CONSOLIDATED FINANCIAL STATEMENTS OF THE AUTOSTRADE PER L'ITALIA GROUP FOR THE YEAR ENDED 31 DECEMBER 2013

Contents

Contents

1. Consolidated financial statements…………………….……..…………....5

2. Notes ……..………………………………………………………..….15

3. Annexes………...101

4. Report of the independent auditors………..…………………….……...117

1

1. CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€000	Note	31 December 2013	31 December 2012	1 January 2012
ASSETS				
Non-current assets				
Property, plant and equipment	**7.1**	**194,268**	**204,108**	**199,148**
Property, plant and equipment		187,376	196,606	196,557
Property, plant and equipment held under finance leases		2,833	3,455	174
Investment property		4,059	4,047	2,417
Intangible assets	**7.2**	**21,717,317**	**22,837,676**	**19,054,273**
Intangible assets deriving from concession rights		15,565,582	16,684,445	12,896,800
Goodwill and other intangible assets with indefinite lives		6,112,160	6,112,161	6,117,095
Other intangible assets		39,575	41,070	40,378
Investments	**7.3**	**113,846**	**85,089**	**256,435**
Investments accounted for at cost or fair value		38,985	2,171	2,150
Investments accounted for using the equity method		74,861	82,918	254,285
Other non-current financial assets	**7.4**	**2,309,530**	**1,935,768**	**1,149,755**
Non-current financial assets deriving from concession rights		1,296,694	1,039,578	429,652
Non-current financial assets deriving from government grants		247,481	236,958	238,657
Non-current term deposits		332,745	307,729	290,334
Non-current derivative assets		5,387	-	-
Other non-current financial assets		427,223	351,503	191,112
Deferred tax assets	**7.5**	**153,290**	**151,020**	**140,579**
Other non-current assets	**7.6**	**7,754**	**2,069**	**2,410**
Total non-current assets		**24,496,005**	**25,215,730**	**20,802,600**
Current assets				
Trading assets	**7.7**	**1,125,137**	**1,148,630**	**1,010,300**
Inventories		53,473	62,107	57,607
Contract work in progress		26,530	31,369	37,958
Trade receivables		1,045,134	1,055,154	914,735
Cash and cash equivalents	**7.8**	**3,324,129**	**2,809,944**	**619,044**
Cash		1,345,725	468,701	337,317
Cash equivalents		1,978,404	2,341,243	281,727
Other current financial assets	**7.4**	**757,570**	**917,705**	**200,619**
Current financial assets deriving from concessions		413,067	386,516	7,340
Current financial assets deriving from government grants		18,931	23,784	51,023
Current term deposits		166,863	355,042	76,580
Current derivative assets		70	-	-
Current portion of medium/long-term financial assets		29,621	111,183	11,391
Other current financial assets		129,018	41,180	54,285
Current tax assets	**7.9**	**57,518**	**137,099**	**28,320**
Other current assets	**7.10**	**120,529**	**131,182**	**89,514**
Non-current assets held for sale and related to discontinued operations	**7.11**	**18,153**	**17,436**	**310,050**
Total current assets		**5,403,036**	**5,161,996**	**2,257,847**
TOTAL ASSETS		**29,899,041**	**30,377,726**	**23,060,447**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€000	Note	31 December 2013	31 December 2012	1 January 2012
EQUITY AND LIABILITIES				
Equity				
Equity attributable to owners of the parent		**2,922,406**	**3,052,671**	**2,807,437**
Issued capital		622,027	622,027	622,027
Reserves and retained earnings		1,993,402	1,832,562	2,185,410
Profit/(Loss) for the year net of interim dividends		306,977	598,082	-
Equity attributable to non-controlling interests		**1,607,114**	**1,708,156**	**459,249**
Issued capital and reserves		1,525,203	1,685,381	459,249
Profit/(Loss) for the year net of interim dividends		81,911	22,775	-
Total equity	**7.12**	**4,529,520**	**4,760,827**	**3,266,686**
Non-current liabilities				
Non-current portion of provisions for construction services required by contract	**7.13**	**3,727,154**	**4,323,990**	**4,138,815**
Non-current provisions	**7.14**	**1,024,921**	**1,148,549**	**1,030,312**
Non-current provisions for employee benefits		135,115	144,794	130,518
Non-current provisions for repair and replacement of motorway infrastructure		858,151	975,706	867,850
Other non-current provisions		31,655	28,049	31,944
Non-current financial liabilities	**7.15**	**13,550,416**	**14,616,599**	**10,494,403**
Bond issues		991,771	528,772	-
Medium/long-term borrowings		12,258,584	13,674,997	10,240,772
Non-current derivative liabilities		259,251	372,590	253,631
Other non-current financial liabilities		40,810	40,240	-
Deferred tax liabilities	**7.5**	**1,142,083**	**1,146,892**	**292,650**
Other non-current liabilities	**7.16**	**93,469**	**106,249**	**66,180**
Total non-current liabilities		**19,538,043**	**21,342,279**	**16,022,360**
Current liabilities				
Trading liabilities	**7.17**	**1,286,317**	**1,419,362**	**1,484,704**
Contract work in progress		229	630	1,086
Trade payables		1,286,088	1,418,732	1,483,618
Current portion of provisions for construction services required by contract	**7.13**	**434,882**	**487,270**	**559,272**
Current provisions	**7.14**	**336,888**	**183,139**	**168,594**
Current provisions for employee benefits		18,653	17,376	11,728
Current provisions for repair and replacement of motorway infrastructure		253,609	112,963	114,674
Other current provisions		64,626	52,800	42,192
Current financial liabilities	**7.15**	**3,368,926**	**1,722,589**	**956,050**
Bank overdrafts		7,228	113	10,157
Short-term borrowings		2,976	-	161,239
Current derivative liabilities		-	122	-
Intercompany current account payables due to the parent, affiliates and associates		430,779	395,925	341,496
Current portion of medium/long-term financial liabilities		2,918,737	1,284,472	436,817
Other current financial liabilities		9,206	41,957	6,341
Current tax liabilities	**7.9**	**25,899**	**26,853**	**122,048**
Other current liabilities	**7.18**	**378,566**	**435,407**	**480,445**
Non-current liabilities related to discontinued operations	**7.11**	**-**	**-**	**288**
Total current liabilities		**5,831,478**	**4,274,620**	**3,771,401**
TOTAL LIABILITIES		**25,369,521**	**25,616,899**	**19,793,761**
TOTAL EQUITY AND LIABILITIES		**29,899,041**	**30,377,726**	**23,060,447**

CONSOLIDATED INCOME STATEMENT

€000	Note	2013	2012
REVENUE			
Toll revenue	**8.1**	3,540,993	3,391,094
Revenue from construction services	**8.2**	768,160	1,091,437
Contract revenue	**8.3**	50,702	35,122
Other operating income	**8.4**	569,474	587,739
TOTAL REVENUE		**4,929,329**	**5,105,392**
COSTS			
Raw and consumable materials	**8.5**	**-267,753**	**-444,027**
Service costs	**8.6**	**-1,257,338**	**-1,470,990**
Gain/(Loss) on sale of elements of property, plant and equipment		**186**	**-1,207**
Change in inventories of finished goods and work in progress		**-4,963**	**-**
Staff costs	**8.7**	**-659,247**	**-672,101**
Other operating costs	**8.8**	**-524,953**	**-533,168**
Concession fees		-425,435	-430,489
Lease expense		-18,265	-20,779
Other		-81,253	-81,900
Operating change in provisions	**8.9**	**-40,429**	**-71,337**
Provisions/ (Uses of provisions) for repair and replacement of motorway infrastructure		-6,325	-60,529
Provisions/ (Uses of provisions)		-34,104	-10,808
Use of provisions for construction services required by contract	**8.10**	**380,974**	**480,896**
Amortisation and depreciation		**-678,070**	**-649,043**
Depreciation of property, plant and equipment		-53,382	-53,674
Amortisation of intangible assets deriving from concession rights		-601,231	-571,207
Amortisation of other intangible assets		-23,457	-24,162
(Impairment losses)/Reversals of impairment losses	**8.11**	**-17,771**	**-10,954**
TOTAL COSTS		**-3,069,364**	**-3,371,931**
OPERATING PROFIT		**1,859,965**	**1,733,461**
Financial income		**292,743**	**455,568**
Financial income accounted for as an increase in financial assets deriving from concession rights and government grants		83,644	43,581
Dividends received from investee companies		1	31
Other financial income		209,098	411,956
Financial expenses		**-1,002,962**	**-942,390**
Financial expenses from discounting of provisions for construction services required by contract and other provisions		-95,067	-147,148
Other financial expenses after government grants		-907,895	-795,242
Foreign exchange gains/(losses)		**3,785**	**-2,555**
FINANCIAL INCOME/(EXPENSES)	**8.12**	**-706,434**	**-489,377**
Share of (profit)/loss of associates and joint ventures accounted for using the equity method	**8.13**	**-5,233**	**2,477**
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		**1,148,298**	**1,246,561**
Income tax (expense)/benefit	**8.14**	**-410,527**	**-336,005**
Current tax expense		-344,318	-323,030
Differences on current tax expense for previous years		5,994	33,319
Deferred tax income and expense		-72,203	-46,294
PROFIT/(LOSS) FROM CONTINUING OPERATIONS		**737,771**	**910,556**
Profit/(Loss) from discontinued operations	**8.15**	**899**	**11,614**
PROFIT FOR THE YEAR		**738,670**	**922,170**
of which:			
Profit attributable to owners of the parent		**656,556**	**898,521**
Profit attributable to non-controlling interests		**82,114**	**23,649**

(€)	2013	2012
Basic earnings per share attributable to owners of the parent (€)	**1.19**	**1.48**
of which:		
- continuing operations	1.19	1.46
- discontinued operations	-	0.02

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€000	Note	2013	2012
Profit for the year (A)		**738,670**	**922,170**
Fair value gains/(losses) on cash flow hedges		93,363	-83,241
Fair value gains/(losses) on net investment hedges		1,193	-37,593
Gains/(losses) from translation of transactions in functional currencies other than the euro concluded by consolidated companies		-387,741	-7,704
Gains/(Losses) from translation of investments in associates and joint ventures accounted for using the equity method denominated in functional currencies other than the euro		-4,596	3,961
Other fair value gains/(losses)		-	-1,518
Other comprehensive income/(loss) for the year reclassifiable to profit or loss, after related taxation (B)		**-297,781**	**-126,095**
Gains/(losses) from actuarial valuations of provisions for employee benefits		4,260	-23,618
Other comprehensive income/(loss) for the year not reclassifiable to profit or loss, after related taxation (C)		**4,260**	**-23,618**
Gains/(Losses) from translation of transactions in functional currencies other than the euro concluded by associates and joint ventures accounted for using the equity method		1,830	-20,787
Reclassifications of other components of comprehensive income to profit or loss (D)		**1,830**	**-20,787**
Total other comprehensive income/(loss) for the year, after related taxation and reclassifications to profit or loss (E=B+C+D)		**-291,691**	**-170,500**
Comprehensive income for the year (A + E)	**7.12**	**446,979**	**751,670**
Of which attributable to owners of the parent		*561,238*	*736,434*
Of which attributable to non-controlling interests		*-114,259*	*15,236*

