Press release

AUTOSTRADE PER L'ITALIA GROUP'S RESULTS ANNOUNCEMENT FOR NINE MONTHS ENDED 30 SEPTEMBER 2018

Consolidated results for 9M 2018[(1)]

- **Motorway traffic on Group's network up 0.3%[(2)]**
- **Gross operating profit (EBITDA) of €1,989m up 4%**
- **Profit attributable to owners of parent of €605m down 18%, reflecting approximately €350m posted to cover preliminary estimate of costs resulting from collapse of section of Polcevera road bridge in Genoa**
- **Capital expenditure totals €390m**
- **Operating cash flow up 4% to €1,384m (up 7% on like-for-like basis[(3)])**
- **Group's net debt at 30 September 2018 totals €8,783m, down €568m compared with 31 December 2017**

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(1) In addition to the reported amounts in the consolidated financial statements, this press release also presents and analyses alternative performance indicators ("APIs"), such as 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) An increase of 0.7% after stripping out the negative impact of major snowfall between the end of February and early March 2018 from Autostrade per l'Italia's traffic performance.
(3) The first nine months of 2017 benefitted from the contributions of Autostrade dell'Atlantico, Autostrade Indian Infrastructure and the related subsidiaries, reclassified to "Profit/Loss) from discontinued operations". These companies were deconsolidated from February and March 2017, respectively, following the transfer of these investments to the parent, Atlantia, in the form of a special dividend in kind.

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Rome, 9 November 2018 – Autostrade per l'Italia SpA's Board of Directors, chaired by Fabio Cerchiai, met on 8 November 2018 to approve the Autostrade per l'Italia Group's results announcement for the nine months ended 30 September 2018 ("9M 2018").

Events of 14 August 2018, involving the collapse of a section of the Polcevera road bridge in Genoa

A section of the Polcevera road bridge on the A10 Genoa–Ventimiglia motorway operated by Autostrade per l'Italia SpA collapsed on 14 August 2018, resulting in the deaths of 43 people.

Deeply shocked by the tragedy, and sharing the sense of grief for the victims and the distress felt by their families, the Company immediately put in place plans to provide support for the local community, considering the need to help the people of Genoa overcome the emergency to be its number one priority.

Steps were quickly taken to provide aid for families forced to abandon their homes, to whom Autostrade per l'Italia provided non-repayable financial support to enable them to pay for basic necessities.

Without prejudicing any determination of liability, Autostrade per l'Italia has begun the process of compensating the families of the victims and is also meeting the financial needs of shopowners, small businesses and firms affected by the collapse of the road bridge. This has been done in spite of a dispute with the insurance company regarding its liability for the incident under the relevant third party liability policy, which the Company believes to provide cover.

In collaboration with Genoa City Council and Liguria Regional Authority, the Company also took immediate action to restore the city's road network to normal, working with Pavimental to provide alternative arrangements (such as the Via del Papa and Via 30 giugno 1960) and exempting road users from the payment of tolls on motorways serving the Genoa area.

Finally, believing that it is in any event essential to restore the connection provided by the Polcevera road bridge in the shortest time possible and with particular regard for the needs of the local community in Genoa, on 15 October 2018, the Company sent the Special Commissioner a plan for demolition and reconstruction of the bridge, drawn up in accordance with the provisions of its Concession Arrangement. The work is to be carried within nine months of the plan's approval and of gaining access to the related areas.

Convinced that the Company has complied with its concession obligations and whilst awaiting the outcome of the ongoing investigation into the causes of the collapse of a section of the Polcevera road bridge, Autostrade per l'Italia has prepared its accounts for the nine months ended 30 September 2018 taking into account preliminary estimates of the costs directly linked to the collapse, without prejudicing any determination of liability. Specifically, these costs regard the cost of demolition and reconstruction of the road bridge, with the related costs of expropriation and of compensation payable to people, businesses and firms directly affected by the collapse, and compensation payable to victims' families and to the injured.

The above preliminary estimates, amounting to approximately €350m, conservatively without taking account of any insurance proceeds. They are reflected in the accounts for the nine months ended 30 September 2018 in the form of provisions for liabilities totalling approximately €345m, and of expenses of approximately €5m already incurred and recognised in operating costs.

Traffic performance

Traffic on the Group's motorway network in the first nine months of 2018 is up 0.3% on the first nine months of 2017. The number of kilometres travelled by vehicles with 2 axles is in line with the figure for 2017, whilst the figure for those with 3 or more axles up 2.4%.

The performance for the first nine months 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 this factor, traffic on the Autostrade per l'Italia Group's network in the first nine months of 2018 is up 0.7%[(4)].

[(4)] After stripping out the negative impact of the snowfall between the end of February and early March 2018 from Autostrade per l'Italia's traffic performance.

OPERATOR	KM TRAVELLED (IN MILLIONS)		
	9M 2018[1]	9M 2017	% CHANGE
Autostrade per l'Italia	36,804.6	36,675.6	0.4%
Autostrade Meridionali	1,282.5	1,280.8	0.1%
Tangenziale di Napoli	689.0	689.7	-0.1%
Autostrada Tirrenica	252.3	255.3	-1.2%
Raccordo Autostradale Valle d'Aosta	88.0	90.3	-2.6%
Società Italiana per il Traforo del Monte Bianco	9.1	9.1	-0.1%
Total Italian operators	39,125.5	39,000.8	0.3%

(1) The figures for August and September 2018 are provisional. The figures are in millions of kilometres travelled, after rounding to the nearest decimal place.

Capital expenditure

Capital expenditure by Autostrade per l'Italia and the Group's other motorway operators in the first nine months of 2018 amounts to €390m.

