Atlantia

Press release

BOARD APPROVES ATLANTIA GROUP'S INTERIM REPORT FOR SIX MONTHS ENDED 30 JUNE 2019

Consolidated results for H1 2019 (1)

- Traffic on motorway network: up 0.9% in Italy, up 6.3% in Spain, up 0.3% in France, up 1.6% in Poland, up 3.4% in Chile, up 5.1% in Brazil
- Passenger traffic: up 2.0% at Aeroporti di Roma, up 5.7% at Aéroports de la Côte d'Azur
- Operating revenue of €5,604m up €2,701m (up 3% on pro forma basis, assuming consolidation of Abertis group from 1 January 2018)
- Gross operating profit (EBITDA) of €3,552m up €1,732m (up 4% on pro forma like-for-like basis including Abertis group)
- Operating cash flow of €2,559m up €1,296m, essentially due to contribution from Abertis group
- Profit attributable to owners of parent totals €777m, up €246m on H1 2018 (2)
- Capital expenditure amounts to €815m
- Net debt as at 30 June 2019 amounts to €38,569m (€37,931m as at 31 December 2018)

(1) Compared with the scope of consolidation for the first half of 2018, the accounts for the first half of 2019 include the contribution of the Abertis group, consolidated with effect from the end of October 2018. 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", used in describing changes in certain consolidated financial indicators, is provided in the "Explanatory notes" below.

(2) As described in the Annual Report for 2018, as permitted by IFRS 3, the acquisition of the Abertis group has been recognised in the interim accounts for the six months ended 30 June 2019 by provisionally allocating the purchase price, recognising in full the difference between the purchase cost and the net assets acquired in goodwill.

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Rome, 2 August 2019 – 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 2019 ("H1 2019"), 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 2019.

	ITALIAN MOTORWAYS		OVERSEAS MOTORWAYS		ITALIAN AIRPORTS		OVERSEAS AIRPORTS		ATLANTIA AND OTHER ACTIVITIES		ABERTIS GROUP(*)		CONSOLIDATION ADJUSTMENTS		TOTAL ATLANTIA GROUP	
	H1		H1		H1		H1		H1		H1		H1		H1	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
REPORTED AMOUNTS																
External revenue	1.936	1.884	340	308	450	439	141	143	145	129	2.592	-	-	-	5.604	2.903
Intersegment revenue	32	17	1	-	1	-	-	-	209	181	-	-	-243	-198	-	-
Total operating revenue	1.968	1.901	341	308	451	439	141	143	354	310	2.592	-	-243	-198	5.604	2.903
EBITDA(**)	1.162	1.239	256	237	269	265	58	61	23	18	1.785	-	-1	-	3.552	1.820
Operating cash flow	686	821	208	192	198	202	42	44	82	4	1.344	-	-1	-	2.559	1.263
Capital expenditure	271	207	74	27	117	86	27	25	30	18	282	-	14	14	815	377

(*) Includes the results of Abertis HoldCo.

(**) The amount for gross operating profit (EBITDA) for the first half of 2018 differs from the amount published in the interim report for the six months ended 30 June 2018, reflecting the different basis of presentation for this indicator adopted with effect from the Annual Report for 2018 and described in detail in the section, "Group financial review".

Italian motorways[3]

- **Traffic up 1% overall in H1 2019**
- **Operating revenue of €1,968m up €67m (4%)**
- **EBITDA of €1,162m down €77m (6%), primarily reflecting increase in present value of provisions for repair and replacement motorway infrastructure**
- **Capital expenditure totals €271m**

Traffic on the motorway network operated by Autostrade per l'Italia and its motorway subsidiaries is up 1.0% compared with the first half of 2018. The number of kilometres travelled by vehicles with 2 axles is up 0.6%, with the figure for those with 3 or more axles up 3.5%. The traffic performance was adversely affected by bad weather in May.

The Group's Italian motorway operations generated operating revenue of €1,968m in the first half of 2019, an increase of €67m (4%) on the same period of 2018. Toll revenue of €1,761m is up €21m compared with the first half of 2018. The increase is primarily due to traffic growth of 1.0% and the positive impact of the different traffic mix[4]. The decision to exempt road users in the Genoa area from the payment of tolls has resulted in an estimated reduction in toll revenue of approximately €10m in the first six months of 2019. Other operating income is up €46m and includes €38m in insurance proceeds following agreement with the Group's insurance company regarding quantification of the amount payable to Autostrade per l'Italia solely under existing third-party liability insurance policies for the Polcevera road bridge.

EBITDA for the first half of 2019 amounts to €1,162m, a reduction of €77m (6%) compared with the same period of 2018. The result reflects the change in provisions for the repair and replacement of motorway infrastructure, influenced primarily by the performance of the interest rate used to discount the provisions to present value. The reduction in EBITDA is also due to increased maintenance work on Autostrade per l'Italia's network, partly reflecting new and more complex tender procedures (launched in 2017), which resulted in delays to work in the previous year.

(3) The results of the Abertis group's Italian motorway businesses, presented on an aggregate basis in the operating segment named "Abertis group" and consolidated from the last two months of 2018, are not included.

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

Capital expenditure by Autostrade per l'Italia and its subsidiaries in the first half of 2019 amounts to €271m. Autostrade per l'Italia invested a total of €249m in upgrading the network operated under concession in the first half of 2019. Work on the following projects continued:

- widening the A1 to three lanes between Barberino and Florence North and between Florence South and Incisa, where work is in progress on Lot 1 North;
- construction of link roads serving the Municipality of Fano, connected with the widening of the A14 motorway to three lanes, already completed and opened to traffic;
- work on the second phase of the Tunnel Safety Plan, with the aim of complying with the new requirements regarding fire prevention in Presidential Decree 151/11;
- 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.

With regard to the new road and motorway system serving Genoa (the so-called "*Gronda di Genova*"), for which the final design was approved by the Grantor in September 2017, the detailed designs for all the 10 lots forming the project were submitted to the Ministry of Infrastructure and Transport between February and August 2018. To date, most of the work involved in preparing for the start-up of work has been completed (surveys, expropriations, the movement of existing services interfering with construction, etc.), with the costs incurred so far amounting to over €140m. Tenders have been called for works amounting to a further €700m, despite the fact that the Group is still waiting for the Grantor's formal approval of the detailed designs, which is necessary before contracts can be awarded.