€000	Equity attributable to owners of the parent							Total	Equity attributable non-controlling interests	Total equity attributable to owners of the parent and non-controlling interests
	Issued capital	Cash flow hedge reserve	Net investment hedge reserve	Reserve for translation differences on transactions in functional currencies other than the euro	Reserve for associates and joint ventures accounted for using the equity method	Other reserves and retained earnings	Profit/(loss) for the year			
Balance as at 1 January 2012	**622,027**	**-25,291**	**-**	**-9,192**	**17,634**	**2,202,259**		**2,807,437**	**459,249**	**3,266,686**
Comprehensive income for the year	-	-77,239	-37,593	-4,942	-18,209	-24,104	898,521	**736,434**	15,236	**751,670**
Owner transactions and other changes										
Final dividend approved	-	-	-	-	-	-	-261,235	**-261,235**	-13,363	**-274,598**
Retained earnings for previous year	-	-	-	-	-	-261,235	261,235	**-**	-	**-**
Interim dividend	-	-	-	-	-	-	-300,439	**-300,439**	-235	**-300,674**
Exercise of options awarded under share-based incentive plans	-	-	-	-	-	2,596	-	**2,596**	-	**2,596**
Changes in the scope of consolidation, capital contributions, reclassifications and other changes	-	-	-	6,569	-1,092	62,401	-	**67,878**	1,247,269	**1,315,147**
Balance as at 31 December 2012	**622,027**	**-102,530**	**-37,593**	**-7,565**	**-1,667**	**1,981,917**	**598,082**	**3,052,671**	**1,708,156**	**4,760,827**
Comprehensive income for the year	-	89,797	1,193	-190,113	-468	4,273	656,556	**561,238**	-114,259	**446,979**
Owner transactions and other changes										
Final dividend approved	-	-	-	-	-	-	-344,148	**-344,148**	-8,496	**-352,644**
Transfer of profit/(loss) for previous year to retained earnings	-	-	-	-	-	253,934	-253,934	**-**	-	**-**
Interim dividend	-	-	-	-	-	-	-349,579	**-349,579**	-203	**-349,782**
Exercise of options awarded under share-based incentive plans	-	-	-	-	-	3,304	-	**3,304**	32	**3,336**
Changes in the scope of consolidation, capital contributions, reclassifications and other changes	-	-	-	-	74	-1,154	-	**-1,080**	21,884	**20,804**
Balance as at 31 December 2013	**622,027**	**-12,733**	**-36,400**	**-197,678**	**-2,061**	**2,242,274**	**306,977**	**2,922,406**	**1,607,114**	**4,529,520**

CONSOLIDATED STATEMENT OF CASH FLOWS

€000	Note	2013	2012
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES			
Profit for the year		**738,670**	**922,170**
Adjusted by:			
Amortisation and depreciation		678,070	649,043
Provisions		56,201	74,447
Financial expenses from discounting of provisions for construction services required by contract		95,067	148,117
Impairments/(Reversal of impairment losses) on non-current financial assets and investments accounted for at cost or fair value		-	-170,764
Share of (profit)/loss of associates and joint ventures accounted for using the equity method	**8.13**	5,233	-2,477
Impairment losses/(Reversal of impairment losses) and adjustments of other non-current assets		-	8,563
(Gain)/Loss on sale of non-current assets		-154	-58,754
Net change in deferred tax (assets)/liabilities through profit or loss		72,206	47,831
Other non-cash costs (income)		-14,805	-40,346
Change in working capital and other changes		-130,655	-400,419
Net cash generated from/(used in) operating activities [a]	**9.1**	**1,499,833**	**1,177,411**
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES			
Investment in assets held under concession	**7.2**	-1,149,134	-1,583,431
Government grants related to assets held under concession		35,105	39,668
Increase in financial assets deriving from concession rights (related to capital expenditure)		357,953	330,858
Purchases of property, plant and equipment	**7.1**	-54,035	-53,673
Purchases of other intangible assets	**7.2**	-23,390	-25,183
Purchase of investments, net of unpaid called-up issued capital		-18,247	-26,079
Purchase of consolidated investments, net of cash acquired		-893	-596,692
Proceeds from sales of property, plant and equipment, intangible assets and unconsolidated investments		1,599	89,761
Proceeds from sales of consolidated investments net of cash and cash equivalents transferred		-	736,186
Net change in other non-current assets		-6,176	1,132
Net change in current and non-current financial assets not held for trading purposes		-392,286	-698,307
Net cash generated from/(used in) investing activities [b]		**-1,249,504**	**-1,785,760**
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES			
Dividends paid		-701,943	-575,251
Contributions from non-controlling shareholders		1,282	351,822
New loans from parent		830,114	2,811,959
Repayment of loans from parent		-	-655,800
Issuance of bonds		621,279	244,458
Increase in medium/long term borrowings (excluding finance lease liabilities)		368,761	1,222,180
Bond redemptions	**7.15**	-538,195	-32,194
Repayments of medium/long term borrowings (excluding finance lease liabilities)		-405,972	-397,649
Payment of finance lease liabilities		-538	-446
Net change in other current and non-current financial liabilities		83,029	-203,991
Net cash generated from financing activities [c]	**9.1**	**257,817**	**2,765,088**
Net effect of foreign exchange rate movements on net cash and cash equivalents [d]		-35,940	-10,280
Increase/(Decrease) in cash and cash equivalents [a+b+c+d]	**9.1**	**472,206**	**2,146,459**
NET CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**2,413,906**	**267,447**
NET CASH AND CASH EQUIVALENTS AT END OF YEAR		**2,886,112**	**2,413,906**

ADDITIONAL INFORMATION ON THE STATEMENT OF CASH FLOWS

€000	2013	2012
Income taxes paid (refunded)	256,035	572,182
Interest and other financial income collected	82,243	74,778
Interest expense and other financial expenses paid	-704,033	-706,543
Dividends received	1	31
Foreign exchange gains collected	233	2,472
Foreign exchange losses incurred	-222	-2,591

RECONCILIATION OF NET CASH AND CASH EQUIVALENTS

€000	2013	2012
NET CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**2,413,906**	**267,447**
Cash and cash equivalents	2,809,944	619,044
Bank overdrafts repayable on demand	-113	-10,157
Intercompany current account payables due to subsidiaries and the parent	-395,925	-341,496
Cash and cash equivalents related to discontinued operations	-	56
NET CASH AND CASH EQUIVALENTS AT END OF YEAR	**2,886,112**	**2,413,906**
Cash and cash equivalents	3,324,129	2,809,944
Bank overdrafts repayable on demand	-7,228	-113
Intercompany current account payables due to subsidiaries and the parent	-430,779	-395,925
Cash and cash equivalents related to discontinued operations	-10	-

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2

2. NOTES

1. INTRODUCTION

The core business of the Autostrade per l'Italia Group ("the Group") is the operation of motorways under concessions granted by the relevant authorities. Under the related concession arrangements, the Group's operators are responsible for the construction, management, improvement and upkeep of motorway infrastructure in Italy and abroad.
Further information on the Group's concession arrangements is provided in note 4.

Autostrade per l'Italia (or the "Company" or "Parent Company") is a public limited company incorporated in 2003 with its registered office at Via Bergamini, 50 in Rome.
The duration of the Company is until 31 December 2050.
100% of the Company's share capital is held by Atlantia SpA (also referred to as "Atlantia"), which is listed on the screen-based trading system *(Mercato Telematico Azionario*) operated by Borsa Italiana SpA, and is responsible for management and coordination of the Company.
At the date of preparation of these consolidated financial statements, Sintonia SpA is the shareholder that holds a relative majority of the issued capital of Atlantia SpA. Sintonia SpA, which is in turn a subsidiary of Edizione Srl, does not exercise management and coordination of Atlantia.

These consolidated financial statements for the year ended 31 December 2013 were approved by the Company's Board of Directors at its meeting of 17 October 2014.

2. BASIS OF PREPARATION

These financial statements are the first consolidated financial statements to be prepared by the Company. In the past, despite having significant shareholdings in other companies, as permitted by paragraph 10 of IAS 27, the Company elected not to present consolidated financial statements due to the fact that it is, among other things, a wholly owned subsidiary of Atlantia, which presents consolidated financial statements in accordance with IFRS and published on the dates and in the manner required by the applicable laws. With the preparation of these consolidated financial statements, the Company has therefore waived its right to apply the above elective exemption, in view of its future intention to issue debt under a Euro Medium Term Note Programme to be admitted to listing on the Irish Stock Exchange.

The consolidated financial statements for the year ended 31 December 2013 are based on the assumption that the Parent Company and consolidated companies are going concerns. They have been prepared in compliance with articles 2 and 3 of Legislative Decree 38/2005 and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and endorsed by the European Commission, as in force at 31 December 2013. These standards reflect the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), in addition to previous International Accounting Standards (IAS) and interpretations issued by the Standard Interpretations Committee (SIC) and still in force at the end of the reporting period. To this end, the requirements of IFRS 1 - First-time Adoption of IFRS have also been complied with, as described in note 3 below. For the sake of simplicity, all the above standards and interpretations are hereinafter referred to as "IFRS".

The consolidated financial statements consist of the statement of financial position, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and these notes, in application of IAS 1 - Presentation of financial statements and, in general, the historic cost convention, with the exception of those items that are required by IFRS to be recognised at fair value as explained in the notes to the relevant items. The statement of financial position is based on the format that separately discloses current and non-

current assets and liabilities. The income statement is classified by nature of expense. The statement of cash flows has been prepared in application of the indirect method.
IFRS have been applied in accordance with the indications provided in the "Conceptual Framework for Financial Reporting", and no events have occurred that would require exemptions pursuant to paragraph 19 of IAS 1.

Amounts in the Company's financial statements and in the notes are shown in thousands of euros, unless otherwise stated. The euro is the functional currency of the Parent Company and a number of its subsidiaries and the presentation currency for these consolidated financial statements.

Each component of the consolidated financial statements is compared with the corresponding amount for the comparative reporting period. In addition, as required by IFRS 1, the consolidated statement of financial position also shows the carrying amount of each item at the beginning of the comparative reporting period (1 January 2012). The IFRS effective as at 31 December 2013 have been applied to all the amounts presented.

