESTED CAPITAL (E=C+D)	**21,903**	**21,259**	**644**

Reclassified consolidated statement of financial position

€M	30 June 2018	31 December 2017	INCREASE/ (DECREASE)
Equity attributable to owners of the parent	8,678	8,772	-94
Equity attributable to non-controlling interests	2,881	2,991	-110
Total equity (F)	11,559	11,763	-204
Net debt			
Non-current net debt			
Non-current financial liabilities	15,463	15,970	-507
Bond issues	10,738	11,362	-624
Medium/long-term borrowings	4,078	4,012	66
Non-current derivative liabilities	612	566	46
Other non-current financial liabilities	35	30	5
Non-current financial assets	-2,263	-2,316	53
Non-current financial assets deriving from concession rights	-956	-964	8
Non-current financial assets deriving from government grants	-262	-250	-12
Non-current term deposits	-320	-315	-5
Non-current derivative assets	-102	-107	5
Other non-current financial assets	-623	-680	57
Total non-current net debt (G)	13,200	13,654	-454
Current net debt			
Current financial liabilities	2,679	2,254	425
Bank overdrafts repayable on demand	29	18	11
Short-term borrowings	335	430	-95
Current derivative liabilities	6	14	-8
Current portion of medium/long-term borrowings	2,236	1,718	518
Other current financial liabilities	73	74	-1
Cash and cash equivalents	-4,773	-5,631	858
Cash in hand	-4,400	-4,840	440
Cash equivalents	-367	-784	417
Cash and cash equivalents related to discontinued operations	-6	-7	1
Current financial assets	-762	-781	19
Current financial assets deriving from concession rights	-450	-447	-3
Current financial assets deriving from government grants	-51	-70	19
Current term deposits	-169	-179	10
Current derivative assets	-	-1	1
Current portion of other medium/long-term financial assets	-55	-71	16
Other current financial assets	-37	-13	-24
Total current net debt (H)	-2,856	-4,158	1,302
Total net debt (I=G+H)	10,344	9,496	848
NET DEBT AND EQUITY (L=F+I)	21,903	21,259	644

Consolidated statement of cash flows

€M	H1 2018	H1 2017
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Profit for the period	618	586
Adjusted by:		
Amortisation and depreciation	565	551
Operating change in provisions, excluding use of provisions for refurbishment of airport infrastructure	42	31
Financial expenses from discounting of provisions for construction services required by contract and other provisions	22	21
Impairment losses/(Reversal of impairment losses) on financial assets and investments accounted for at cost or fair value	-	4
Dividends received and share of (profit)/loss of investees accounted for using the equity method	32	10
Impairment losses/(Reversal of impairment losses) and adjustments of current and non-current assets	-	8
Net change in deferred tax (assets)/liabilities through profit or loss	20	58
Other non-cash costs (income)	-36	-56
Change in working capital and other changes	-9	1
Net cash generated from operating activities [a]	1,254	1,214
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Investment in assets held under concession	-338	-428
Purchases of property, plant and equipment	-20	-36
Purchases of other intangible assets	-19	-22
Government grants related to assets held under concession	-	-
Increase in financial assets deriving from concession rights (related to capital expenditure)	11	33
Purchases of investments	-10	-4
Acquisitions of additional interests and/or investment in consolidated companies, net of cash acquired	-1,056	-2
Proceeds from sales of property, plant and equipment, intangible assets and unconsolidated investments	1	1
Net change in other non-current assets	1	11
Net change in current and non-current financial assets	-29	-117
Net cash generated used in investing activities [b]	-1,459	-564
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Purchase of treasury shares	-	-84
Dividends paid	-654	-455
Return of capital to non-controlling shareholders	-	-95
Proceeds from exercise of rights under share-based incentive plans	1	8
Issuance of bonds	93	1,325
Increase in medium/long term borrowings (excluding finance lease liabilities)	201	227
Redemption of bonds	-37	-388
Repayments of medium/long term borrowings (excluding finance lease liabilities)	-110	-87
Payment of finance lease liabilities	-	-2
Net change in other current and non-current financial liabilities	-135	-1,530
Net cash generated used in financing activities [c]	-641	-1,081
Net effect of foreign exchange rate movements on net cash and cash equivalents [d]	-23	-12
Decrease in cash and cash equivalents for the period [a+b+c+d]	-869	-443
NET CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	5,613	3,386
NET CASH AND CASH EQUIVALENTS AT END OF PERIOD	4,744	2,943

Additional information on the statement of cash flows

€M	H1 2018	H1 2017
Income taxes paid	39	176
Interest and other financial income collected	45	37
Interest and other financial expenses paid	433	399
Dividends received	34	12

Reconciliation of net cash and cash equivalents

€M	H1 2018	H1 2017
NET CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**5,613**	**3,386**
Cash and cash equivalents	5,624	3,383
Bank overdrafts repayable on demand	-18	-5
Cash and cash equivalents related to discontinued operations	7	8
NET CASH AND CASH EQUIVALENTS AT END OF PERIOD	**4,744**	**2,943**
Cash and cash equivalents	4,767	2,975
Bank overdrafts repayable on demand	-29	-40
Cash and cash equivalents related to discontinued operations	6	8

€M	Note	Amounts for H1 2018				Amounts for H1 2017			
		GROSS OPERATING PROFIT (EBITDA)	PROFIT FOR THE PERIOD	PROFIT FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT	OPERATING CASH FLOW	GROSS OPERATING PROFIT (EBITDA)	PROFIT FOR THE PERIOD	PROFIT FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT	OPERATING CASH FLOW
Reported amounts (A)		1,743	618	531	1,263	1,736	586	520	1,213
Adjustment for non like-for-like items									
Exchange rate movements	*(1)*	-18	-5	-3	-10	-	-	-	-
Extraordinary maintenance work (Brazil)	*(2)*	-35	-	-	-23	-6	-	-	-4
Charges pertaining to corporate transactions	*(3)*	-7	-14	-14	-36	-10	-7	-7	-7
Change in discount rate applied to provisions	*(4)*	-	8	7	1	-	32	31	-
Tax on transactions involved in Group restructuring	*(5)*	-	-	-	-	-	-46	-46	-46
Change in non-controlling interests	*(6)*	-	-	-	-	-	-	46	-
Sub-total (B)		-60	-11	-10	-68	-16	-21	24	-57
Like-for-like amounts (C) = (A)-(B)		1,803	629	541	1,331	1,752	607	496	1,270