A revised design for the Bologna Interchange was recently agreed on with the Ministry of Infrastructure and Transport, partly after talks with the relevant local authorities.

Overseas motorways[5]

- **Traffic up 6.1% in Chile, 5.9% in Brazil and 1.6% in Poland in H1 2019**
- **Operating revenue of €341m up 11% (up 15% at constant exchange rates)**
- **EBITDA of €256m up 8% (up 15% at constant exchange rates)**
- **Capital expenditure totals €74m**

Chile

The Group's Chilean operators recorded traffic growth of 6.1% in the first half of 2019, measured in terms of kilometres travelled, compared with the first half of 2018.

Chilean operators' total operating revenue for the first six months of 2019 amounts to €192m, up €30m (19%) on the first half of 2018. At constant exchange rates, revenue is up €36m (22%), reflecting traffic growth, toll increases applied from January 2019 and, in the case of Costanera Norte and Vespucio Sur, an additional tariff component represented by a congestion charge. EBITDA of €141m is up €28m (25%) compared with the first half of 2018. At constant exchange rates, EBITDA is up €32m (28%).

Capital expenditure in the first six months of 2019 totals €63m. In this regard:

- work began, in March 2019, on the last part of the *Santiago Centro Oriente* upgrade programme;
- design work has begun for the investment programmes for the new Americo Vespucio Oriente II and Conexión Vial Ruta 78 hasta Ruta 68 concessions and the Group's contribution to the cost of expropriations has been paid to the Grantor in accordance with the related concession agreements.

Brazil

The Group's Brazilian operators recorded traffic growth of 5.9% in the first half of 2019, measured in terms of kilometres travelled. The increase compared with the same period of 2018 reflects the impact of the truck drivers' strike in May 2018.

Operating revenue for the first six months of 2019 amounts to €133m, up €1m (1%) on the same period of 2018. At constant exchange rates, revenue is up €8m (6%) due to annual toll increases and traffic growth. The performance of revenue also reflects the exemption from tolls for vehicles

[5] The results of the Abertis group's overseas motorway businesses, presented on an aggregate basis in the operating segment named "Abertis group" and consolidated from the last two months of 2018, are not included.

with raised axles in the State of Sao Paulo, following protests (operators will be compensated for the lost revenue in accordance with their existing concession arrangements).

EBITDA of €96m is up €5m (5%) compared with the first six months of 2018. At constant exchange rates, EBITDA is up €10m (11%).

Capital expenditure amounted to €8m in the first six months of 2019, primarily in relation to progress in implementing Rodovia MG050's investment programme.

Poland

The operator, Stalexport Autostrada Malopolska, registered traffic growth of 1.6% in the first half 2019, measured in terms of kilometres travelled, compared with the same period of 2018.

The Stalexport Autostrady group's operating revenue for the first six months of 2019 amounts to €40m, an increase of €1m compared with the same period of 2018. This reflects traffic growth and the new tolls for heavy vehicles introduced from March 2019.

EBITDA of €21m is down €14m, reflecting recognition in operating costs of the increase in concession fees linked to the entry into effect of the new profit-sharing mechanism agreed with the Grantor, as part of Stalexport Autostrada Malopolska's concession arrangement, and the impact of the release, in 2018, of provisions for maintenance work. After adjusting for these factors, EBITDA is up €1m. Exchange rate movements did not have a material effect on the results.

Italian airports

- **Roman airport system handles 23.4m passengers in H1 2019, up 2.0%**
- **Operating revenue of €451m up €12m (3%)**
- **EBITDA of €269m up €4m (2%)**
- **Capital expenditure totals €117m**

The Roman airport system handled 23.4m passengers in the first six months of 2019, marking an increase of 2.0% compared with the same period of the previous year. The EU segment, which accounts for 50% of total traffic, is up 2.1%, whilst the Non-EU segment is up 5.8% due to growth in long-haul flights, above all serving North America, South America and the Far East. The Domestic segment is down 2.3%, reflecting reduced load factors, mainly due to the performance of the airline, Alitalia.

The Group's Italian airports generated operating revenue of €451m in the first six months of 2019, an increase of €12m (3%) compared with the same period of the previous year. Aviation revenue of €319m is up by a total of €7m (2%), primarily due to traffic growth. Other operating income of €132m is up €5m (4%) compared with the first half of the previous year, primarily due to the positive performance of non-aviation revenue, which benefitted from the increase in passengers, a higher spending traffic mix and revenue from the sub-concession of retail space. EBITDA of €269m is up by approximately €4m (2%), and primarily reflects a €5m increase in staff costs, reflecting an increase in the average workforce, due to both traffic growth and the insourcing of all fire prevention activities and security at customs channels.

Capital expenditure totalled €117m in the first half of 2019. Work continued at Fiumicino airport on the new boarding area A and on a new wing for Terminal 1, as part of plans to upgrade the Eastern area. Work also began on the westward expansion of Terminal 1, occupying the area that previously hosted the former Terminal 2, whilst work on the upgrade of boarding area C and the link to boarding area D also began. Work on expanding the aircraft aprons for the western area and on the new aprons adjacent to Pier A under construction is almost completed.

Overseas airports

- **Nice airport handled 6.7m passengers in H1 2019, up 5.7%**
- **Operating revenue of €141m down €2m (up €3m after stripping out one-off items[6])**
- **EBITDA of €58m down €3m (up €2m after stripping out one-off items[6])**
- **Capital expenditure totals €27m**

Nice airport handled 6.7m passengers in the first half of 2019, an increase of 5.7% compared with the same period of the previous year. The Domestic segment, which accounts for 37% of total traffic, is up 8.1% compared with the same period of the previous year. The EU segment, accounting for 46% of total traffic, is up 5.0%, whilst the Non-EU segment is up 2.6%.