3. ACCOUNTING STANDARDS APPLIED

A description follows of the more important accounting standards and policies employed by the Group for its consolidated financial statements for the year ended 31 December 2013, indicating, where applicable, the IFRS 1 exemptions applied by the Company. In this regard, it should be noted that:

a) the Company has already adopted IFRS for the preparation of its separate financial statements with effect from the annual reporting period ended 31 December 2006, adopting 1 January 2004 as the IFRS transition date. This means that, in these financial statements, the assets and liabilities of the Parent Company are accounted for at the same IFRS amounts reported in the separate financial statements, except for the effects of the consolidation process, as established by the last sub-paragraph of paragraph D17 of IFRS 1;
b) taking into account the above-mentioned inclusion of the Company and its subsidiaries in Atlantia's consolidated financial statements, in preparing these financial statements the Company has elected to apply the elective exemption permitted by paragraph (a) of art. D16 of IFRS 1 and to thus account for the Group's consolidated assets and liabilities at the same IFRS carrying amounts already accounted for in Atlantia's consolidated financial statements, making reference, where applicable, to the same transition date of 1 January 2004, except for the effects of any consolidation adjustments.

In the preparation of these consolidated financial statements, account has been taken of the effect of adjusting events between the end of the reporting period and the date of approval of these financial statements, as required by IAS 10.

The following list shows the IFRS 1 exemptions applied in these financial statements, given that they had already been applied by Atlantia in preparing its first IFRS consolidated financial statements:

a) business combinations: IFRS 3 was not applied retrospectively to business combinations arising prior to the IFRS transition date. Business combinations arising prior to 1 January 2004 continue, therefore, to be accounted for under Italian GAAP;
b) measurement of property, plant and equipment and intangible assets at fair value or, as an alternative, at the revalued cost representing the deemed cost: all categories of asset have been measured at cost. Moreover, based on the above treatment of business combinations, assets acquired through business combinations are accounted for at cost determined under Italian GAAP as the deemed cost. No category of the above assets has been measured at fair value;
c) employee benefits: all cumulative actuarial gains and losses at 1 January 2005 have been fully recognised at the IFRS transition date.

Property, plant and equipment

Property, plant and equipment is stated at cost. Cost includes expenditure that is directly attributable to the acquisition of the items and financial expenses incurred during construction of the asset. Assets acquired through business combinations prior to 1 January 2004 (the IFRS transition dateused by the Parent Company, as noted above) are stated at previous amounts, as determined under Italian GAAP for those business combinations and representing deemed cost.

The cost of assets with finite useful lives is systematically depreciated on a straight-line basis applying rates that represent the expected useful life of the asset. Each component of an asset with a cost that is significant in relation to the total cost of the item, and that has a different useful life, is accounted for separately. Land, even if undeveloped or annexed to residential and industrial buildings, is not depreciated as it has an indefinite useful life.

Investment property, which is held to earn rentals or for capital appreciation, or both, is recognised at cost measured in the same manner as property, plant and equipment. The relevant fair value of such assets, if known, has also been disclosed.

The bands of annual rates of depreciation used in 2013 are shown in the table below by asset class:

Property, plant & equipment	Rate of depreciation
Buildings	2% - 33.3%
Plant and machinery	4.6%-33%
Industrial and trading equipment	4.6%-40%
Other assets	9%-33.3%

Assets acquired under finance leases are initially accounted for as property, plant and equipment, and the underlying liability recorded in the balance sheet, at an amount equal to the relevant fair value or, if lower, the present value of the minimum payments due under the contract. Lease payments are apportioned between the interest element, which is charged to the income statement as incurred, and the capital element, which is deducted from the financial liability.

Property, plant and equipment is tested for impairment, as described below in the relevant note, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Property, plant and equipment is derecognised on disposal or if the facts and circumstances giving rise to the future expected benefits cease to exist. Any gains or losses (determined as the difference between disposal proceeds, less costs to sell, and the carrying amount of the asset) are recognised in the income statement for the year in which the asset is sold.

Intangible assets

Intangible assets are identifiable assets without physical substance, controlled by the entity and from which future economic benefits are expected to flow, and purchased goodwill. Identifiable intangible assets are those purchased assets that, unlike goodwill, can be separately distinguished. This condition is normally met when the intangible asset: (i) arises from a legal or contractual right, or (ii) is separable, meaning that it may be sold, transferred, licensed or exchanged, either individually or as an integral part of other assets. The asset is controlled by the entity if the entity has the ability to obtain future economic benefits from the asset and can limit access to it by others.

Internally developed assets are recognised as assets to the extent that: (i) the cost of the asset can be measured reliably; (ii) the entity has the intention, the available financial resources and the technical expertise to complete the asset and either use or sell it; (iii) the entity is able to demonstrate that the asset is capable of generating future economic benefits.

Intangible assets are stated at cost which, apart from concession rights, is determined in the same manner as the cost of property, plant and equipment. The cost of concession rights, on the other hand, may include one or more of the following:

a) the fair value of construction services and/or improvements carried out on behalf of the Grantor (measured as described in the note on "Construction contracts and services in progress") less financial assets, being (i) the amount funded by grants, (ii) any amounts repayable by replacement operators on termination of a concession (so-called "takeover rights"), and/or (iii) any minimum toll revenue guaranteed by the Grantor. Cost, as determined in this manner, is recovered by payments received from road users. In particular:
    1) rights received as consideration for specific obligations to provide construction services for road widening and improvement for which the operator does not receive additional economic benefits. These rights are initially recognised at the present fair value of the construction services to be provided in the future (excluding any financial expenses that may be incurred during the concession term), less any grants, with a double entry of an equal amount in “Provisions for construction services required by contract”. In addition to the impact of amortisation, the initial value of the rights changes over time as a result of periodic reassessment of the present fair value of the part of the construction services still to be rendered at the end of the reporting period;
    2) rights received as consideration for construction and/or upgrade services rendered for which the operator receives additional economic benefits in the form of specific toll increases and/or significant increases in the expected number of users as a result of the road widening;
    3) rights to infrastructure constructed and financed by service area concession holders which have reverted free of charge to Group companies;
b) rights acquired from third parties, to the extent costs were incurred to acquire concessions from the Grantor or from third parties (the latter relating to the acquisition of control of a company that already holds a concession).

Concession rights, on the other hand, are amortised over the concession term in a pattern that reflects the estimated manner in which the economic benefits embodied in the right are consumed. Amortisation rates are, consequently, determined taking, among other things, any significant changes in traffic volumes during the concession term into account.
In contrast, amortisation of other intangible assets with finite useful lives begins when the asset is ready for use and is based on remaining economic benefits to be obtained in relation to their residual useful lives.
Amortisation is charged from the date on which economic benefits begin to accrue.
The bands of annual rates of amortisation used in 2013 are shown in the table below by asset class:

Intangible assets	**Rate of amortisation**
Concession rights	Based on the residual term of the concession and or traffic from the date on which they commence generating economic benefits for the company.
Development costs	16.7% - 33.3%
Industrial patents and intellectual property rights	1.9% - 50%
Licences and similar rights	0.8% - 50%
Other assets	5.7% - 37%

Intangible assets are tested for impairment, as described below in the note on impairments and reversals, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Gains and losses on the disposal of intangible assets are determined as the difference between the disposal proceeds, less costs to sell, and the carrying amount of the asset and then recognised in profit or loss on disposal.

Goodwill

Acquisitions are accounting for using the acquisition method. For this purpose, identifiable assets liabilities acquired through business combinations are measured at their fair value at the acquisition date. The cost of an acquisition is measured as the fair value, at the date of exchange, of the assets acquired, liabilities assumed and any equity instruments issued by the Group in exchange for control.

Goodwill is initially measured as the positive difference between 1) the acquisition cost, plus the fair value at the acquisition date of any previous non-controlling interests held in the acquiree and non-controlling interests held by third parties in the acquiree (at fair value or prorated to the current net asset value of the acquiree), and 2) the fair value of net assets acquired.

The goodwill, as measured on the date of acquisition, is allocated to each of the cash generating units or groups of cash generating units which are expected to benefit from the synergies of the business combination.

A negative difference between the cost of the acquisition, as increased by the above components, and the fair value of the net assets acquired is recognised as income in profit or loss in the year of acquisition.

Goodwill on acquisitions of non-controlling interests is included in the carrying amount of the relevant investments.

After initial recognition, goodwill is no longer amortised and is carried at cost less any accumulated impairment losses, determined as described in the note on impairment testing.

IFRS 3 – Business Combinations was not applied retrospectively to acquisitions prior to 1 January 2004, the Parent Company's IFRS transition date, as noted above. As a result, the carrying amount of goodwill on these acquisitions is that determined under Italian GAAP, which is the net carrying amount at this date, subject to impairment testing and the recognition of any impairment losses.

Investments

Investments in unconsolidated subsidiaries and other companies, which qualify as available-for-sale financial instruments as defined by IAS 39, are initially accounted for at cost at the settlement date, in that this represents fair value, plus any directly attributable transaction costs.

After initial recognition, these investments are measured at fair value, to the extent reliably determinable, through the statement of comprehensive income and hence in a specific equity reserve. On realisation or recognition of an impairment loss in the income statement, the accumulated gains and losses in that reserve are reclassified to the income statement.

Impairment losses, identified as described below in the note on "Impairment of assets and reversals (impairment testing)", are reversed to other comprehensive income in the event the circumstances giving rise to the impairment cease to exist.

When fair value cannot be reliably determined, investments, classified as available-for-sale, are measured at cost less any impairment losses. In this case impairment losses may not be reversed.

Investments in associates and joint ventures are accounted for using the equity method. The Group's share of post-acquisition profits or losses is recognised in the income statement for the accounting period to which they relate, with the exception of the effects deriving from other changes in the equity of the investee other than owner transactions, which are recognised directly in comprehensive income attributable to owners of the parent.

Provisions are made to cover any losses of an associate or joint venture exceeding the carrying amount of the investment, to the extent that the shareholder is required to comply with actual or constructive obligations to cover such losses.

Available-for-sale investments, or those in the process of being sold, are recognised at the lower of their carrying amount and fair value, less any costs to sell.

Construction contracts and services in progress

Construction contracts are accounted for on the basis of a contract's revenue and costs that can be reliably estimated with reference to the stage of completion of the contract, in accordance with the percentage of completion method, as determined by a survey of the works carried out or based on the ratio of costs incurred to total estimated costs. Contract revenue is allocated to the individual reporting periods in proportion to the stage of contract completion. Any positive or negative difference between contract revenue and any advance payments received is recognised in assets or liabilities, taking account of any impairments, in order to reflect the risks linked to the inability to recover the value of work performed on behalf of customers.

In addition to contract payments, contract revenue includes variations, price reviews and claims to the extent that they can be reliably determined.