€M	9M 2018	9M 2017
Autostrade per l'Italia -projects in Agreement of 1997	145	145
Autostrade per l'Italia - projects in IV Addendum of 2002	93	49
Autostrade per l'Italia: other capital expenditure (including capitalised costs)	112	112
Other operators (including capitalised costs)	13	21
Total investment in infrastructure operated under concession	363	327
Investment in other intangible assets	20	9
Investment in property, plant and equipment	7	7
Total capital expenditure	390	343

With regard to the works envisaged in the Agreement of 1997, work continued in the first nine months 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* and the Florence North-Florence South section, in both cases consisting solely of off carriageway works.

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 nine months of 2018. The designs for the 10 lots forming the overall Detailed Design for the new road and motorway system serving Genoa (the so-called "*Gronda di Genova*") were sent to the Ministry of Infrastructure and Transport between February and early August 2018. In the meantime, preparations for the start-up of work are in progress whilst awaiting the Grantor's approval of the designs.

Autostrade per l'Italia's other capital expenditure includes approximately €40m invested in major works, primarily construction of the fourth free-flow lane for the A4 in the Milan area, improvements to feeder roads for the Tuscan stretch of the A1 and work on the design for the new Bologna Interchange.

Significant legal and regulatory aspects

On 16 August 2018, the Ministry of Infrastructure and Transport sent Autostrade per l'Italia a letter of complaint, alleging that Autostrade per l'Italia SpA had committed serious breaches of its contractual obligations regarding routine and extraordinary maintenance and of its obligation to ensure that the road was in good working condition. As a result, the Ministry declared that it was appropriate "to activate the procedures provided for in articles 8, 9 and 9 *bis* of the Concession Arrangement".

In its response dated 31 August 2018, and in the subsequent letter dated 13 September 2018, Autostrade per l'Italia presented its counterarguments, rejecting the accusation that it had failed to meet its contractual obligations and, in addition, asserting that any decision by the Ministry to activate the procedures provided for in articles 8, 9 and 9 *bis* of the Concession Arrangement would be inadmissible and without effect.

The Inspection Committee appointed by the Ministry of Infrastructure and Transport then published its report on the collapse of a section of the Polcevera road bridge on 25 September 2018. A subsequent letter from Autostrade per l'Italia, dated 5 October 2018, contained criticism of both procedural aspects and the merits of the Committee's conclusions.

The collapse has resulted in criminal action before the Court of Genoa against 9 Autostrade per l'Italia SpA personnel, including executives and other people employed at the Company's Rome headquarters and the relevant area office in Genoa.

Autostrade per l'Italia SpA is also under investigation, pursuant to art. 25-*septies* of Legislative Decree 231/2001.

Subsequently, on 12 September 2018, the preliminary investigating magistrate (*Giudice per le Indagini Preliminari*) requested a pre-trial hearing to appoint experts to prepare a report on conditions at the disaster scene, to assess the state of repair and maintenance of the infrastructure that did not collapse and of the parts of the road bridge that did collapse and have yet to be removed, and to identify and reach agreement with the relevant authorities on procedures for the removal of debris and for demolition, so as to preserve the evidence needed for the purposes of the investigation. The work of the experts began on 2 October 2018 and is still in progress.

Finally, Law Decree 109, published on 28 September 2018, contains a range of urgent measures for the city of Genoa. Among the various provisions, the legislation:

- appoints a Special Commissioner to oversee the reconstruction, who may act in derogation of the law other than criminal law, save for the binding restrictions imposed by membership of the European Union;
- requires the operator, within thirty days of receipt of the Extraordinary Commissioner's request, to pay the sum necessary for the reconstruction in the amount to be provisionally determined by the Commissioner, without prejudice to any subsequent findings regarding liability for the event;
- excludes all toll road operators and their associates or subsidiaries from involvement in the reconstruction.

During the Decree's conversion into law, the Chamber of Deputies (Italy's lower house) approved the draft law converting the Decree with certain amendments, including:

- the exclusion from the reconstruction solely of Autostrade per l'italia and its associates or subsidiaries;
- assignment to the Commissioner of responsibility for the sections of motorway linked to the road bridge whose operation will be affected by work on the reconstruction.

The draft legislation is to be discussed in the Senate (the upper house) from 13 November and the Decree must be converted into law by 27 November.

At this time, the decree appointing the Commissioner announced in the above Law Decree has yet to be published.

Group financial review

Consolidated operating results

"**Operating revenue**" for the first nine months of 2018 totals €3,046m, up €53m (2%) on the same period of 2017 (€2,993m).

"**Toll revenue**" of €2,800m is up €63m (2%) compared with the same period of 2017 (€2,737m), primarily due to a combination of the following:

- a 0.3% increase in traffic. After also taking into account the positive effect of the traffic mix, the estimated increase in toll revenue is approximately €17m;
- application of annual toll increases, boosting toll revenue by an estimated €39m, with Autostrade per l'Italia accounting for €24m of the increase and the other operators for €15m;

Autostrade per l'Italia's decision to exempt road users in the Genoa area from the payment of tolls resulted in an estimated reduction in revenue of approximately €2m.

"**Other operating income**" of €246m is down €10m compared with the same period of 2017 (€256m). This primarily reflects income earned in the first nine months of 2017 by Autostrade per l'Italia (following the transfer free of charge of buildings located at a number of service areas where sub-concessions had been renewed) and by Autostrade Meridionali (after positive developments in a number of disputes).

The "**Cost of materials and external services**" amounts to €335m, a reduction of €26m compared with the same period of 2017 (€361m). The decrease primarily reflects a reduction in the cost of resurfacing work during the period (to be made up in the coming months), following its rescheduling as a result of the time needed to comply with new and more complex tender procedures (launched in 2017).