The Group's overseas airports segment generated operating revenue of €141m in the first half of 2019, down €2m (1%) compared with the same period of the previous year (up €3m after stripping out one-off items). Aviation revenue of €75m is broadly in line with the first half of 2018 (€76m), reflecting a combination of the negative impact of the decision on tariffs taken by the Independent Supervisory Authority (ASI), which is the subject of a pending challenge brought by ACA before France's Council of State, and increases in traffic (passengers up 5.7%) and in other aviation revenue. Other operating income of €66m is down €1m (up €4m after stripping out one-off items[6]), reflecting the performance of retail revenue and other non-aviation revenue. EBITDA of €58m is down €3m (5%) on the same period of the previous year (up €2m after stripping out one-off items[6]).

The Aéroports de la Côte d'Azur group's capital expenditure amounts to €27m for the first half of 2019, including €17m on initiatives designed to expand capacity. New aircraft aprons were built in front of Terminal 2 and preparations were made for work to begin on the future extension of Terminal 2, with the goal of boosting capacity by 4m passengers.

[6] After stripping out €5m relating to 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 in the first half of 2018.

Abertis group

- **Traffic growth in H1 2019: up 6.3% in Spain, up 0.3% in France, down 0.3% in Italy, up 5% in Brazil, up 2.2% in Chile and down 4.7% in Argentina**
- **Operating revenue of €2,592m up 3%**
- **EBITDA of €1,786m up €113m or 7% (up 8% on like-for-like basis(7))**
- **Capital expenditure totals €282m**

The Group's results include the contribution of Abertis Infraestructuras and its subsidiaries (the Abertis group), consolidated by Atlantia solely from October 2018. For information purposes, this section reports on the Abertis group's key performance indicators for the first half of 2019, compared with the same period of the previous year.

Traffic growth was positive in the main markets in which Abertis operates. The comparison with the same period of the previous year benefitted from the negative impact of adverse weather conditions in Spain and France in early 2018, as well as from the application of discounted tolls for heavy vehicles introduced by the Spanish operators, Acesa and Aumar, from September 2018. Traffic growth in Brazil reflects the impact of the truck drivers' strike in May 2018. In Argentina, traffic was affected by the country's economic situation and toll increases.

COUNTRY	TRAFFIC - KM TRAVELLED (M)		
	H1 2019	H1 2018	% change
Brazil	10,407	9,912	5.0%
France	7,786	7,767	0.3%
Spain	5,875	5,526	6.3%
Chile	4,001	3,916	2.2%
Italy	2,719	2,726	-0.3%
Argentina	2,473	2,594	-4.7%
Puerto Rico	1,135	1,133	0.1%
India	621	585	6.1%
Total Abertis	35,017	34,160	2.5%

NB. Not including traffic registered by the operators, Vianorte (expired), ViaPaulista (operational from January 2019) and Trados45 (consolidated from January 2019).

Total operating revenue for the first half of 2019 amounts to €2,592m, up €70m (3%) compared with the same period of 2018. The figure benefitted primarily from traffic growth and toll

(7) After stripping put the effect of the change in the scope of the Abertis group's concessions as a result of IFRS 16 and at constant 2018 exchange rates.

increases, partially offset by currency movements (above all the weaker Argentine peso) and the change in the scope of concessions in Spain (the consolidation of the operator, Trados-45) and Brazil (the expiry of Vianorte's concession in May 2018 and the entry into effect of Via Paulista's concession from January 2019).

COUNTRY	OPERATING REVENUE (€M)		
	H1 2019	H1 2018	% change
France	868	844	3%
Spain	714	652	9%
Brazil	301	316	-5%
Chile	291	272	7%
Italia	208	202	3%
Argentina	70	108	-35%
Puerto Rico	78	67	17%
India	16	15	8%
Abertis Holding and other activities	46	46	0%
Total Abertis	2,592	2,522	3%

EBITDA for the first half of 2019 amounts to €1,786m, an increase of €113m (7%) compared with the same period of the previous year. On a like-for-like basis, and thus without considering the above changes in scope and the impact of IFRS 16 - Leases, and at constant 2018 exchange rates, EBITDA is up €126m (8%). The performance in Argentina benefitted from the accounting effects linked to the transfer to the financial assets model for concessions from July 2018, following the entry into effect of new concession arrangements.

COUNTRY	EBITDA (€M)		
	H1 2019	H1 2019	% change
France	623	609	2%
Spain	576	510	13%
Chile	234	213	10%
Brazil	152	156	-2%
Italy	109	92	18%
Argentina	14	44	-67%
Puerto Rico	56	44	26%
India	11	10	8%
Abertis Holding and other activities	10	-5	n/s
Total Abertis	1,786	1,673	7%

The group's capital expenditure amounted to €282m in the first half of 2019. This included the continuing work on the investment programmes being carried out by the Brazilian operators and on the *Plan de Relance* investment programme being implemented by the French operators, Sanef and Sapn.

COUNTRY	CAPITAL EXPENDITURE (€M)	
	H1 2019	H1 2018
Brazil	142	128
France	79	54
Chile	32	17
Italy	14	36
Rest of the world	13	18
Spain	2	4
Total Abertis	282	257

Group financial review

Introduction

The international financial reporting standards (IFRS) endorsed by the European Commission and in effect as at 30 June 2019 were used in the preparation of the accounts for the first half of 2019. IFRS 16 - Leases was adopted for the first time from 1 January 2019.

The Atlantia Group's scope of consolidation as at 30 June 2019 is unchanged with respect to 31 December 2018.

Compared with the scope of consolidation for the first half of 2018, amounts for the first half of 2019 include the contribution of the Abertis group, which was consolidated from the end of October 2018.

The reclassified consolidated income statement includes certain differences with respect to the information published in the interim report for the six months ended 30 June 2018, in line with changes already adopted in the consolidated financial statements for the year ended 31 December 2018. These regard the different classification of:

- provisions and the uses of provisions for the repair and replacement of motorway infrastructure and provisions for risks and charges in EBITDA, increasing EBITDA by €72m, whilst EBIT is unchanged;
- certain work on renewal of the motorway infrastructure operated by Società Italiana per il Traforo del Monte Bianco, deemed to improve the related financial statement presentation of this type of work, resulting in a reduction of €5m in the "Operating change in provisions" in the first half of 2018, and therefore an increase of the same amount in "Provisions for renewal work and other adjustments".