Expected losses are recognised immediately regardless of the stage of contract completion.

Profit or loss on construction and/or upgrade services provided to the Grantor in relation to concessions held by certain Group companies are also recognised on a percentage of completion basis. Construction and/or upgrade service revenues, representing the consideration for services provided, are measured at fair value, calculated on the basis of the total costs, which primarily consist of the costs of materials and external services, relevant employee benefits and financial expenses (the latter only in the case of construction and/or upgrade services for which the operator receives additional economic benefits) plus any arm's length profits realised on construction services provided by Group entities. The double entry of construction and /or upgrade service revenue is represented by financial assets deriving from concession rights (classified in financial assets), by financial assets deriving from government grants or intangible assets deriving from concession rights, as explained in the relevant note.

Inventories

Inventories are measured at the lower of purchase or conversion costs and net realisable value obtained on their sale in the ordinary course of business. The purchase cost is determined using the weighted average cost method.

Receivables and payables

Receivables are initially recognised at fair value and subsequently measured at amortised cost, using the effective interest method, less any bad debt allowance. The amount of the allowance is based on the present value of expected future cash flows. These cash flows take account of expected collection times, estimated realisable value, any guarantees received, and the expected costs of recovering amounts due. Impairment losses are reversed in future periods if the circumstances that resulted in the loss no longer exist. In this case, the reversal is accounted for in the income statement and may not in any event exceed the amortised cost of the receivable had no previous impairment losses been recognised.

Payables are initially recognised at cost, which corresponds to the fair value of the liability, less any directly attributable transaction costs. After initial recognition, payables are recognised at amortised cost, using the original effective interest method.

Trade receivables and payables, which are subject to normal commercial terms and conditions, are not discounted to present value.

Cash and cash equivalents

Cash and cash equivalents are recognised at face value. They include highly liquid demand deposits or very short-term instruments of excellent quality, which are subject to an insignificant risk of changes in value.

Derivative financial instruments

All derivative financial instruments are recognised at fair value at the end of the reporting period.

As required by IAS 39, derivatives are designated as hedging instruments when the relationship between the derivative and the hedged item is formally documented and the periodically assessed effectiveness of the hedge is high and ranges between 80% and 125%.

Changes in the fair value of derivatives that are designated and qualify as asset or liability cash flow hedges are recognised in the statement of comprehensive income, net of any deferred taxation. The gain or loss relating to the ineffective portion is recognised in profit or loss.
Changes in the value of fair value hedged assets or liabilities are recognised in profit or loss for the period. Analogously, the hedged assets and liabilities are restated at fair value through profit or loss.
Since derivative contracts deemed net investment hedges in accordance with IAS 39, because they were concluded to hedge the risk of unfavourable movements in the exchange rates used to translate net investments in foreign operations, are treated as cash flow hedges, the effective portion of fair value gains or losses on the derivatives is recognised in other comprehensive income, thus offsetting changes in the foreign currency translation reserve for net investments in foreign operations. Accumulated fair value gains and losses, recognised in the net investment hedge reserve, are reclassified from comprehensive income to profit or loss on the disposal or partial disposal of the foreign operation.
Changes in the fair value of derivative instruments that do not qualify for hedge accounting under IAS 39 are recognised in profit or loss.

Other financial assets and liabilities
Other financial assets that Group companies intend and are able to hold to maturity, in accordance with IAS 39, and all other financial liabilities are recognised at the fair value of the purchase consideration at the settlement date, with other assets being increased and other liabilities being reduced by transaction costs directly attributable to the purchase of other assets or the issuance of other financial liabilities. After initial recognition, financial assets are measured at amortised cost using the original effective interest method.
Other financial assets and liabilities are derecognised when, following their sale or settlement, the Group is no longer involved in their management and has transferred all risks and rewards of ownership.
Other financial assets held for trading are recognised and measured at fair value through profit or loss. Other categories of financial asset classified as available-for-sale financial instruments are recognised and measured at fair value through comprehensive income and, consequently, in a specific equity reserve. The financial instruments in these categories have, to date, never been reclassified.

Fair value measurement and the fair value hierarchy
For all transactions or balances (financial or non-financial) for which an accounting standard requires or permits fair value measurement and which fall within the application of IFRS 13, the Group applies the following criteria:

a) identification of the unit of account, defined as the level at which an asset or a liability is aggregated or disaggregated in an IFRS for recognition purposes;
b) identification of the principal market or, in the absence of such a market, the most advantageous market in which the particular asset or liability to be measured could be traded; unless otherwise indicated, it is assumed that the market currently used coincides with the principal market or, in the absence of such a market, the most advantageous market;
c) definition for non-financial assets of the highest and best use of the asset; unless otherwise indicated, highest and best use is the same as the asset's current use;
d) definition of valuation techniques that are appropriate for the measurement of fair value, maximising the use of relevant observable inputs that market participants would use when determining the price of an asset or liability;
e) determination of the fair value of assets, based on the price that would be received to sell an asset, and of liabilities and equity instruments, based on the price paid to transfer a liability in an orderly transaction between market participants at the measurement date;
f) inclusion of non-performance risk in the measurement of assets and liabilities and above all, in the case of financial instruments, determination of a valuation adjustment when measuring fair

value to include, in addition to counterparty risk (CVA - credit valuation adjustment), the own credit risk (DVA - debit valuation adjustment).

Based on the inputs used for fair value measurement, as required by IFRS 13, a fair value hierarchy for classifying the assets and liabilities measured at fair value, or the fair value of which is disclosed in the financial statements, has been identified:

a) level 1: includes quoted prices in active markets for identical assets or liabilities;
b) level 2: includes inputs other than quoted prices included within level 1 that are observable, such as the following: i) quoted prices for similar assets or liabilities in active markets; ii) quoted prices for similar or identical assets or liabilities in markets that are not active; iii) other observable inputs (interest rate and yield curves, implied volatilities and credit spreads);
c) level 3: unobservable inputs. These inputs are used to the extent that observable data is not available. The unobservable data used for fair value measurement should reflect the assumptions that market participants would use when pricing the asset or liability being measured.

Definitions of the fair value hierarchy level in which individual financial instruments measured at fair value have been classified, or for which the fair value is disclosed in the financial statements, are provided in the notes to individual components of the financial statements.

There are no assets or liabilities classifiable in level 3 of the fair value hierarchy.

No transfers between the various levels of the fair value hierarchy took place during the year.

The fair value of derivative financial instruments is based on expected cash flows that are discounted at rates derived from the market yield curve at the measurement date and the curve for listed credit default swaps entered into by the counterparty and Group companies, to include the non-performance risk explicitly provided for by IFRS 13.

In the case of medium/long-term financial instruments, other than derivatives, where market prices are not available, the fair value is determined by discounting expected cash flows, using the market yield curve at the measurement date and adjusting the resulting value to include counterparty risk in the case of financial assets and the own credit risk in the case of financial liabilities.

In the case of short-term financial instruments, the carrying amount, less any impairment losses, approximates to fair value.

Provisions, including provisions for construction services required by contract

Provisions are made when: (i) the Group has a present (actual or constructive) obligation as a result of a past event; (ii) it is probable that an outflow of resources will be required to settle the obligation; and (iii) the related amount can be reliably estimated.

Provisions are measured on the basis of management’s best estimate of the expenditure required to settle the present obligation at the end of the reporting period. If the discount to present value is material, provisions are determined by discounting future expected cash flows to their present value at a rate that reflects the market view of the time value of money. Subsequent to the computation of present value, the increase in provisions over time is recognised as a financial expense.

“Provisions for construction services required by contract” relate to specific contractual obligations having regard to motorway expansion and upgrading for which the Group receives no additional economic benefit. Since the performance of such obligations is treated as part of the consideration for the concession, an amount equal to the present fair value of future construction services, excluding financial costs, is initially recognised, less the portion covered by government grants. The double entry is concession rights for works without additional economic benefits. The present value of the residual liability for future construction services is periodically reassessed and changes to the measurement of the liabilities (such as, for example, changes to the estimated cash outflows necessary to discharge the obligation, a change in the discount rate or a change in the construction period) are recognised as a matching increase or reduction in the corresponding intangible asset.

"Provisions for the repair and replacement of motorway infrastructure" cover the liability represented by the contractual obligation to repair and replace assets to be handed over, as required by the concession arrangements entered into by the Group's motorway operators and the respective grantors. These provisions are calculated on the basis of the usage and wear and tear of motorways at the end of the reporting period, taking into account, if material, the time value of money.

Employee benefits

Short-term employee benefits, provided during the period of employment, are recognised on an accruals basis as the accrued liability at the end of the reporting period.

Liabilities deriving from other medium/long-term employee benefits are recognised in the vesting period, less any plan assets and advance payments made. They are determined on the basis of actuarial assumptions and, if material, recognised on an accruals basis in line with the period of service necessary to obtain the benefit.

Post-employment benefits in the form of defined benefit plans are recognised at the amount accrued at the end of the reporting period.

Post-employment benefits in the form of defined benefit plans (for Italian companies, primarily post-employment benefits accrued to 31 December 2006 or, where applicable, to the date the employee joins a supplementary pension fund) are recognised in the vesting period, less any plan assets and advance payments made. Such defined benefit plans primarily regard the obligation as determined on the basis of actuarial assumptions and recognised on an accruals basis in line with the period of service necessary to obtain the benefit. The obligation is calculated by independent actuaries. Any resulting actuarial gain or loss is recognised in full in other comprehensive income in the period to which it relates, net of taxation.

Non-current assets held for sale, or assets and liabilities included in disposal groups and/or discontinued operations

Where the carrying amount of non-current assets held for sale or of assets and liabilities included in disposal groups and/or discontinued operations is to be recovered primarily through sale rather than through continued use, these items are presented separately in the statement of financial position.

Immediately prior to being classified as held for sale, the above assets and liabilities are recognised under the specific IFRS applicable to each asset and liability, and subsequently accounted for at the lower of the carrying amount and estimated fair value. Any impairment losses are recognised immediately in the income statement.

Disposal groups or discontinuing operations are recognised in profit or loss as discontinued operations provided the following conditions are met:

a) they represent a major line of business or geographical area of operation;
b) they are part of a single coordinated plan to dispose of a separate major line of business or geographical area of operation;
c) they are subsidiaries acquired exclusively with a view to resale.

After tax gains and losses thereon are recognised as one amount in profit or loss with comparatives.