"**Concession fees**", totalling €358, are up €4m (1%) compared with the first nine months of 2017 (€354m), substantially due to the component of tolls corresponding with the additional concession fee payable to ANAS, also accounted for in toll revenue.

"**Net staff costs**" of €364m are down €10m (3%) compared with the comparative period, essentially reflecting a reduction in the fair value of long-term management incentive plans.

“**Gross operating profit**” **(EBITDA)** for the first nine months of 2018 thus amounts to €1,989m, marking an increase of €85m (4%) on the same period of 2017 (€1,904m).

“**Amortisation, depreciation, impairment losses and reversals of impairment losses**”, totalling €459m, are broadly in line with the figure for the same period of 2017 (€449m).

The “**Operating change in provisions and other adjustments**” have resulted in expense of €303m, marking an increase of €273m compared with expense of €30m for the first nine months of 2017. This essentially reflects the impact of provisions to cover initial estimates of the costs directly linked to the collapse of a section of the Polcevera road bridge.

“**Operating profit**” **(EBIT)** of €1,227m is down €198m (14%) compared with the first nine months of 2017 (€1,425m).

“**Net financial expenses**” of €330m are down €37m compared with the same period of 2017 (€367m). This essentially reflects the impact of the unwinding of a number of Forward-Starting Interest Rate Swaps on which fair value losses were incurred, following the issue and accompanying partial repurchase of certain bonds by Autostrade per l’Italia, which resulted in the recognition of €21m in financial expenses in the first nine months of 2017. The decline in financial expenses is also due to a €16m reduction in financial expenses and interest payable after a reduction in debt in the first nine months of 2018 compared with the same period of 2017.

The “**Share of the (profit)/loss of investees accounted for using the equity method**” amounts to a loss of €5m (€2m in the first nine months of 2017), reflecting the Group’s share of its associates’ results.
“**Income tax expense**” amounts to €272m, a decrease of €41m compared with the first nine months of 2017 (€313m). This is broadly in line with the reduction in profit before tax from continuing operations.

“**Profit from continuing operations**” amounts to €620m, a reduction of €123m (17%) compared with the first nine months of 2017 (€743m).

“**Profit from discontinued operations**”, amounting to zero for the first nine months of 2018, in the same period of 2017 included the positive contributions of Autostrade Indian Infrastructure, Autostrade dell’Atlantico and the related subsidiaries, deconsolidated from March and February 2017, respectively.

“**Profit for the period**”, amounting to €620m, is down €147m (19%) compared with the first nine months of 2017 (€767m). This essentially reflects the impact of provisions made to cover initial estimates of the costs resulting from the collapse of a section of the Polcevera road bridge.

“**Profit for the period attributable to owners of the parent**”, amounting to €605m, is down €135m (18%) compared with the first nine months of 2017 (€740m).

“**Profit attributable to non-controlling interests**” amounts to €15m, down €12m (44%) compared with the first nine months of 2017 (€27m), essentially reflecting the different scope of consolidation. In the first nine months of 2017, the contribution of the companies deconsolidated as part of the Group’s restructuring was €15m.

RECLASSIFIED CONSOLIDATED INCOME STATEMENT(*)

€m	9M 2018	9M 2017	Increase/(Decrease) Absolute	%
Toll revenue	2,800	2,737	63	2
Other operating income	246	256	-10	-4
Total operating revenue	**3,046**	**2,993**	**53**	**2**
Cost of materials and external services	-335	-361	26	-7
Concession fees	-358	-354	-4	1
Net staff costs	-364	-374	10	-3
Total net operating costs	**-1,057**	**-1,089**	**32**	**-3**
Gross operating profit (EBITDA)	**1,989**	**1,904**	**85**	**4**
Amortisation, depreciation, impairment losses and reversals of impairment losses	-459	-449	-10	2
Operating change in provisions and other adjustments	-303	-30	-273	n.s.
Operating profit (EBIT)	**1,227**	**1,425**	**-198**	**-14**
Net financial expenses	-330	-367	37	-10
Share of profit/(loss) of investees accounted for using the equity method	-5	-2	-3	n.s.
Profit/(Loss) before tax from continuing operations	**892**	**1,056**	**-164**	**-16**
Income tax expense	-272	-313	41	-13
Profit/(Loss) from continuing operations	**620**	**743**	**-123**	**-17**
Profit/(Loss) from discontinued operations	-	24	-24	n.s.
Profit for the period	**620**	**767**	**-147**	**-19**
(Profit)/Loss attributable to non-controlling interests	15	27	-12	-44
(Profit)/Loss attributable to owners of the parent	**605**	**740**	**-135**	**-18**

	9M 2018	9M 2017	Increase/ (Decrease)
Basic earnings per share attributable to the owners of the parent (€)	**0.97**	**1.19**	**-0.22**
of which:			
- from continuing operations	0.97	1.17	-0.20
- from discontinued operations	-	0.02	-0.02
Diluted earnings per share attributable to the owners of the parent (€)	**0.97**	**1.19**	**-0.22**
of which:			
- from continuing operations	0.97	1.17	-0.20
- from discontinued operations	-	0.02	-0.02

(*) The reconciliation with the statutory consolidated income statement is provided in the section, “Explanatory notes”.

Consolidated financial position

As at 30 September 2018, “**Non-current non-financial assets**”, totalling €18,326m, are down €276m compared with 31 December 2017. This is primarily due to amortisation of intangible assets deriving from concession rights (€430m), partially offset by investment in construction services for which additional economic benefits are received (€112m) and an updated estimate of future investment in construction services for which no additional benefits are received (€24m).

“**Working capital**” has a negative balance of €2,414m (a negative balance of €1,727 as at 31 December 2017). The change of €687m primarily reflects an increase of €350m in the current portion of provisions, due to the previously mentioned provisions made in response to the events of 14 August 2018, and a €287m increase in the current portion of Autostrade per l’Italia’s provisions for construction services required by contract, following reclassification of the current portion of investment in construction services for which no additional benefits are received during the next twelve months (€536m), partially offset by investment during the period (€248m).