With regard to the acquisition of the Abertis group, in line with the approach adopted in preparing the consolidated financial statements for the year ended 31 December 2018 and as permitted by IFRS 3, it was deemed appropriate to provisionally continue to recognise the IFRS amounts for the assets and liabilities previously recognized in the Abertis group's financial statements, allocating the entire difference between these amounts and the purchase cost to goodwill (€16,774m).

With regard to the collapse of a section of the Polcevera road bridge on the A10 Genoa-Ventimiglia motorway on 14 August 2018, provisions of €6m were made in the first half of 2019, essentially to cover compensation for victims' families and for the injured, thereby increasing the charges of €513m before the effect on taxation (including €455m in the form of provisions) reported in the financial statements as at 31 December 2018. In addition to these charges, the decision to exempt road users in the Genoa area from the payment of tolls during the first half of 2019 has resulted in a reduction in toll revenue of €10m. The Company is continuing to provide support for the demolition and reconstruction of the road bridge and for the people and businesses directly affected by the collapse continues to be provided. In particular:

- a total of €209m has already been paid at the request of the Special Commissioner for Genoa, without prejudice to the reservations expressed in correspondence with the Commissioner and in the legal challenges brought (including €154m demolition and reconstruction of the road bridge, €40m as a remaining advance payment for the start-up of work and €15m in VAT);
- the sum of €33m was paid in the form of compensation for the families of the victims and the injured, as well as to cover legal expenses. This sum was also already included in the provisions made as at 31 December 2018.

Finally, insurance proceeds of €38m were recognised in "Other operating income" for the first half of 2019, following agreement entered into with the Group's insurance company in the first half of 2019 regarding quantification of the amount payable to Autostrade per l'Italia solely under existing third-party liability insurance policies for the Polcevera road bridge.

Consolidated operating results

Operating revenue for the first half of 2019 totals €5,604m, up €2,701m compared with the first half of 2018 (€2,903m). After stripping out the Abertis group's contribution, consolidated from the end of October 2018, operating revenue is up €109m (4%).

Toll revenue of €4,493m is up €2,467m on the first half of 2018 (€2,026m). After stripping out the impact of exchange rate movements, which had a negative impact of €12m, and the Abertis group's contribution, amounting to €2,414m, toll revenue is up €65m, primarily due to the following:

- traffic growth on the Italian network (up 1.0%), boosting revenue by an estimated €22m after also taking into account the positive impact of the different traffic mix;
- an improved contribution from overseas operators (up €44m), linked to both the application of toll increases and traffic growth registered by the operators in Chile (up 6.1%), Brazil (up 5.9%) and Poland (up 1.6%).

Aviation revenue of €394m is up €7m (2%) compared with the first half of 2018 (€387m), primarily due to traffic growth at Aeroporti di Roma (passenger traffic up 2.0%).

Other operating income, totalling €717m, is up €227m compared with the first half of 2018 (€490m). After stripping out the Abertis group's contribution, amounting to €178m, other operating income is up €49m, essentially due to the above recognition, in the first half of 2019, of insurance proceeds of approximately €38m received by Autostrade per l'Italia under third-party liability insurance policies in relation to the events of 14 August 2018. The increase also reflects growth in contract work carried out by Pavimental for external customers.

Net operating costs of €2,052m are up €969m compared with the first half of 2018 (€1,083m).
The cost of materials and external services and other expenses, totalling €1,138m, is up €664m compared with the first half of 2018 (€474m). This primarily reflects a combination of the following:

- an increase in motorway maintenance costs at Autostrade per l'Italia, reflecting a greater volume of work on the network, partly in relation to the new and more complex tender procedures (launched in 2017), which resulted in delays to work in the first half of 2018;
- the costs connected with the collapse of the Polcevera road bridge, almost entirely covered by use of the provisions made in the previous year;
- the Abertis group's contribution (€491m).

The intercompany margin on capital expenditure in the first half of 2019 has resulted in income of €17m, an increase of €11m compared with the first half of 2018 (€6m). This essentially reflects an increase in work on infrastructure operated under concession by Pavimental.

Concession fees of €293m are up €46m compared with the first half of 2018 (€247m). After stripping out the Abertis group's contribution (€30m), concession fees are up €16m, primarily due to recognition of the accrued amount payable (€11m) under a profit-sharing agreement entered into by the Polish operator, Stalexport Autostrada Maloposka, and which the operator is required hand over to the Grantor, for the first time, under specific agreements in the concession arrangement.

The operating change in provisions in the first half of 2019 generated income of €105m in the first half of 2019 (income of €77m in the first half of 2018). After stripping out the Abertis group's contribution (expense of €7m), the operating change in provisions results in income that is €35m higher than in the first half of 2018. This primarily reflects use of the provisions made by Autostrade per l'Italia in relation to initiatives undertaken following the collapse of a section of the

Polcevera road bridge, partially offset by increased provisions made during the period essentially linked to a reduction in the interest rates used to discount provisions.

Net staff costs of €743m are up €298m (€445m in the first half of 2018), primarily due to the Abertis group's contribution (€278m) and an increase in the fair value of staff incentive plans, mainly linked to the positive performance of Atlantia's share price in the first half of 2019.

Gross operating profit (EBITDA) of €3,552m is up €1,732m compared with the first half of 2018 (€1,820m). On a like-for-like basis, EBITDA is up €1m.

Amortisation, depreciation, impairment losses and reversals of impairment losses, totalling €1,225m, are up €660m compared with the first half of 2018 (€565m), primarily reflecting the Abertis group's contribution (€635m).

Provisions for renewal work and other adjustments, amounting to €60m, are down €58m compared with the same period of the previous year (€118m). This primarily reflects an updated estimate of the present value of future renewal work to be carried out on the infrastructure operated under concession by Aéroports de la Côte d'Azur ("ACA").