Revenue

Revenue is recognised when the fair value can be reliably measured and it is probable that the economic benefits associated with the transactions will flow to the Group. Depending on the type of transaction, revenue is recognised on the basis of the following specific criteria:

a) toll revenue is accrued with reference to traffic volumes;
b) to the extent, for sales of goods, that significant risks and rewards of ownership are transferred to the buyer;
c) the provision of services is prorated to percentage of completion of work, based on the previously described criteria used for "construction contracts and services in progress", which also include the construction and/or upgrade services provided to grantors, in application of

IFRIC 12. When revenue cannot be reliably determined, it is only recognised to the extent that expenses are considered to be recoverable;

d) rental income or royalties, on an accruals basis, based on the agreed terms and conditions of the contract;

e) interest income (and interest expense) is calculated with reference to amount of the financial asset or liability, in accordance with the effective interest method;

f) dividend income is recognised when the right to receive payment is established.

Government grants

Government grants are accounted for at fair value when: (i) the related amount can be reliably determined and there is reasonable certainty that (ii) they will be received and that (iii) the conditions attaching to them will be satisfied.

Grants related to income are accounted for in the income statement for the accounting period in which they accrue, in line with the corresponding costs.

Grants received for investment in motorways and airports are accounted for as construction service revenue, as explained in the note on "Construction contracts and services work in progress".

Grants related to assets received to fund development projects and activities are accounted for in liabilities, and are subsequently recognised as operating income, in line with depreciation of the assets to which they refer.

Any grants received to fund investment in property, plant and equipment are accounted for as a reduction in the cost of the asset to which they refer and result in a reduction in depreciation.

Income taxes

Income taxes are recognised on the basis of a realistic estimate of tax expense to be paid, in compliance with the regulations in force, as applicable to each Group company, and taking account of any applicable exemptions.

Income tax payables are reported under current tax liabilities in the statement of financial position less any advance payments of taxes. Any overpayments of IRAP are recognised as current tax assets.

Deferred tax assets and liabilities are taxes expected to be recovered or paid on temporary differences between the carrying amounts of assets and liabilities as in the Company's books, computed by applying the criteria described in note 3, and the corresponding tax bases, as follows:

a) deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the asset can be utilised;

b) deferred tax liabilities are always recognised.

Share-based payments

The cost of services provided by directors and employees remunerated through share based incentive plans is based on the fair value of the rights at the grant date. Fair value is computed using actuarial assumptions and with reference to all characteristics, at the grant date, of the rights (term, any consideration, conditions of exercise, etc.) and the related plan's underlying securities. The obligation is determined by independent actuaries. The cost is recognised in the income statement, with a contra-entry in equity, over the vesting period, based on a best estimate of the number of options that will vest. The cost of any services provided by directors and employees that are remunerated through share-based payments, but settled in cash, is measured at the fair value of the liability assumed, with a double entry in liabilities. Fair value is remeasured at the end of the each reporting period until such time as the liability is settled, with any changes recognised in the income statement.

Impairment of assets and reversals (impairment testing)

At the end of the reporting period, the Group tests property, plant and equipment, intangible assets, financial assets and investments for impairment.

If there are indications that these assets have been impaired, the recoverable amounts of such assets are estimated in order to verify and eventually measure the amount of the impairment loss.

Irrespective of whether there is an indication of impairment, intangible assets with indefinite lives and those which are not yet available for use are tested for impairment at least annually, or more frequently, if an event has occurred or there has been a change in circumstances that could cause an impairment.
If it is not possible to estimate the recoverable amounts of individual assets, the recoverable amount of the cash-generating unit to which a particular asset belongs is estimated.
This entails estimating the recoverable amount of the asset (represented by the higher of the asset's fair value less costs to sell and its value in use) and comparing it with the carrying amount. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount. In calculating value in use, expected future pre-tax cash flow is discounted using a pre-tax rate that reflects current market assessments of the cost of capital which embodies the time value of money and the risks specific to the business.
Impairments are recognised in profit or loss in a variety of classifications depending on the nature of the impaired asset. Losses are reversed if the circumstances that resulted in the loss no longer exist, provided that the reversal does not exceed the cumulative impairment losses previously recognised, unless the impairment loss relates to goodwill and investments measured at cost, where the related fair value cannot be reliably determined.

Estimates and judgements
Preparation of financial statements in compliance with IFRS involves the use of estimates and judgements, which are reflected in the measurement of the carrying amounts of assets and liabilities and in the disclosures provided in the notes to the financial statements, including contingent assets and liabilities at the end of the reporting period. These estimates are especially important in determining amortisation and depreciation, impairment testing of assets (including the measurement of receivables), provisions, employee benefits, the fair value of financial assets and liabilities, and deferred tax assets and liabilities.
The amounts subsequently recognised may, therefore, differ from these estimates. Moreover, these estimates and judgements are periodically reviewed and updated, and the resulting effects of each change immediately recognised in the financial statements.

Translation of foreign currency items
The reporting package of each consolidated enterprise is prepared using the functional currency of the economy in which the enterprise operates. Transactions in currencies other than the functional currency are recognised by application of the exchange rate at the transaction date. Assets and liabilities denominated in currencies other than the functional currency are, subsequently, remeasured by application of the exchange rate at the end of the reporting period. Any exchange differences on remeasurement are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies and recognised at historical cost are translated using the exchange rate at the date of initial recognition.
Translation of the liabilities, assets, goodwill and consolidation adjustments shown in the reporting packages of consolidated companies with functional currencies other than the euro is made at the closing rate of exchange, whereas the average rate of exchange is used for income statement items to the extent that they approximate the transaction date rate or the rate during the period of consolidation, if lower. All resultant exchange differences are recognised directly in comprehensive income and reclassified to the income statement upon the loss of control of the investment.

Earnings per share
Basic earnings per share is computed by dividing profit attributable to owners of the parent by the weighted average number of the Parent Company's shares outstanding during the accounting period.
Diluted earnings per share is computed by taking into account, for both profit attributable to owners of the parent and the above weighted average, the effects deriving from the subscription/conversion of all potential shares that may be issued as a result of the exercise of any outstanding share options.

New accounting standards and interpretations, or revisions and modifications of existing standards, that have either yet to come into effect or yet to be endorsed by the European Union

As required by IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", this section describes new accounting standards and interpretations, and revisions of existing standards and interpretations that are already applicable, but that have either yet to come into effect or endorsed by the European Union (EU), and that may in the future be applied in the Group's consolidated financial statements.

IFRS 9 – Financial Instruments

In July 2014 the IASB published the final version of IFRS 9, the standard created to replace the existing IAS 39 for the classification and measurement of financial instruments.

IFRS 9 is effective from 1 January 2018. The standard is currently being examined by the European Union for the purposes of endorsement.

The standard introduces new rules for the classification and measurement of financial instruments, a new impairment model for financial assets and a new hedge accounting model.

Classification and measurement

IFRS 9 envisages a single approach for the assessment and classification of all financial assets, including those containing embedded derivatives. The classification and related measurement is driven by both the business model in which the financial asset is held and the contractual cash flow characteristics of the asset.

The financial asset is measured at amortised cost subject to both of the following conditions:

a) the asset is held in conjunction with a business model whose objective is to hold assets in order to collect contractual cash flows; and
b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The financial asset is measured at fair value, with any changes recognised in comprehensive income, if the objective of the business model is to hold the financial asset to collect the contractual cash flows, or to sell it.

Finally, the standard envisages a residual category of financial asset measured at fair value through profit or loss, which includes assets held for trading.

A financial asset meeting the conditions to be classified and measured at amortised cost may, on initial recognition, be designated as a financial asset at fair value through profit or loss, to the extent that this accounting treatment would eliminate or significantly reduce a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

In addition, the new standard provides that an entity may, with respect to investments in equity instruments, which consequently may not be carried and measured at amortised cost unless such instruments are shares that are not held for trading but rather for strategic reasons, make an irrevocable election on initial recognition to present changes in the fair value in comprehensive income.

The new IFRS 9, on the other hand, has confirmed the provisions of IAS 39 for financial liabilities including the relative measurement at amortised cost or fair value through profit or loss in specific circumstances.

The requirements of IAS 39 that have been changed are:

a) the reporting of changes in fair value in connection with the credit risk of certain liabilities, which IFRS 9 requires to be recognised in comprehensive income rather than in profit or loss as movements in fair value as a result of other risks;
b) the elimination of the option to measure, at amortised cost, financial liabilities consisting of derivative financial instruments entailing the delivery of unlisted equity instruments. The

consequence of the change is that all derivative financial instruments must now be recognised at fair value.

Impairment

IFRS 9 has defined a new impairment model, with the objective of providing the users of financial statements with more useful information about an entity's expected losses on financial instruments. The model requires an entity to recognise expected credit losses at all times and to update the amount of expected losses recognised at each reporting date to reflect changes in the credit risk of the financial instruments. It is, therefore, no longer necessary to wait for evidence of a trigger event before testing for impairment and recognition of a credit loss.
All financial instruments must be tested for impairment, with the exception of those measured at fair value through profit or loss.

Hedge accounting

The most important changes introduced by IFRS 9 regard:
a) the extended scope of the risks eligible for hedge accounting, to include those to which non-financial assets and liabilities are exposed, also permitting the designation of groups and net positions as hedged items, also including any derivatives;
b) the option of designating a financial instrument at fair value through profit or loss as a hedging instrument;
c) the alternative method of accounting for forwards and options, when included in a hedge accounting relationship;
d) changes to the method of conducting hedge effectiveness tests, following introduction of the principle of the "economic relationship" between the hedged item and the hedging instrument; in addition, retrospective hedge effectiveness testing is no longer required;
e) the possibility of "rebalancing" an existing hedge where the risk management objectives continue to be valid.

IFRS 10 – Consolidated Financial Statements, IAS 27 – Separate Financial Statements and IFRS 12 – Disclosure of Interests in Other Entities

The IASB issued the new IFRS 10 on 12 May 2011 on the conclusion of the project to redefine the concept of control in order to end divergencies in its application. Whereas the old IAS 27 - Consolidated and Separate Financial Statements defined the control of an entity as the power to determine its financial and operating policies and to obtain the relevant benefits, SIC 12 - Consolidation: Special Purpose Entities interpreted the requirements of IAS 27 placing greater emphasis on the risks and benefits.
The new IFRS 10, which was issued at the same time as the new IAS 27 - Separate Financial Statements, replaces certain of the provisions of the old IAS 27 and SIC 12 with a new definition of control, but retains the methods used in preparation of IFRS compliant consolidated financial statements, having made no changes to the provisions of IAS 27.
IFRS 10 provides that an investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to influence those returns through its power over the investee. The concept of control is, consequently, based on three factors:
a) power over the investee,
b) exposure, or rights, to variable returns from its involvement with the investee; and
c) the ability to use its power over the investee to affect the amount of the investor's returns.