“**Non-current non-financial liabilities**”, totalling €4,260m are down €526m compared with 31 December 2017, primarily due to a reduction of €502m in the non-current portion of provisions for construction services required by contract, essentially due to the above reclassification of the current portion (€536m).

“**Net invested capital**”, totalling €11,652m, is down €437m on the figure for 31 December 2017.

“**Equity**” amounts to €2,869m (€2,738m as at 31 December 2017). “**Equity attributable to owners of the parent**”, totalling €2,516m, is up €126m overall compared with 31 December 2017. This essentially reflects profit for the period (€605m) and recognition of the impact of first-time application of the new international financial reporting standard, IFRS 9 (totalling €26m), partially offset by payment of Autostrade per l’Italia’s final dividend for 2017 (€518m). “**Equity attributable to non-controlling interests**” of €353m is up €5m compared with the figure for 31 December 2017 (€348m). This reflects profit for the period (€15m), partially offset by the dividends paid by a number of Group companies to non-controlling shareholders (totalling €7m).

The Group's "**Net debt**" as at 30 September 2018 amounts to €8,783m, marking a decrease of €568m compared with 31 December 2017.

RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION(*)

€m	30 September 2018	31 December 2017	Increase/ (Decrease)
Non-current non-financial assets (A)	18,326	18,602	-276
Working capital (B)	-2,414	-1,727	-687
Gross invested capital (C=A+B)	15,912	16,875	-963
Non-current non-financial liabilities (D)	-4,260	-4,786	526
NET INVESTED CAPITAL (E=C+D)	11,652	12,089	-437
Equity attributable to owners of the parent	2,516	2,390	126
Equity attributable to non-controlling interests	353	348	5
Total equity (F)	2,869	2,738	131
Non-current net debt (G)	9,777	10,597	-820
Current net funds (H)	-994	-1,246	252
Net debt (I=G+H)	8,783	9,351	-568
NET DEBT AND EQUITY (L=F+I)	11,652	12,089	-437

(*) The reconciliation with the statutory consolidated statement of financial position is provided in the section, "Explanatory notes".

As at 30 September 2018, the Group has cash reserves of €4,506m. This figure consists of €2,716m in cash and/or investments maturing in the short term, €235m in term deposits allocated to finance the execution of construction services and €1,555m in undrawn committed lines of credit.

The Group has lines of credit with a weighted average residual term to maturity of approximately seven years and three months and a weighted average residual drawdown period of approximately three years.

The residual weighted average term to maturity of the Group's interest-bearing debt is six years as at 30 September 2018. 98% of the Group's interest bearing debt is fixed rate, taking into account the hedging derivative instruments entered into. The average cost of the Group's medium/long-term borrowings in the first nine months of 2018 was 3.5%.

Consolidated cash flow

"**Net cash from operating activities**" amounts to €1,420m in the first nine months of 2018, down €139m compared with the first nine months of 2017. This reflects:

- a reduction in cash generated from operating capital and non-financial assets and liabilities (totalling €190m), mainly linked to the change in current tax expense between the comparative periods (€123m);
- an increase of €51m in operating cash flow, reflecting a €97m increase in cash from operating activities, partially offset by a decrease of €57m due to the different scope of consolidation between the two comparative periods. On a like-for-like basis, operating cash flow for the first nine months of 2018 is up €91m (7%) compared with the first nine months of 2017.

"**Cash used for investment in non-financial assets**" totals €410m, including capital expenditure (€390m) and the purchase of investments (€28m) in the period. The outflow of €541m in the first nine months of 2017 reflected deconsolidation of the net (debt)/funds of the companies transferred to Atlantia as part of the Group's restructuring.

"**Net equity cash outflows**" amount to €525m for the first nine months of 2018, marking a reduction of €903m compared with the same period of 2017. This primarily reflects distribution, in the comparative period, of a portion of available reserves, amounting to €1,101m, to the parent, Atlantia.

In addition, other changes during the first nine months of 2018 have resulted in an overall decrease of €83m in net debt. This is linked to the above-mentioned recognition of the impact of first-time adoption of the new IFRS 9 (€34m before the related taxation) and the impact of the issuer substitution completed at the end of 2016 (€36m).
The overall impact of the above cash flows has resulted in an overall decrease in net debt of €568m in the first half of 2018.

CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT(*)

€m	9M 2018	9M 2017
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Operating cash flow	1,384	1,333
Change in operating capital	-40	80
Other changes in non-financial assets and liabilities	76	146
Net cash generated from/(used in) operating activities (A)	**1,420**	**1,559**
NET CASH FROM/(USED IN) INVESTMENT IN NON-FINANCIAL ASSETS		
Capital expenditure	-390	-343
Government grants for assets held under concession	-	1
Increase in financial assets deriving from concession rights (related to capital expenditure)	-	2
Purchases of investments	-28	-
Proceeds from sales of property, plant and equipment, intangible assets and unconsolidated investments	4	1
Proceeds from sales of consolidated investments, including net debt transferred	4	-
Net debt/(funds) of consolidated companies transferred as a result of distribution of special dividend in kind	-	-204
Net change in other non-current assets	-	2
Net cash from/(used in) investment in non-financial assets (B)	**-410**	**-541**
NET EQUITY CASH INFLOWS/(OUTFLOWS)		
Distribution of reserves to parent	-	-1,101
Dividends declared by Autostrade per l'Italia and Group companies and payable to non-controlling shareholders	-525	-327
Net equity cash inflows/(outflows) (C)	**-525**	**-1,428**
Increase/(Decrease) in cash and cash equivalents during period (A+B+C)	**485**	**-410**
Other changes in net debt (D)	**83**	**101**
Decrease/(Increase) in net debt for period (A+B+C+D)	**568**	**-309**
Net debt at beginning of period	**-9,351**	**-8,694**
Net debt at end of period	**-8,783**	**-9,003**

(*) The reconciliation with the statutory consolidated statement of cash flows is provided in the section, “Explanatory notes”.