Operating profit (EBIT) of €2,267m is up €1,130m (99%) compared with the first half of 2018 (€1,137m), linked to consolidation of the Abertis group.

Financial income accounted for as an increase in financial assets deriving from concession rights and government grants amounts to €137m, an increase of €100m compared with the first half of 2018 (€37m). This reflects the contribution of certain Spanish and Chilean motorway operators in the Abertis group (€100m) who have significant financial assets resulting from amounts due from their respective grantors.

Financial expenses from discounting of provisions for construction services required by contract and other provisions amount to €45m, an increase of €23m compared with the first half of 2018 (€22m), essentially reflecting the Abertis group's contribution (€19m).

Net other financial expenses of €765m are up €487m compared with the first half of 2018 (€278m), essentially reflecting a combination of the following:

- the financial expenses incurred by the Abertis group and Abertis HoldCo (€530m), including financial expenses on the acquisition financing used to fund the acquisition of control of Abertis;
- an increase in the cost of derivative financial instruments (€41m) at Atlantia and Autostrade per l'Italia, relating to the cost of stabilising the cost of debt over time, and primarily linked to

fair value losses on certain derivatives and the recognition of differentials on Interest Rate Swaps;

- recognition in the first half of 2019 of dividends declared by Hochtief, totalling €63m;
- a reduction in interest expense (€18m) following repayment, in November 2018, of retail bonds issued by Atlantia.

Total income tax expense amounts to €454m, an increase of €197m compared with the first half of 2018 (€257m), reflecting the Abertis group's contribution.

Profit from continuing operations amounts to €1,157m, up €539m compared with the first half of 2018 (€618m), with €522m contributed by the Abertis group.

Profit for the period attributable to owners of the parent, amounting to €777m, is up €246m compared with the first half of 2018 (€531m). On a like-for-like basis, profit for the period attributable to owners of the parent is broadly in line with the first half of 2018.

Operating cash flow for the first half of 2019 amounts to €2,559m, up €1,296m. This is primarily attributable to the Abertis group's contribution (€1,370m). On a like-for-like basis, operating cash flow is up €51m (4%) compared with the first half of 2018, primarily due to an increase in cash from operating activities (EBITDA after non-cash items).

Equity attributable to owners of the parent, totalling €8,101m, is down €341m compared with the figure for 31 December 2018 (€8,442m). This essentially reflects a combination of the following:

- dividends declared by Atlantia for 2018 (€736m);
- comprehensive income for the period (€374m).

The Group's net debt as at 30 June 2019 amounts to €38,569m (€37,931m as at 31 December 2018).

As at 30 June 2019, the Group has cash reserves (including cash and cash equivalents, term deposits and undrawn committed lines of credit) totalling €13,284m.

Pro forma reclassified consolidated income statement

The following pro forma disclosure is provided in order to present the material effects of the acquisition of the Abertis group on the Atlantia Group's reclassified consolidated income statement down to "Gross operating profit" (EBITDA), had the transactions been effective from 1 January 2018. A description of the key assumptions used in preparation of the pro forma data is provided in the Annual Report for 2018 ("Pro forma reclassified consolidated income statement").

The following statement presents:

a) the Atlantia Group's results for the first half of 2018, after stripping out the Abertis group's contribution, in the column headed "Atlantia";

b) the Abertis group's results for the first half of 2018, as restated on the basis of the accounting standards and policies applied by the Atlantia Group, in the column headed "Abertis";

c) the sum of the consolidated results of Atlantia and the Abertis group for the first half of 2018 in the column headed "Combined pro forma amounts";

d) the operating costs included in Atlantia's income statement for the first half of 2018, and linked to the subsequently completed acquisition of the Abertis group, in the column headed "Pro forma adjustments";

e) the pro forma reclassified consolidated results for the first half of 2018, following the acquisition, in the column headed "Atlantia pro forma".

€M	ATLANTIA 1H 2018 (A)	ABERTIS 1H 2018 (B)	COMBINED PRO FORMA AMOUNTS 1H 2018 (C) = (A) + (B)	PRO FORMA ADJUSTMENTS (D)	ATLANTIA PRO FORMA 1H 2018 (E) = (C) - (D)
Total operating revenue	2,903	2,522	5,425		5,425
Total net operating costs	-1,083	-849	-1,932	-7	-1,925
Gross operating profit (EBITDA)	1,820	1,673	3,493	-7	3,500

Comparison of the reclassified income statement for H1 2019 with pro forma amounts for H1 2018

€M	1H 2019	ATLANTIA PRO FORMA 1H 2018	INCREASE/ (DECREASE)	
			ABSOLUTE	%
Total operating revenue	5,604	5,425	179	3%
Total net operating costs	-2,052	-1,925	-127	7%
Gross operating profit (EBITDA)	3,552	3,500	52	1%

"**Operating revenue**" for the first half of 2019 amounts to €5,604m, an increase of €179m (3%) compared with the first half of 2018 (€5,425m).

"**Net operating costs**" amount to €2,052m and are up €127m on the first half of 2018 (€1,925m).

"**Gross operating profit**" (EBITDA) of €3,552m is up €52m compared with the first half of 2018 (€3,500m). On a like-for-like basis, EBITDA is up €127m (4%).

Outlook and risks or uncertainties

The Atlantia Group's operating performance leads us to expect a positive overall operating performance in 2019, subject to the potential impact on the full-year results of movements in exchange rates and interest rates and changes to the operations of Italy's flag carrier airline.

Line-by-line consolidation of the Abertis group will also contribute to the results.

Finally, we feel it is necessary to reiterate the potential risks resulting from the letter of complaint sent to Autostrade per l'Italia by the Ministry of Infrastructure and Transport on 16 August 2018, alleging serious breaches of the company's contractual obligations in relation to the tragic events in Genoa, from the subsequent letter of 20 December 2018 and, latterly, from the letter of 5 April 2019, in which the Ministry (the Grantor of the company's concession) detailed its views regarding the operator's alleged failure to meet its obligations relating to the safety and maintenance of the road bridge. Autostrade per l'Italia replied to this latest letter on 3 May 2019, stating its belief that it has provided ample evidence that it has acted correctly and reiterating its concerns and objections regarding the above procedure.