Pursuant to IFRS 10, this concept of control must be applied in all of the following circumstances:
a) when voting or similar rights give an investor power, including situations where the investor holds less than a majority of voting rights and in circumstances involving potential voting rights;
b) when an investee is organised in such a manner that voting rights are not determinant in deciding who controls the investee, such as when any voting rights relate to administrative tasks only with more strategic activities being directed through contract;
c) agency relationships;

d) when the investor has control of specific activities of an investee.

Finally, IFRS 10 refers readers to the new IFRS 12 - Disclosure of Interests in Other Entities (issued at the same time as the other new standards described). IFRS 12, in fact, contains a series of disclosure requirements pertaining to investments in subsidiaries and associates, as well as other joint arrangements (cf. IFRS 11 below).
The new IAS 27 - Separate Financial Statements is only applicable to the accounting treatment and disclosure requirements for investments in subsidiaries and the requirements for entities to present separate (non-consolidated) financial statements. The new standards also introduced revisions to certain parts of the old IAS 27.
The new standards, IFRS 10, IFRS 12 and IAS 27 were endorsed in December 2012 for application in the EU with mandatory adoption for accounting periods beginning on or after 1 January 2014.
Application of the new standards described above will not have an impact on the Group's consolidated financial statements.

IFRS 11 – Joint Arrangements
The new IFRS 11 was issued on 12 May 2011 together with IFRS 10, IFRS 12 and IAS 27 on the conclusion of a revision of IAS 31 - Interests in Joint Ventures commenced in 2005 and including the new concept of control established by IFRS 10.
The new standard replaces IAS 31 and SIC 13 - Jointly Controlled Entities, Non-Monetary Contributions by Venturers.
IFRS 11 requires that a party to a joint arrangement determines the nature of the agreement in which that party is involved by evaluation of its rights and obligations arising thereunder. A joint arrangement is an arrangement by which two or more parties have joint control, which, in turn, is defined by the standard as a contractually agreed sharing of control of an arrangement. Such arrangements only exist when decisions about activities that significantly affect the returns of the arrangement require the unanimous consent of the parties sharing control.
IFRS 11 requires that joint arrangements be classified as one of two types:
a) joint operations - joint arrangements whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement;
b) joint ventures - joint arrangements whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement, such as, for example, companies with a separate legal personality.

In determining the type of arrangement in which it is involved, an entity must identify the rights and obligations arising under the arrangement taking into consideration its structure and legal form, the contractual terms and conditions agreed by the parties and, if applicable, any other facts and circumstances.
The accounting treatment required by IFRS 11 for joint operations is the prorated recognition of assets, liabilities, revenues and costs arising under the arrangement to be measured in accordance with the relevant standards. The accounting treatment required by the new standard for joint ventures, on the other hand, is based on the equity method established by IAS 28 with, however, the option to adopt proportional consolidation permitted under IAS 31 having been eliminated. Since the Autostrade per l'Italia Group uses the equity method to account for such investments, application of the new standard will not have an impact on the consolidated financial statements.
IFRS 11 was endorsed in December 2012 for application in the EU with mandatory adoption for accounting periods beginning on or after 1 January 2014.

IAS 28 – Investments in Associates and Joint Ventures
On 12 May 2011, the IASB issued the new standards IFRS 10, IFRS 11, IFRS 12 and IAS 27 as well as a revision to IAS 28 - Investments in Associates and Joint Ventures, to take account of certain amendments introduced by the new standards.

The amended standard replaces the previous IAS 28 - Investments in Associates, without, however, making substantial changes. Indeed, the amended standard did not change the concept of significant influence contained in the original standard but, in line with IFRS 11, made the equity method mandatory for the measurement of investments in joint ventures. The method of applying the equity method remains the same as in the previous IAS 28.
The amendments to IAS 28 will not have an impact on the Group's consolidated financial statements.
In accordance with the conditions of its endorsement by the EU in December 2012, the new standard is required to be adopted no later than 1 January 2014, along with the new standards IFRS 10, IFRS 11, IFRS 12 and IAS 27.

IAS 36 – Recoverable Amount Disclosures for Non-Financial Assets
On 19 December 2013 the EU endorsed the amendments to IAS 36 - Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets, published by the IASB on 29 May 2013.
The amendments aim to clarify that the disclosures to be provided on the recoverable amount of such assets, when this amount is based on fair value less costs to sell, solely regard assets (including goodwill) and cash generating units for which an impairment loss has been recognised or reversed during the reporting period.
In addition, the amendments have introduced a number of simplifications of financial statement disclosures, introducing:
a) the requirement to indicate the recoverable amount of assets or cash generating units (CGUs) only if an impairment or a reversal of a previous impairment has been accounted for;
b) the requirement to provide a narrower scope disclosure when an asset is impaired, if the recoverable amount has been determined on the basis of fair value less estimated cost of disposal.
The amendments are required to be adopted retrospectively for accounting periods beginning on or after 1 January 2014, and will not have an impact on the Autostrade per l'Italia Group's consolidated financial statements.

IAS 39 – Novation of Derivatives and Continuation of Hedge Accounting
On 19 December 2013 the EU endorsed the amendments to IAS 39 - Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting, published by the IASB on 27 June 2013. The amendments regard the introduction of a number of exemptions to the hedge accounting requirements established by IAS 39, where an existing derivative is to be replaced with a new derivative that, due to a law or regulation, is novated directly or indirectly to a Central Counterparty (CCP).
The amendment was based on the European Market Infrastructure Regulation (EMIR) regarding over-the-counter (OTC) derivatives, which aims to implement a central clearing house for certain classes of OTC derivative (as requested by the G20 meeting of September 2009).
The amendments are required to be adopted retrospectively for accounting periods beginning on or after 1 January 2014, and will not have an impact on the Autostrade per l'Italia Group's consolidated financial statements, given that the Group does not hold derivatives to which the new requirements apply.

IFRIC 21 - Levies
In May 2013 the IASB issued interpretation IFRIC 21 - Levies. The interpretation applies to all levies imposed by a government other than those that fall within the scope of other standards (for example, IAS 12 – Income taxes) and fines or other penalties for breaches of legislation. The levies are defined in the interpretation as "outflows of resources embodying economic benefits imposed by a government on entities in accordance with legislation".
The interpretation clarifies that an entity is required to recognise a liability for a levy imposed by a government only when the activity that triggers payment of the levy, as identified by the relevant legislation, occurs. The interpretation also clarifies that a levy liability is accrued progressively only if the activity that triggers payment occurs over a period of time. For a levy that is triggered on

reaching a minimum threshold, no liability is recognised before the specified minimum threshold is reached.
The interpretation is required to be adopted for accounting periods beginning on or after 1 January 2014. The interpretation has yet to be endorsed by the European Union.

Annual Improvements to IFRS: 2010 – 2012 and 2011 – 2013
The IASB published "Annual Improvements to IFRSs: 2010-2012 Cycle" and "Annual Improvements to IFRSs: 2011-2013 Cycle" on 12 December 2013, amending standards deemed necessary but not urgent as part of its annual improvements programme.
The amendments that could be relevant to the Group are:
a) IFRS 2 – Share-based Payment: amendments have been made to the definitions of "vesting condition" and "market condition" and further definitions for "performance condition" and "service condition" have been added, for the recognition of share-based benefit plans;
b) IFRS 3 – Business Combinations: the amendments clarify that a contingent consideration classified as an asset or liability must be measured at fair value at the end of each reporting period, with changes in fair value recognised in profit or loss, regardless of whether or not the contingent consideration is a financial instrument or a non-financial asset or liability. In addition, the IASB has clarified that the standard does not apply to all formations of a joint venture;
c) IFRS 8 – Operating Segments: the amendments require disclosure of the judgements made by management in applying the aggregation criteria for operating segments, including a description of the aggregate operating segments and the economic indicators assessed in determining if the operating segments "similar economic characteristics". In addition, the reconciliation of the total of the reportable segment's assets to the entity's total assets should only be disclosed if the total of the reportable segment's assets is regularly provided to the chief operating decision maker;
d) IFRS 13 – Fair Value Measurement: the standard's "Basis for Conclusions" have been amended in order to clarify that with the publication of IFRS 13, and the resulting amendments to IAS 39 and IFRS 9, the option of accounting for short-term trade receivables and payables without recognising the impact of discounting to present value remains valid if such impact is not material.

The proposed amendments are required to be applied in accounting periods beginning on or after 1 July 2014. The amendments have yet to be endorsed by the European Union. These amendments are not expected to have an impact on the Group's consolidated financial statements.

IFRS 15 – Revenue from Contracts with Customers
On 28 May the IASB published the new standard, IFRS 15. IFRS 15 replaces the previous IAS 18 and IAS 11, regarding contract work, and the related interpretations, IFRIC 13, IFRIC 15, IFRIC 18 and SIC 31.
IFRS 15 establishes the standards to follow in recognising revenue from contracts with customers, with the exception of contracts falling within the scope of application of standards governing leases, insurance contracts and financial instruments.
The new standard provides an overall framework for identifying the timing and amount of revenue to be recognised in the financial statements. Based on the new standard, the amount recognised as revenue by an entity must reflect the consideration to which the entity is entitled in exchange for goods transferred to the customer and/or services rendered. This revenue is to be recognised when the entity has satisfied its performance obligations under the contract.
In addition, in recognising revenue, the standard stresses the need to assess the likelihood of obtaining/collecting the economic benefits linked to the proceeds. In the case of contract work in progress, currently governed by IAS 11, the new standard introduces the requirement to recognise revenue taking into account the effect of discounting to present value resulting from the deferral of collections over time.
IFRS 15 is required to be adopted for accounting periods beginning on or after 1 January 2017, once endorsed by the European Union. If it is not possible to retrospectively apply the new standard, a modified approach can be used upon first-time adoption. Under this approach, the effects of application of the new standard must be recognised in opening equity at the beginning of the reporting period of first-time adoption.

IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation

On 12 May 2014 the IASB published a number of amendments to IAS 16 – Property, Plant and Equipment, and IAS 38 – Intangible Assets.

The amendments provide clarification regarding acceptable methods of depreciation and amortisation under the above standards. Above all, whilst reiterating that the method of depreciation or amortisation used must reflect the expected pattern of consumption of the future economic benefits embodied in the asset, the amendments introduce the presumption that a revenue-based method of depreciation or amortisation is not appropriate. This is because the IASB believes that revenue generated by an asset reflects factors not directly linked to consumption of the economic benefits embodied in the asset.

In the case of intangible assets, the IASB has also specified that in choosing which method of amortisation to use, the entity must take into account the predominant limiting factors inherent in the intangible asset, and that the above presumption may only be overcome in limited circumstances, when (i) the intangible asset is expressed as a measure of revenue that can be obtained from the asset, or if (ii) it can be demonstrated that revenue and the consumption of economic benefits of the intangible asset are highly correlated.