Outlook and risks or uncertainties

Whilst awaiting the outcome of the ongoing investigation into the collapse of the Polcevera road bridge in Genoa, the results for 2018 reflect the expected cost of reconstruction of the bridge and the cost of the resulting initiatives put in place by Autostrade per l'Italia in support of the city of Genoa (amounting to an initial estimate of €350m as at 30 September 2018).

With regard to the potential risks resulting from the Ministry of Infrastructure and Transport's claim, following the events of 14 August 2018, that Autostrade per l'Italia was in serious breach of its concession obligations and from the eventual activation of the procedures provided for in articles 8, 9 and 9 *bis* of the Concession Arrangement, Autostrade per l'Italia has already responded by noting that the claim is groundless and has also asserted that the Ministry's activation of such procedures is inadmissible and without effect.

Explantory notes

Like-for-like performance indicators

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

		9M 2018				9M 2017			
€m	Note	Gross operating profit (EBITDA)	Profit for the period	Profit attributable to owners of the parent	Operating cash flow	Gross operating profit (EBITDA)	Profit for the period	Profit attributable to owners of the parent	Operating cash flow
Reported amounts (A)		**1,989**	**620**	**605**	**1,384**	**1,904**	**767**	**740**	**1,333**
Adjustments for non like-for-like items									
Change in scope of consolidation	(1)	-	-	-	-	-	25	10	57
Change in discount rate applied to provisions	(2)	-	12	10	1	-	22	22	-
Impact on profit or loss of issue and accompanying partial repurchase of certain bonds (September 2017)	(3)	-	-	-	-	-	-16	-16	-16
Sub-total (B)		**-**	**12**	**10**	**1**	**-**	**31**	**16**	**41**
Like-for-like amounts (C) = (A)-(B)		**1,989**	**608**	**595**	**1,383**	**1,904**	**736**	**724**	**1,292**

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 nine months of 2017, the contributions of the companies deconsolidated as part of the Group’s restructuring;
2) from consolidated amounts for the first nine months of 2018 and the first nine months of 2017, the after-tax impact of the difference in the discount rates applied to the provisions accounted for among the Group’s liabilities;
3) from consolidated amounts for the first nine months of 2017, the after-tax effect of the net financial expenses linked to the issue and accompanying partial repurchase of certain bonds by Autostrade per l’Italia in September 2017.

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. In application of the CONSOB Ruling of 3 December 2015, governing implementation in Italy of the guidelines for alternative performance indicators (“APIs”) issued by the European Securities and Markets Authority (ESMA), the composition of each indicator and reconciliations with reported amounts are provided below:

- “**Gross operating profit (EBITDA)**” is the synthetic indicator of earnings from operations, calculated by deducting operating costs, with the exception of amortisation, depreciation, impairment losses and reversals of impairment losses, the operating change in provisions and other adjustments, from operating revenue;
- “**Operating profit (EBIT)**” is the indicator that measures the return on invested capital, calculated by deducting amortisation, depreciation, impairment losses and reversals of impairment losses, the operating change in provisions and other adjustments from EBITDA. Like EBITDA, EBIT does not include the capitalised component of financial expenses relating to construction services, which is shown in a specific item under financial income and expenses in the reclassified income statement, whilst being included in revenue in the consolidated income statement prepared on a reported basis;
- “**Net invested capital**”, showing the total value of non-financial assets, after deducting non-

financial liabilities;

- "**Net debt**", indicating the portion of net invested capital funded by net financial liabilities, calculated by deducting "Current and non-current financial assets" from "Current and non-current financial liabilities";
- "**Capital expenditure**", indicating the total amount invested in development of the Group's businesses, calculated as the sum of cash used in investment in property, plant and equipment, in assets held under concession and in other intangible assets, excluding investment linked to transactions involving investees;
- "**Operating cash flow**", indicating the cash generated by or used in operating activities. Operating cash flow is calculated as profit for the period + amortisation/depreciation +/- impairments/reversals of impairments of assets +/- provisions/releases of provisions + other adjustments + financial expenses from discounting of provisions +/- share of profit/(loss) of investees accounted for using equity method +/- (losses)/gains on sale of assets +/- other non-cash items +/- deferred tax assets/liabilities recognised in profit or loss.

A number of APIs, calculated as above, are also presented after certain adjustments applied in order to provide a consistent basis for comparison over time. These "like-for-like changes", 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, have been calculated by excluding, where present, the impact of: (i) changes in the scope of consolidation, and (ii) events and/or transactions not strictly connected with operating activities that have an appreciable influence on amounts for at least one of the two comparative periods. The section, "Explanatory notes – Like-for-like performance indicators", included in this announcement, provides a reconciliation of like-for-like indicators and the corresponding amounts presented in the reclassified consolidated financial statements, in addition to details of the adjustments made.

Reconciliation of the reclassified and statutory financial statements

Reconciliations of the income statement, statement of financial position and statement of cash flows, as prepared under IFRS, with the corresponding reclassified financial statements presented above are shown below.