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 2018, to which reference should be made for more detailed information.

Like-for-like financial indicators

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 income statement and the consolidated statement of cash flows.

€M	Note	H1 2019				H1 2018			
		GROSS OPERATING PROFIT (EBITDA)	PROFIT FOR THE PERIOD	PROFIT FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT	OPERATING CASH FLOW	GROSS OPERATING PROFIT (EBITDA)	PROFIT FOR THE PERIOD	PROFIT FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT	OPERATING CASH FLOW
Reported amounts (A)		3,552	1,147	777	2,559	1,820	618	531	1,263
Adjustments for non like-for-like items									
Change in scope of consolidation and charges pertaining to corporate transactions	(1)	1,777	523	274	1,374	-7	-14	-14	-36
Exchange rate movements	(2)	-9	-5	-3	-9	-	-	-	-
Impact connected with collapse of a section of the Polcevera road bridge	(3)	16	11	9	-149	-	-	-	-
Change in discount rate applied to provisions	(4)	-44	-41	-33	-	10	7	6	-
Impact of application of IFRS 16 - Leases	(5)	5	-1	-	4	-	-	-	-
Concession fees incurred by Stalexport group	(6)	-11	-11	-7	-11	-	-	-	-
Sub-total (B)		1,734	476	240	1,209	3	-7	-8	-36
Like-for-like amounts (C) = (A)-(B)		1,818	671	537	1,350	1,817	625	539	1,299

Notes

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

(1) the contribution of the Abertis group, consolidated from the end of October 2018, for the first half of 2019, dividends declared by Hochtief and, for both comparative periods, the operating costs and financial expenses incurred in relation to the acquisition of the Abertis group, after the related taxation;

(2) for the first half of 2019 alone, the difference between foreign currency amounts for the first half 2019 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 2018;

(3) the reduction in toll revenue, insurance proceeds and expenses, after the related taxation, and the impact on operating cash flow of payment of a portion of the provisions already made as at 31 December 2018 in relation to the collapse of a section of the Polcevera road bridge;

(4) for both comparative periods, the after-tax impact of the difference in the discount rates applied to the provisions accounted for among the Atlantia Group's liabilities;

(5) for the first half of 2019 alone, the after-tax impact on operating costs, depreciation and financial expenses of first-time adoption of the new accounting standard IFRS 16 - Leases;

(6) for the first half of 2019, the operating costs linked to the accrued amount payable for the period under a profit-sharing mechanism and that the Polish operator, Stalexport Autostrada Malopolska, must, for the first time, hand over to the Grantor under specific agreements in the concession arrangement.

Pro forma like-for-like changes

To present the pro forma scenario, the following table shows the reconciliation of like-for-like consolidated amounts, for the two comparative periods, for gross operating profit (EBITDA) extracted from the reclassified statement shown previously.

€M	Note	H1 2019 GROSS OPERATING PROFIT (EBITDA)	H1 2018 GROSS OPERATING PROFIT (EBITDA)
Reported amounts (A)		3,552	**3,500**
Adjustments for non like-for-like items			
Change in scope (Via Paulista - Vianorte - Trados-45)	*(1)*	13	14
Exchange rate movements	*(2)*	-32	-
Impact connected with collapse of a section of the Polcevera road bridge	*(3)*	16	-
Charges pertaining to corporate transactions	*(4)*	-9	-
Change in discount rate applied to provisions	*(5)*	-44	10
Impact of application of IFRS 16 - Leases	*(6)*	15	-
Concession fees incurred by Stalexport group	*(7)*	-11	-
Impact connected with Hyperinflation (application IAS 29)	*(8)*	1	-
Sub-total (B)		**-51**	**24**
Like-for-like amounts (C) = (A)-(B)		3,603	**3,476**

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 the following:

(1) for the first half of 2019, the contributions of the Brazilian operator, Via Paulista, which began operating in January 2019 and of the Spanish operator, Trados-45, consolidated during the first half of 2019; for the first half of 2018, the contribution of the Brazilian operator, Vianorte, which terminated its concession arrangement in May 2018;

(2) for the first half of 2019 alone, the difference between foreign currency amounts for the first half 2019 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 2018;

(3) the reduction in toll revenue, insurance proceeds and expenses in relation to the collapse of a section of the Polcevera road bridge;

(4) for both comparative periods, the operating costs and financial expenses incurred in relation to the acquisition of the Abertis group;

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

(6) for the first half of 2019 alone, the impact on operating costs, depreciation and financial expenses of first-time adoption of the new accounting standard IFRS 16 - Leases;

(7) for the first half of 2019, the operating costs linked to the accrued amount payable for the period under a profit-sharing mechanism and that the Polish operator, Stalexport Autostrada Malopolska, must, for the first time, hand over to the Grantor under specific agreements in the concession arrangement;

(8) for the first half of 2019, the impact of application of accounting standard IAS 29 – Financial Reporting in Hyperinflationary Economies in response to inflation in Argentina.

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, geographical area of operation and the organisational structure of the various areas of business.

There are no changes in the structure of operating segments as at 30 June 2019 with respect to the situation presented in the Annual Report for 2018. As a result, the composition of operating segments 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 includes Autostrade per l'Italia's subsidiaries (AD Moving, Giove Clear, Essediesse, Autostrade Tech), which provide support for the above Italian motorway operators;
- **Overseas motorways**: this includes the activities of the companies holding motorway concessions in Brazil, Chile and Poland not controlled by the Abertis group, 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), the company that (directly or through its subsidiaries) operates the airports of Nice, Cannes-Mandelieu and Saint-Tropez and the international network of ground handlers, Sky Valet, in addition to the activities of Azzurra Aeroporti (the direct parent of ACA);
- **Abertis group**: this includes the Spanish, French, Chilean, Brazilian, Argentine, Puerto Rican and Indian motorway operators and the companies that produce and operate tolling systems controlled by Abertis Infraestructuras, and the holding established in relation to its acquisition, Abertis HoldCo;
- **Atlantia and other activities**: this segment essentially 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;
  - Telepass and Electronic Transaction Consultants, the companies that produce and operate free-flow tolling systems, traffic and transport management systems and electronic payment systems;
  - the companies whose business is the design, construction and maintenance of infrastructure, essentially carried out by Spea Engineering and Pavimental;
  - Aereo I Global & International Sarl, the Luxembourg-registered investment vehicle that holds a 15.49% interest in Getlink.