The amendments are required to be adopted prospectively for accounting periods beginning on or after 1 January 2016; early adoption is permitted.

These amendments have yet to be endorsed by the European Union.

The Autostrade per l'Italia Group is currently evaluating the impact of future application of the new standards, IFRS 9 and IFRS 15, and interpretation IFRIC 21, as well as the amendments to standards IAS 16 and IAS 38 regarding amortisation and depreciation. The impact cannot currently be reasonably estimated.

4. CONCESSIONS

The Group's core business is the operation of motorways (in Italy and abroad) under concessions held by Group companies. The purpose of the concessions is the construction and operation of motorway assets.
Essential information regarding the concessions held by consolidated Group companies is set out below.

Italian motorways

Briefly, concessions, on the one hand, establish the right for motorway operators to demand tolls from motorway users, which, in certain circumstances, may be subject to a minimum guaranteed by the Grantor. Tolls are revised annually through a toll formula contained in the specific individual concession arrangements. On the other hand, operators have an obligation to pay concession fees, perform work or expand/upgrade motorways, as permitted under the concessions, and to maintain and operate motorways. Concessions are not automatically renewed on expiry but are publicly re-tendered in accordance with laws as may be in effect from time to time. This consequently entails the handover free of charge of all assets in a good state of repair by the operator to the Grantor, unless the concession provides for a payment by a replacement operator of the residual carrying amount of assets to be handed over. With regard to the concessions held by the Group's Italian companies, on 24 December 2013 the Grantor and Autostrade per l'Italia signed an Addendum to the Single Concession Arrangement. This document contained the five-yearly revision of the financial plan annexed to the Arrangement, as provided for by art. 11 of the Arrangement. The above Addendum was approved by a ministerial decree of 30 December 2013.
Moreover, on 31 December 2012 the concession held by Autostrade Meridionali expired. For further information on this, reference should be made to note 10.7.
Finally, the Group's Italian operators are in the process of implementing a programme of investment in major infrastructure projects worth approximately €22 billion. The investment programme, which forms part of operators' financial plans, essentially regards the upgrade of existing motorways.

Overseas motorways

Brazil

The concessions held by the Group's Brazilian companies also envisage a series of obligations relating to the construction, expansion, modernisation, maintenance and operation of the motorways covered by the concession arrangements, in return for the right to charge motorway users a toll, revised annually on the basis of inflation.
In response to growing civil unrest throughout the country, in June 2013 the Governor of the State di Sao Paulo decided to delay introduction of the motorway toll increases, due to come into effect from 1 July, to be applied by, among others, the operators, Triangulo Do Sol and Rodovias das Colinas. The increases are based on inflation over the previous 12 months. In response, the Public Transport Services Regulator for the State of Sao Paulo (ARTESP), in a resolution dated 27 June 2013, and subsequent implementation guidelines issued by ARTESP and the Secretariat for Logistics and Transport in the State of Sao Paulo, devised a package of measures designed to compensate operators for the lack of an increase in tolls. The measures include cancellation of 50% of the variable fee payable to ARTESP (reduced from 3% to 1.5% of revenue) for the months of July, August and September 2013 and the right to bill for the suspended axles of heavy vehicles from 28 July 2013.
On 14 December ARTESP extended the 50% reduction of the variable fee to 1.5% for an indefinite period. Should the above compensation not be sufficient to make up for the lost revenue, the concession arrangements provide for compensation via an extension of the concession term for a period to be calculated on the basis of the discount rate originally provided for in the arrangements.
Rodovias das Colinas is investing in the widening of existing sections of motorway, with the remaining work to be carried out amounting to approximately €65 million. Work is scheduled for completion in 2019. Rodovia MG050 is working on a programme to upgrade of the motorway it

operates. The value of the remaining work to be carried out amounts to approximately €223 million and work is scheduled for completion in 2032. Finally, Triangulo do Sol has committed capital expenditure, as required under the concession, with a residual amount of €27 million.

Chile

The concessions held by Group companies establish the right for motorway operators to charge motorway users a toll which, in certain circumstances, may be subject to a minimum guaranteed by the Grantor. These tolls are revised annually on the basis of inflation and, in certain cases, other parameters represented by unconditional increases (3.5% for the concessions held by Costanera Norte, Vespucio Sur and Nororiente, 1.5% for AMB) and/or quality indicators. The operators have specific obligations, including the payment of concession fees, the expansion and/or upgrade of the motorways covered by their concession arrangements and maintainance and operation of the motorways.

On expiry, the concessions are publicly re-tendered and all the motorway assets built by the operator handed over to the Grantor free of charge in a good state of repair. The concessions held by Nororiente and AMB will expire on reaching specific thresholds for revenue (in real terms) and, in any event, not beyond a certain date.

On 23 December 2013 the Chilean President signed into law Supreme Decree 318, ratifying the investment programme named "*Programma SCO*" (*Santiago Centro Oriente*). The process was completed with publication of the Decree in the Official Gazette of the Republic of Chile on 12 March 2014. The programme covers seven projects designed to eliminate the principal bottlenecks on the section operated under concession. The total value of the work to be carried out is around 230 billion pesos (approximately €300 million). The agreement envisages that the operator will receive specific payments, including a minimum toll guaranteed by the Grantor over the remaining concession term, designed to guarantee a minimum return, and a share of the increase in revenue deriving from the installation of new tollgates along the motorway in operation.

The operator, AMB, has plans in place for the construction of the remaining 8 km forming part of the total of 10 km covered by the concession at an estimated cost of approximately €30 million. Work should start at the beginning of 2014 and be completed in 2016. This investment is included in the company's financial plan.

Poland

The subsidiary, Stalexport Autostrada Malopolska, holds a concession requiring implementation of an investment programme and the obligation to operate and maintain the section of motorway covered by its concession arrangement. Completion of the second and final phase of the investment and maintenance programme is currently in progress.

In return for the services rendered, the operator has the right to charge motorway users a toll. The concession arrangement has capped the tolls that may be charged, although the cap may rise in line with inflation and growth in the country's GDP. The tolls currently applied are well below the cap.

The concession arrangement envisages a profit sharing scheme, with the share of the profits to be passed on to the State rising in line with increases in shareholder returns.

In 2013, the Polish Antitrust Authority launched an Explanatory Proceeding, details of which are provided in note 10.7.

Country	Operator	Section of motorway	Kilometres in service	Expiry date
ITALIAN MOTORWAYS				
Italy	Autostrade per l'Italia	A1 Milan - Naples	803.5	
		A4 Milan – Brescia	93.5	
		A7 Genoa – Serravalle	50.0	
		A8/9 Milan – lakes	77.7	
		A8 / A26 link road	24.0	
		A10 Genoa – Savona	45.5	
		A11 Florence – Pisa North	81.7	
		A12 Genoa – Sestri Levante	48.7	
		A12 Rome – Civitavecchia	65.4	
		A13 Bologna – Padua	127.3	
		A14 Bologna – Taranto	781.4	
		A16 Naples – Canosa	172.3	
		A23 Udine – Tarvisio	101.2	
		A26 Genoa – Gravellona Toce	244.9	
		A27 Mestre– Belluno	82.2	
		A30 Caserta – Salerno	55.3	
			2,854.6	31 Dec 2038
	Autostrade Meridionali (1)	A3 Naples – Salerno	51.6	31 Dec 2012
	Tangenziale di Napoli	Naples ring road	20.2	31 Dec 2037
	Raccordo Autostradale Valle d'Aosta	A5 Aosta – Mont Blanc	32.3	31 Dec 2032
	Società Italiana per azioni per il Traforo del Monte Bianco	Mont Blanc Tunnel	5.8	31 Dec 2050
OVERSEAS MOTORWAYS				
Brazil	Triangulo do Sol Auto-Estradas	SP 310 Rodovia Washington Luis SP326 Rodovia Brigadeiro Faria Lima SP333 Rodovia Carlos Tonani, Nemesio Cadetti e Laurentino Mascari	442.0	18 July 2021
	Rodovias das Colinas	SP075 - Itu/Campinas SP127- Rio Claro/Tatuí SP280 - Itu/Tatuí SP300 – Jundiaí/Tietê SPI-102/300	307.0	1 July 2028
	Nascentes das Gerais	MG-050 BR-265 BR-491	372.0	12 June 2032
Chile	Sociedad Concesionaria de Los Lagos	Rio Bueno - Puerto Montt (Cile)	135.0	20 Sept 2023
	Sociedad Concesionaria Costanera Norte	Puente La Dehesa - Puente Centenario Puente Centenario - Vivaceta Vivaceta - A. Vespucio Estoril - Puente Lo Saldes	43.0	30 June 2033
	Sociedad Concesionaria Autopista Nororiente (2)	Sector Oriente: Enlace Centenario - Enlace Av. Del Valle Sector Poniente: Enlace Av. Del Valle - Enlace Ruta 5 Norte	21.5	2044
	Sociedad Concesionaria Vespucio Sur	Ruta 78 - General Velàsquez General Velàsquez - Ruta 5 Sur Ruta 5 Sur - Nuevo Acceso Sur a Santiago Nuevo Acceso Sur a Santiago - Av. Vicuna Mackenna Av. Vicuna Mackenna - Av. Grecia	23.5	6 Dec 2032
	Sociedad Concesionaria AMB (3)	Tramo A Tramo B	10.0	2020
	Sociedad Concesionaria Litoral Central	Nuevo Camino Costero: Cartagena Algarrobo Camino Algarrobo - Casablanca (Ruta F-90) Camino Costero Interior (Ruta F-962-G	80.6	16 Nov 2031
Poland	Stalexport Autostrada Malopolska	A4 Krakow – Katowice (Poland)	61.0	15 Mar 2027

(1) The concession held by Autostrade Meridionali expired on 31 December 2012. The company continues to operate the motorway under an extension to its concession.
(2) Estimate: the concession will expire when the net present value of the revenues received, discounted to the start date of the concession at the real rate of 9.5%, reaches the agreed threshold of approximately €360 million and, in any event, no later than 2044.
(3) Estimate: the concession will expire when the net present value of the revenues received, discounted to the start date of the concession at the real rate of 9.0%, reaches the agreed threshold of approximately €40 million and, in any event, no later than 2048.

5. SCOPE OF CONSOLIDATION

In addition to the Parent Company, Autostrade per l'Italia, the scope of consolidation comprises the companies over which Autostrade per l'Italia, exercises control as a result of its direct or indirect ownership of a majority of the voting rights, or because of its ability to exercise dominant influence given its power to govern the entity's financial and operating policies and obtain the related benefits, regardless of its percentage interest in the entity. Subsidiaries consolidated on a line-by-line basis are listed in Annex 1.
Three companies listed in Annex 1 have not been consolidated due to their quantitative and qualitative immateriality to a true and fair view of the Group's financial position, results of operations and cash flows, as a result of their operational insignificance (dormant companies or companies whose liquidation is nearing completion).