RECONCILIATION OF THE CONSOLIDATED INCOME STATEMENT WITH THE RECLASSIFIED CONSOLIDATED INCOME STATEMENT

€m	9M 2018						9M 2017					
Reconciliation of items	Reported basis			Reclassified basis			Reported basis			Reclassified basis		
	Ref.	Sub-items	Main entries	Ref.	Sub-items	Main entries	Ref.	Sub-items	Main entries	Ref.	Sub-items	Main entries
Toll revenue			2,800			2,800			2,737			2,737
Revenue from construction services			112						81			
Revenue from construction services - government grants and cost of materials	*(a)*	*102*					*(a)*	*68*				
Capitalised staff costs - construction services for which additional economic benefits are received	*(b)*	*6*					*(b)*	*4*				
Revenue from construction services: capitalised financial expenses	*(c)*	*4*					*(c)*	*2*				
Revenue from construction services provided by sub-operators	*(d)*	*-*					*(d)*	*7*				
Other revenue	*(e)*		246				*(e)*		249			
Other operating income				*(e+d)*		246				*(e+d)*		256
Revenue from construction services provided by sub-operators				*(d)*	*-*					*(d)*	*7*	
Total revenue			**3,158**						3,067			
TOTAL OPERATING REVENUE						**3,046**						2,993
Raw and consumable materials			**-94**		-94				-52		-52	
Service costs			**-514**		-514				-575		-575	
Gains/(Losses) on sale of elements of property, plant and equipment			**-**		-				-		-	
Other operating costs			**-423**						-396			
Concession fees	*(f)*		-358				*(f)*		-354			
Lease expense			-6		-6				-8		-8	
Other			-59		-59				-34		-34	
Use of provisions for construction services required by contract					*236*					*(h)*	*240*	
Revenue from construction services: government grants and capitalised cost of materials and external services				*(a)*	*102*					*(a)*	*68*	
COST OF MATERIALS AND EXTERNAL SERVICES						-335						-361
CONCESSION FEES				*(f)*		-358				*(f)*		-354
Staff costs	*(g)*		**-386**				*(g)*		-392			
NET STAFF COSTS				*(g+b+i)*		-364				*(g+b+i)*		-374
TOTAL NET OPERATING COSTS						**-1,057**						-1,089
GROSS OPERATING PROFIT (EBITDA)						**1,989**						1,904
OPERATING CHANGE IN PROVISIONS AND OTHER ADJUSTMENTS						-303						-30
Operating change in provisions			**-299**						-28			
(Provisions)/ Uses of provisions for repair and replacement of motorway infrastructure			-228		-232				-24		-24	
(Provisions)/Uses of other provisions			-71		-71				-4		-4	
(Impairment losses)/Reversals of impairment losses				*(l)*	*-*					*(l)*	*-2*	
Use of provisions for construction services required by contract			**248**						254			
Use of provisions for construction services required by contract		*232*					*(h)*	*240*				
Capitalised staff costs - construction services for which no additional economic benefits are received	*(i)*	*16*					*(i)*	*14*				
Amortisation and depreciation	*(j)*		**-459**				*(j)*		-449			
Depreciation of property, plant and equipment			-16						-16			
Amortisation of intangible assets deriving from concession rights			-430						-423			
Amortisation of other intangible assets			-13						-10			
(Impairment losses)/Reversals of impairment losses			**-**						-2			
(Impairment losses)/Reversals of impairment losses on property, plant and equipment and intangible assets	*(k)*	*-*					*(k)*	*-*				
(Impairment losses)/Reversals of impairment losses	*(l)*	*-*					*(l)*	*-2*				
AMORTISATION, DEPRECIATION, IMPAIRMENT LOSSES AND REVERSALS OF IMPAIRMENT LOSSES				*(j+k)*		**-459**				*(j+k)*		-449
TOTAL COSTS			**-1,927**						-1,640			
OPERATING PROFIT/(LOSS)			**1,231**						1,427			
OPERATING PROFIT/(LOSS) (EBIT)						**1,227**						1,425
Financial income			**74**						76			
Dividends received from investees	*(m)*		1				*(m)*		2			
Other financial income	*(n)*		73				*(n)*		74			
Financial expenses			**-408**						-445			
Financial expenses from discounting of provisions for construction services required by contract and other provisions	*(o)*		-23				*(o)*		-19			
Other financial expenses	*(p)*		-385				*(p)*		-426			
Foreign exchange gains/(losses)	*(q)*		-				*(q)*		-			
FINANCIAL INCOME/(EXPENSES)			**-334**						-369			
Net financial expenses				*(m+n+o+p+q+c)*		**-330**				*(m+n+o+p+q+c)*		-367
Share of (profit)/loss of investees accounted for using the equity method			**-5**			**-5**			-2			-2
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS			**892**			**892**			1,056			1,056
Income tax (expense)/benefit			**-272**			**-272**			-313			-313
Current tax expense			-264						-243			
Differences on tax expense for previous years			-						4			
Deferred tax income and expense			-8						-74			
PROFIT/(LOSS) FROM CONTINUING OPERATIONS			**620**			**620**			743			743
Profit/(Loss) from discontinued operations			**-**			**-**			24			24
PROFIT FOR THE PERIOD			**620**			**620**			767			767
of which:												
Profit attributable to owners of the parent			**605**			**605**			740			740
Profit attributable to non-controlling interests			**15**			**15**			27			27