** * **

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 20 March 2013 (which does not entail the deduction of non-current financial assets from debt), amounts to €43,439m as at 30 June 2019 (€42,468m as at 31 December 2018).

Reclassified consolidated income statement

€M	H1 2019	H1 2018	INCREASE/ (DECREASE) ABSOLUTE	%
Toll revenue	4,493	2,026	2,467	n/s
Aviation revenue	394	387	7	2
Other operating income	717	490	227	46
Total operating revenue	5,604	2,903	2,701	93
Cost of materials and external services and other expenses	*-1,138*	*-474*	*-664*	*n/s*
Intercompany margin on capital expenditure (1)	*17*	*6*	*11*	*n/s*
Cost of materials and external services	-1,121	-468	-653	n/s
Concession fees	-293	-247	-46	19
Net staff costs	-743	-445	-298	67
Operating change in provisions	105	77	28	36
Total net operating costs	-2,052	-1,083	-969	89
Gross operating profit (EBITDA)	3,552	1,820	1,732	95
Amortisation, depreciation, impairment losses and reversals of impairment losses	-1,225	-565	-660	n/s
Provisions for renewal work and other adjustments	-60	-118	58	-49
Operating profit (EBIT)	2,267	1,137	1,130	99
Financial income accounted for as an increase in financial assets deriving from concession rights and government grants	137	37	100	n/s
Financial expenses from discounting of provisions for construction services required by contract and other provisions	-45	-22	-23	n/s
Other financial income/(expenses), net	-765	-278	-487	n/s
Capitalised financial expenses on intangible assets deriving from comcession rights	12	3	9	n/s
Share of profit/(loss) of investees accounted for using the equity method	5	-2	7	n/s
Profit/(Loss) before tax from continuing operations	1,611	875	736	84
Income tax expense	-454	-257	-197	77
Profit/(Loss) from continuing operations	1,157	618	539	87
Profit/(Loss) from discontinued operations	-10	-	-10	-
Profit for the period	1,147	618	529	86
(Profit)/Loss attributable to non-controlling interests	370	87	283	n/s
(Profit)/Loss attributable to owners of the parent	777	531	246	46

(1) The intercompany margin on capital expenditure results from the work carried out by the Group's industrial companies 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 2019	H1 2018	INCREASE/ (DECREASE)
Basic earnings per share attributable to the owners of the parent (€)	0.95	0.65	0.30
of which:			
- from continuing operations	0.96	0.65	0.31
- from discontinued operations	-0.01	-	-0.01
Diluted earnings per share attributable to the owners of the parent (€)	0.95	0.65	0.30
of which:			
- from continuing operations	0.96	0.65	0.31
- from discontinued operations	-0.01	-	-0.01

Consolidated statement of comprehensive income

€M		H1 2019	H1 2018
Profit for the period	(A)	1,147	**618**
Fair value gains/(losses) on cash flow hedges		-617	-61
Tax effect of fair value gains/(losses) on cash flow hedges		166	17
Fair value gains/(losses) on net investment hedges		-53	-
Tax effect of fair value gains/(losses) on net investment hedges		13	-
Gains/(Losses) from translation of assets and liabilities of consolidated companies denominated in functional currencies other than the euro		98	-158
Gains/(Losses) from translation of investments accounted for using the equity method denominated in functional currencies other than the euro		-	-1
Components of comprehensive income of investments accounted for using the equity method		-40	-
Other comprehensive income/(loss) for the period reclassifiable to profit or loss	(B)	-433	-203
Gains/(Losses) from actuarial valuations of provisions for employee benefits		-1	-
Tax effect of gains/(losses) from actuarial valuations of provisions for employee benefits		-	-
(Losses)/Gains on fair value measurement of investments		-179	-
Tax effect on (losses)/gains on fair value measurement of investments		2	-
Gains/(Losses) on fair value measurement of fair value hedges		141	-
Tax effect of gains/(losses) on fair value measurement of fair value hedges		-1	-
Other comprehensive income/(loss) for the period not reclassifiable to profit or loss	(C)	-38	-
Reclassifications of other components of comprehensive income to profit or loss for the period	(D)	23	2
Tax effect of reclassifications of other components of comprehensive income to profit or loss for the period	(E)	-4	-
Total other comprehensive income/(loss) for the period	(F=B+C+D+E)	-452	-201
of which relating to discontinued operations		2	-
Comprehensive income for the period	(A+F)	695	**417**
Of which attributable to owners of the parent		*374*	*407*
Of which attributable to non-controlling interests		*321*	*10*

Reclassified consolidated statement of financial position

€M	30 June 2019	31 December 2018	INCREASE/ (DECREASE)
Non-current non-financial assets			
Property, plant and equipment	814	696	118
Intangible assets	57,366	57,627	-261
Investments	3,283	3,597	-314
Deferred tax assets	1,695	1,607	88
Other non-current assets	82	129	-47
Total non-current non-financial assets (A)	**63,240**	**63,656**	**-416**
Working capital			
Trading assets	2,846	2,387	459
Current tax assets	805	899	-94
Other current assets	588	603	-15
Non-financial assets held for sale or related to discontinued operations	1,456	1,522	-66
Current portion of provisions for construction services required by contract	-660	-428	-232
Current provisions	-1,137	-1,324	187
Trading liabilities	-2,233	-2,140	-93
Current tax liabilities	-329	-233	-96
Other current liabilities	-1,226	-1,239	13
Non-financial liabilities related to discontinued operations	-210	-223	13
Total working capital (B)	**-100**	**-176**	**76**
Gross invested capital (C=A+B)	**63,140**	**63,480**	**-340**
Non-current non-financial liabilities			
Non-current portion of provisions for construction services required by contract	-2,573	-2,787	214
Non-current provisions	-2,749	-2,658	-91
Deferred tax liabilities	-3,216	-3,238	22
Other non-current liabilities	-328	-534	206
Total non-current non-financial liabilities (D)	**-8,866**	**-9,217**	**351**
NET INVESTED CAPITAL (E=C+D)	**54,274**	**54,263**	**11**