RECONCILICATION OF THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION WITH THE RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€m	30 September 2018						31 December 2017					
Reconciliation of items	**Reported basis**			**Reclassified basis**			**Reported basis**			**Reclassified basis**		
	Ref.		**Main entries**	*Ref.*	**Sub-items**	**Main entries**	*Ref.*		**Main entries**	*Ref.*	**Sub-items**	**Main entries**
Non-current non-financial assets												
Property, plant and equipment	*(a)*		71			71	*(a)*		81			81
Intangible assets	*(b)*		18,066			18,066	*(b)*		18,356			18,356
Investments	*(c)*		83			83	*(c)*		64			64
Deferred tax assets	*(d)*		106			106	*(d)*		101			101
Other non-current assets	*(e)*		-			-	*(e)*		-			-
Total non-current non-financial assets (A)						**18,326**						**18,602**
Working capital												
Trading assets	*(f)*		578			578	*(f)*		507			507
Current tax assets	*(g)*		152			152	*(g)*		35			35
Other current assets	*(h)*		79			79	*(h)*		82			82
Non-financial assets held for sale or related to discontinued operations				*(w)*		4				*(w)*		5
Current portion of provisions for construction services required by contract	*(i)*		-709			-709	*(i)*		-422			-422
Current provisions	*(j)*		-564			-564	*(j)*		-214			-214
Trading liabilities	*(k)*		-1,350			-1,350	*(k)*		-1,324			-1,324
Current tax liabilities	*(l)*		-269			-269	*(l)*		-88			-88
Other current liabilities	*(m)*		-335			-335	*(m)*		-302			-302
Non-financial liabilities related to discontinued operations				*(x)*		-				*(x)*		-6
Total working capital (B)						**-2,414**						**-1,727**
Gross invested capital (C=A+B)						**15,912**						**16,875**
Non-current non-financial liabilities												
Non-current portion of provisions for construction services required by contract	*(n)*		-2,338			-2,338	*(n)*		-2,840			-2,840
Non-current provisions	*(o)*		-1,269			-1,269	*(o)*		-1,314			-1,314
Deferred tax liabilities	*(p)*		-623			-623	*(p)*		-598			-598
Other non-current liabilities	*(q)*		-30			-30	*(q)*		-34			-34
Total non-current non-financial liabilities (D)						**-4,260**						**-4,786**
NET INVESTED CAPITAL (E=C+D)						**11,652**						**12,089**
Total equity (F)			**2,869**			**2,869**			**2,738**			**2,738**
Net debt												
Non-current net debt												
Non-current financial liabilities	*(r)*		**10,250**			**10,250**	*(r)*		**10,991**			**10,991**
Non-current financial assets	*(s)*		**-473**			**-473**	*(s)*		**-394**			**-394**
Total non-current net debt (G)						**9,777**						**10,597**
Current net debt												
Current financial liabilities	*(t)*		**2,184**			**2,184**	*(t)*		**2,231**			**2,231**
Bank overdrafts repayable on demand		*-*			*-*			*-*			*-*	
Short-term borrowings		*245*			*245*			*775*			*775*	
Current derivative liabilities		*-*			*-*			*1*			*1*	
Intercompany current account payables due to related parties		*10*			*10*			*14*			*14*	
Current portion of medium/long-term borrowings		*1,893*			*1,893*			*1,385*			*1,385*	
Other current financial liabilities		*36*			*36*			*56*			*56*	
Current financial liabilities related to discontinued operations				*(aa)*	*-*					*(aa)*	*-*	
Cash and cash equivalents	*(u)*		**-2,720**			**-2,726**	*(u)*		**-2,938**			**-2,945**
Cash		*-2,033*			*-2,033*			*-2,076*			*-2,076*	
Cash equivalents		*-*			*-*			*-100*			*-100*	
Intercompany current account receivables due from related parties		*-687*			*-687*			*-762*			*-762*	
Cash and cash equivalents related to discontinued operations				*(y)*	*-6*					*(y)*	*-7*	
Current financial assets	*(v)*		**-452**			**-452**	*(v)*		**-532**			**-532**
Current financial assets deriving from concession rights		*-400*			*-400*			*-400*			*-400*	
Current financial assets deriving from government grants		*-15*			*-15*			*-52*			*-52*	
Current term deposits		*-13*			*-13*			*-51*			*-51*	
Current portion of other medium/long-term financial assets		*-14*			*-14*			*-22*			*-22*	
Other current financial assets		*-10*			*-10*			*-7*			*-7*	
Financial assets held for sale or related to discontinued operations				*(z)*	*-*					*(z)*	*-*	
Total current net debt (H)						**-994**						**-1,246**
Total net debt (I=G+H)						**8,783**						**9,351**
NET DEBT AND EQUITY (L=F+I)						**11,652**						**12,089**
Assets held for sale or related to discontinued operations	*(-y-z+w)*		10				*(-y-z+w)*		12			
Liabilities related to discontinued operations	*(-x+aa)*		-				*(-x+aa)*		6			
TOTAL NON-CURRENT ASSETS	*(a+b+c+d+e-s)*		**18,799**				*(a+b+c+d+e-s)*		**18,996**			
TOTAL CURRENT ASSETS	*(f+g+h-u-v-y-z+w)*		**3,991**				*(f+g+h-u-v-y-z+w)*		**4,106**			
TOTAL NON-CURRENT LIABILITIES	*(-n-o-p-q+r)*		**14,510**				*(-n-o-p-q+r)*		**15,777**			
TOTAL CURRENT LIABILITIES	*(-i-j-k-l-m+t-x+aa)*		**5,411**				*(-i-j-k-l-m+t-x+aa)*		**4,587**			

RECONCILIATION OF THE STATEMENT OF CHANGES IN CONSOLIDATED NET DEBT WITH THE CONSOLIDATED STATEMENT OF CASH FLOWS

€m		9M 2018		9M 2017	
Reconciliation of items	*Note*	**Consolidated statement of cash flows**	**Changes in consolidated net debt**	**Consolidated statement of cash flows**	**Changes in consolidated net debt**
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES					
Profit for the period		**620**	**620**	**767**	**767**
Adjusted by:					
Amortisation and depreciation		459	459	449	449
Operating change in provisions		304	304	29	29
Financial expenses from discounting of provisions for construction services required by contract and other provisions		23	23	19	19
Share of (profit)/loss of investees accounted for using the equity method		5	5	2	2
Impairment losses/(Reversal of impairment losses) and adjustments of current and non-current assets		-	-	1	1
Net change in deferred tax (assets)/liabilities through profit or loss		8	8	74	74
Other non-cash costs (income)		-35	-35	-40	-40
Non-cash inflows from discontinued operations	(a)		-		32
Operating cash flow			**1,384**		**1,333**
Change in operating capital	(b)		-40		80
Other changes in non-financial assets and liabilities	(c)		76		146
Change in working capital and other changes	(a+b+c)	36		258	
Net cash generated from/(used in) operating activities (A)		**1,420**	**1,420**	**1,559**	**1,559**
NET CASH FROM/(USED IN) INVESTMENT IN NON-FINANCIAL ASSETS					
Investment in assets held under concession		-363	-363	-327	-327
Purchases of property, plant and equipment		-7	-7	-7	-7
Purchases of other intangible assets		-20	-20	-9	-9
Capital expenditure			**-390**		**-343**
Government grants for assets held under concession		-	-	1	1
Increase in financial assets deriving from concession rights (related to capital expenditure)		-	-	2	2
Purchases of investments		-28	-28	-	-
Proceeds from sales of property, plant and equipment, intangible assets and unconsolidated investments		4	4	1	1
Proceeds from sales of consolidated investments, including net debt transferred	(d)		4		-
Proceeds from sales of consolidated investments, net of cash and cash equivalents transferred	(e)	6		-	
Cash and cash equivalents of consolidated companies transferred as a result of distribution of special dividend in kind	(f)	-		-386	
Net debt/(funds) of consolidated companies transferred as a result of distribution of special dividend in kind	(g)		-		-204
Net change in other non-current assets		-	-	2	2
Net change in current and non-current financial assets	(h)	6		-11	
Net cash from/(used in) investment in non-financial assets (B)	**(i)**		**-410**		**-541**
Net cash generated from/(used in) investing activities (C)	**(i-d-g+e+f+h)**	**-402**		**-734**	
NET EQUITY CASH INFLOWS/(OUTFLOWS)					
Distribution of reserves to parent		-	-	-1,101	-1,101
Dividends declared by Group companies	(j)		-525		-327
Dividends paid	(k)	-543		-327	
Net equity cash inflows/(outflows) (D)			**-525**		**-1,428**
Net cash generated during period (A+B+D)			**485**		**-410**
Issuance of bonds		-		131	
Redemption of bonds		-		-506	
Repayments of medium/long term borrowings (excluding finance lease liabilities)		-122		-112	
Net change in other current and non-current financial liabilities		-568		853	
Net cash generated from/(used in) financing activities (E)		**-1,233**		**-1,062**	
Change in fair value of hedging derivatives	(l)		15		41
Financial income/(expenses) accounted for as an increase in financial assets/(liabilities)			-2		-4
Effect of foreign exchange rate movements on net debt and other changes	(m)		70		64
Other changes in net debt (F)			**83**		**101**
Net effect of foreign exchange rate movements on net cash and cash equivalents (G)		**-**		**10**	
Decrease/(Increase) in net debt for period (A+B+D+F)			**568**		**-309**
Net debt at beginning of period			**-9,351**		**-8,694**
Net debt at end of period			**-8,783**		**-9,003**
Increase/(Decrease) in cash and cash equivalents during period (A+C+E+G)		**-215**		**-227**	
NET CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		**2,931**		**3,420**	
NET CASH AND CASH EQUIVALENTS AT END OF PERIOD		**2,716**		**3,193**	

Notes:

a) this item shows the balance of cash flows not generated by operating activities with an impact on profit for the year of the companies classified as “discontinued operations”;
b) the “Change in operating capital” shows the change in trade-related items directly linked to the Group’s ordinary activities (in particular: inventories, trading assets and trading liabilities);
c) the “Other changes in non-financial assets and liabilities” shows the change in items of a non-trading nature (in particular: current tax assets and liabilities, other current assets and liabilities, current provisions for construction services required by contract and other provisions);
d) this item includes the impact on net debt arising from the sale and consequent deconsolidation of subsidiaries, calculated as the price collected on the sale, after the net (debt)/funds transferred;
e) this item includes the impact of cash and cash equivalents arising from the sale and consequent deconsolidation of subsidiaries, calculated as the price collected on the sale, after the net (debt)/funds transferred;
f) this item refers to cash and cash equivalents transferred following the deconsolidation of AID, ADA and the related subsidiaries, as a result of distribution of the special dividend in kind to the parent, Atlantia, in the first nine months of 2017;
g) this item refers to the net (debt)/funds of AID, ADA and the related subsidiaries transferred as a result of distribution of the special dividend in kind to the parent, Atlantia, in the first nine months of 2017;
h) the “Net change in current and non-current financial assets” is not shown in the “Statement of changes in consolidated net debt”, as it does not have an impact on net debt;
i) “Net cash from/(used in) investment in non-financial assets” excludes changes in the financial assets and liabilities that do not have an impact on net debt;
j) “Dividends declared by Group companies” regard the portion of dividends declared by the Parent Company and other Group companies attributable to non-controlling interests, regardless of the period of payment;
k) “Dividends paid” refer to amounts effectively paid during the reporting period;
l) the amount represents the change in the fair value of cash flow hedges, before the related taxation;
m) this item includes the impact of exchange rate movements on financial assets (including cash and cash equivalents) and financial liabilities denominated in currencies other than the euro held by Group companies, and non-cash income/(costs) resulting in changes in net debt.

* * *

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 Recommendation of 20 March 2013 (which does not entail the deduction of non-current financial assets from debt), amounts to €9,256m as at 30 September 2018 (net debt of €9,744m as at 31 December 2017).