Equity attributable to owners of the parent	**8,101**	**8,442**	**-341**
Equity attributable to non-controlling interests	**7,604**	**7,890**	**-286**
Total equity (F)	**15,705**	**16,332**	**-627**
Net debt			
Non-current net debt			
Non-current financial liabilities	**42,686**	**44,151**	**-1,465**
Bond issues	23,039	20,872	2,167
Medium/long-term borrowings	17,564	21,731	-4,167
Non-current derivative liabilities	1,406	921	485
Other non-current financial liabilities	677	627	50
Non-current financial assets	**-4,870**	**-4,537**	**-333**
Non-current financial assets deriving from concession rights	-2,950	-2,824	-126
Non-current financial assets deriving from government grants	-244	-283	39
Non-current term deposits	-353	-350	-3
Non-current derivative assets	-317	-144	-173
Other non-current financial assets	-1,006	-936	-70
Total non-current net debt (G)	**37,816**	**39,614**	**-1,798**
Current net debt			
Current financial liabilities	**5,920**	**4,386**	**1,534**
Bank overdrafts repayable on demand	10	-	10
Short-term borrowings	425	294	131
Current derivative liabilities	39	11	28
Current portion of medium/long-term financial liabilities	4,575	3,271	1,304
Other current financial liabilities	546	495	51
Financial liabilities related to discontinued operations	325	315	10
Cash and cash equivalents	**-3,707**	**-5,073**	**1,366**
Cash in hand	-2,979	-3,884	905
Cash equivalents	-694	-1,148	454
Cash and cash equivalents related to discontinued operations	-34	-41	7
Current financial assets	**-1,460**	**-996**	**-464**
Current financial assets deriving from concession rights	-561	-536	-25
Current financial assets deriving from government grants	-77	-74	-3
Current term deposits	-459	-245	-214
Current derivative assets	-	-2	2
Current portion of other medium/long-term financial assets	-97	-109	12
Other current financial assets	-245	-30	-215
Financial assets held for sale or related to discontinued operations	-21	-	-21
Total current net debt/(funds) (H)	**753**	**-1,683**	**2,436**
Total net debt (I=G+H) [(1)]	**38,569**	**37,931**	**638**
NET DEBT AND EQUITY (L=F+I)	**54,274**	**54,263**	**11**

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

Consolidated statement of cash flows

€M	H1 2019	H1 2018
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Profit for the period	1,147	618
Adjusted by:		
Amortisation and depreciation	1,225	565
Operating change in provisions, excluding uses of provisions for renewal of assets held under concession	-105	42
Financial expenses from discounting of provisions for construction services required by contract and other provisions	45	22
Impairment losses/(Reversals of impairment losses) on financial assets and investments accounted for at fair value	31	-
Dividends received and share of (profit)/loss of investees accounted for using the equity method	35	32
Impairment losses/(Reversals of impairment losses) and adjustments of current and non-current assets	10	-
(Gains)/Losses on sale of non-current assets	-1	-
Net change in deferred tax (assets)/liabilities through profit or loss	16	20
Other non-cash costs (income)	156	-36
Change in working capital and other changes	-277	-9
Net cash generated from operating activities [a]	2,282	1,254
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Investment in assets held under concession	-687	-338
Purchases of property, plant and equipment	-94	-20
Purchases of other intangible assets	-34	-19
Government grants related to assets held under concession	4	-
Increase in financial assets deriving from concession rights (related to capital expenditure)	58	11
Purchases of investments	-4	-10
Acquisitions of additional interests and/or investment in consolidated companies, net of cash acquired	48	-1,056
Proceeds from sales of property, plant and equipment, intangible assets and unconsolidated investments	6	1
Net change in other non-current assets	50	1
Net change in current and non-current financial assets	-691	-29
Net cash generated used in investing activities [b]	-1,344	-1,459
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Dividends paid	-968	-654
Return of capital to non-controlling shareholders	-455	-
Proceeds from exercise of rights under share-based incentive plans	-	1
Issuance of bonds	3,922	93
Increase in medium/long term borrowings (excluding finance lease liabilities)	3,028	201
Increase in finance lease liabilities	26	0
Redemption of bonds	-667	-37
Repayments of medium/long term borrowings (excluding finance lease liabilities)	-7,290	-110
Payment of finance lease liabilities	-15	-
Net change in other current and non-current financial liabilities	89	-135
Net cash generated used in financing activities [c]	-2,330	-641
Net effect of foreign exchange rate movements on net cash and cash equivalents [d]	16	-23
Increase/(Decrease) in cash and cash equivalents for the period [a+b+c+d]	-1,376	-869
NET CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	5,073	5,613
NET CASH AND CASH EQUIVALENTS AT END OF PERIOD	3,697	4,744

Additional information on the consolidated statement of cash flows

€M	H1 2019	H1 2018
Income taxes paid	213	39
Interest and other financial income collected	78	45
Interest and other financial expenses paid	843	433
Dividends received	111	34
Foreign exchange gains collected	10	-
Foreign exchange losses incurred	5	-

Reconciliation of net cash and cash equivalents

€M	H1 2019	H1 2018
NET CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**5,073**	**5,613**
Cash and cash equivalents	5,032	5,624
Bank overdrafts repayable on demand	-	-18
Cash and cash equivalents related to discontinued operations	41	7
NET CASH AND CASH EQUIVALENTS AT END OF PERIOD	**3,697**	**4,744**
Cash and cash equivalents	3,673	4,767
Bank overdrafts repayable on demand	-10	-29
Cash and cash equivalents related to discontinued operations	34	6