All entities over which control is exercised are consolidated from the date on which the Group gains control. Entities are deconsolidated from the date on which the Group ceases to exercise control, as defined above.
As part of the consolidation, all companies consolidated on a line-by-line basis submit individual reporting packages as of the end of the reporting period, with accounting information consistent with the Group's IFRS accounting policies.
Companies are consolidated according to the following criteria and procedures:

a) use of the line-by-line method, entailing the reporting of non-controlling interests in equity and profit or loss and the recognition of all assets, liabilities, revenues and costs, regardless of percentage ownership;
b) elimination of intercompany assets, liabilities, revenues and costs, including the reversal of unrealised profits and losses on transactions between consolidated companies and recognition of the consequent deferred taxation;
c) reversal of intercompany dividends and reallocation to the relevant opening equity reserves;
d) netting of the carrying amount of investments in consolidated companies against the corresponding amount of equity, with any resultant positive and/or negative differences being debited/credited to the relevant balance sheet accounts (assets, liabilities and equity), as determined on the acquisition date of each investment and adjusted for subsequent variations. Following the acquisition of control, any acquisition of further interests from non-controlling shareholders, or the sale of interests to such shareholders not resulting in the loss of control, are accounted for as changes in equity; any resulting difference between the amount of the change in equity attributable to non-controlling interests and cash and cash equivalents exchanged are recognised directly in equity attributable to owners of the Parent;
e) translation of the reporting packages by consolidated companies in functional currencies other than the euro using closing exchange rates for assets and liabilities, including goodwill and consolidation adjustments, and average exchange rates (to the extent they approximate exchange rates prevailing on the relevant transaction dates or at the date of consolidation, if lower), for the income statement and changes in equity. All resultant exchange differences are recognised directly in comprehensive income and reclassified to the income statement on deconsolidation of the company.

The exchange rates, shown below, used for the translation of reporting packages, denominated in functional currencies other than the euro, were obtained from the Bank of Italy:

Currency	2013 Spot exchange rate 31 December	2013 Average exchange rate for year	2012 Spot exchange rate 31 December	2012 Average exchange rate for year
Euro/US Dollar	1.379	1.328	1.319	1.285
Euro/Polish Zloty	4.154	4.197	4.074	4.185
Euro/Chilean Peso(1)	724.769	658.328	631.729	624.801
Euro/Brazilian Real(2)	3.258	2.869	2.704	2.508
Euro/Indian Rupee	85.368	77.930	72.560	68.597

(1) In converting the results of operations for 2012 of the Chilean companies consolidated from 1 April 2012, the average exchange rate for the period 1 April - 31 December 2012 (equal to 619.326) has been applied, w hilst the rate applied in converting opening assets and liabilities on first-time consolidation w as the exchange rate at 1 April 2012 (equal to 649.675).
(2) In converting the results of operations for 2012 of the Brazilian companies consolidated from 30 June 2012, the average exchange rate for the period 1 July - 31 December 2012 (equal to 2.601) has been applied, w hilst the rate applied in converting opening assets and liabilities on first-time consolidation w as the exchange rate at 30 June 2012 (equal to 2.579).

Amounts in the income statement and statement of cash flows for 2013 benefit in full from the contributions of the companies acquired in 2012, above all those in Chile and Brazil. These companies, whose acquisitions are described in notes 6.1 and 6.2, are listed below:

- Autostrade Sud America Srl;
- Grupo Costanera SA;
- Sociedad Concesionaria Costanera Norte SA;
- Sociedad Concesionaria AMB SA;
- Sociedad Concesionaria Autopista Nororiente SA;
- Sociedad Gestion Vial SA;
- Nueva Inversiones SA;
- Sociedad Concesionaria Autopista Vespucio Sur SA;
- Sociedad Concesionaria Litoral Central SA;
- Sociedad de Operacion Y Infraestructuras SA;
- Infra Bertin Partecipacoes SA;
- Triangulo do Sol Partecipacoes SA;
- Atlantia Bertin Concessoes SA;
- Rodovias das Colinas SA;
- Concessionària da Rodovia MG 050 SA

As a result of the agreement entered into with SIAS on 25 February 2012 (see note 6.2, below), by which Autostrade per l'Italia gave a call option to SIAS (subsequently exercised in September 2012 resulting in the transfer of shares on 15 November 2012) over the entire 99.98% shareholding in Autostrada Torino-Savona SpA, Autostrada Torino-Savona's contribution to consolidated income to the transfer date is included in "Profit/(Loss) from discontinued operations", as required by IFRS 5, rather than included in each component of the consolidated income statement for continuing operations. The value of Autostrada Torino–Savona's assets and liabilities as at 1 January 2012 is, on the other hand, included in the individual items of the consolidated statement of financial position at that date.

Furthermore, as a result of the transfer of the entire controlling interest in Port Mobility SpA to third parties in the fourth quarter of 2012, that company was also deconsolidated from the date of the sale.

6. ACQUISITIONS AND CORPORATE ACTIONS

6.1 Acquisition of Autostrade Sud America and its investees

On 25 February 2012, Autostrade per l'Italia, entered into agreements with Società Iniziative Autostradali SpA – SIAS and Mediobanca SpA for the acquisition of the remaining 54.235% of Autostrade Sud America Srl ("ASA"), the Italian holding company in which Autostrade per l'Italia already held a 45.765% interest. The total consideration was €669.8 million. Transaction closing was on 28 June 2012 but, under agreements between the shareholders, the Group acquired control of ASA prior to this date, consolidating the company from the second quarter of 2012, together with the following wholly owned direct and indirect subsidiaries:

a) Sociedad Concesionaria Costanera Norte SA, which holds the concession for 42.5 km of urban motorway that crosses the city of Santiago in Chile;
b) Sociedad Concesionaria AMB SA, which holds the concession for 10 km of motorway linking the city to Santiago airport in Chile;
c) Sociedad Concesionaria Autopista Nororiente SA, which holds the concession for the 21.5-km north-eastern bypass in the city of Santiago, linking the city with the province of Chacabuco;
d) Sociedad Gestion Vial SA, a company that supplies operational management, maintenance and construction services for motorways in Chile, some of which provided to the above Chilean operators;
e) Grupo Costanera SA and Inversiones Autostrade Chile Ltda, the Chilean-registered sub-holding companies that hold the listed investments.

In addition, given that Grupo Costanera holds 50% of the Chilean-registered holding company, Nueva Inversiones SA (with the remaining 50% held by the Group from 30 June 2011 via Inversiones Autostrade Holding Do Sur Ltda), the latter company, which was subsequently merged with and into Grupo Costanera, has been consolidated together with the following wholly owned direct and indirect subsidiaries:

a) Sociedad Concesionaria Autopista Vespucio Sur SA, which holds the concession for the 23.5-km southern section of the orbital toll motorway serving the city of Santiago in Chile;
b) Sociedad Concesionaria Litoral Central SA, which holds the concession for the toll motorway network of 79 km linking the cities of Algarrobo, Casablanca and Cartagena in Chile;
c) Sociedad Operacion Y Infraestructuras SA, the company that carries out certain maintenance and construction services for the section of motorway operated by Sociedad Concesionaria Autopista Vespucio Sur;
d) Sociedad Concesionaria Autopista Nueva Vespucio Sur SA, the Chilean-registered sub-holding company that holds the investment in Vespucio Sur.

Acquisition of the above-mentioned existing 50% interest in Nueva Inversiones had been acquired at a cost to the Group of €300.4 million (based on the prevailing euro/Chilean peso exchange rate as at 1 April 2012). In view of this, acquisition of control of Autostrade Sud America has resulted in a total cost of €970.2 million.
The above agreements of 25 February 2012 also cancelled the previous agreements with SIAS signed in June 2011, under which the Group gave a binding commitment to sell to Grupo Costanera, which gave a binding commitment to acquire, the 50% interest in Nueva Inversiones for a consideration substantially equivalent to the cost incurred in acquiring the interest. This commitment was subject to the suspensive condition that the shares of Grupo Costanera would be successfully floated on the Santiago Stock Exchange by 31 May 2012. The commitment meant that the carrying amount of the investment in Nueva Inversiones was accounted for, in the consolidated statement of financial position as at 1 January 2012, in non-current assets held for sale. The above stock market flotation has thus been cancelled and the above binding commitment therefore no longer applies.

Pursuant to IFRS 3, the transaction was accounted for using the acquisition method.
The table below shows the carrying amounts of the assets acquired and liabilities assumed (translated at the euro/Chilean peso exchange rate of 649.675 at 1 April 2012, the date of first-time

consolidation of Autostrade Sud America and its Chilean subsidiaries), in addition to the final fair values identified.

(€m)	Carrying amount as at 1 April 2012	Fair value adjustments	Fair value and recognition of effects of transaction
Net assets acquired:			
Property, plant and equipment	14.6		14.6
Intangible assets	569.8	1,683.2	2,253.0
Non-current financial assets	701.7		701.7
Other non-current assets	0.7		0.7
Cash and cash equivalents	41.0		41.0
Other current financial assets	110.1		110.1
Trading and other current assets	131.3		131.3
Non-current financial liabilities	-1,022.3	-54.5	-1,076.8
Deferred tax assets/(liabilities)	-31.4	-578.9	-610.3
Other non-current liabilities	-28.7		-28.7
Current financial liabilities	-125.0		-125.0
Provisions	-30.1		-30.1
Trading and other current liabilities	-33.8		-33.8
Total net assets acquired	**297.9**	**1,049.8**	**1,347.7**
Carrying amount of the existing 45.77% shareholding in Autostrade Sud America			-179.3
Gain from the restatement at fair value of the existing shareholding			-170.8
Bargain purchase gain			-27.4
Cost of acquisition (A)			**970.2**
Cash and cash equivalents acquired (B)			-41.0
Net effective cash outflow for the acquisition (A+B)			**929.2**

Completion of the measurement process has resulted in a net fair value adjustment to the net assets acquired of €1,049.8 million (reflecting increases in the value of the concessions held by Costanera Norte, Nororiente, Vespucio Sur and Litoral, amounting to €1,683.2 million, and of certain non-current financial liabilities, totalling €54.5 million, in addition to the related deferred taxation), which has led to recognition of the following principal effects in the consolidated income statement:

a) a financial gain from remeasurement of the fair value of the existing interest in Autostrade Sud America (45.765%), totalling €170.8 million;
b) a bargain purchase gain of €27.4 million.

In the period from 1 April and 31 December 2012, the newly consolidated companies reported total revenue and profit of €124.6 million and €38.5 million, respectively. Had these companies been consolidated on a line-by-line basis from 1 January 2012, consolidated revenue and profit for the year would have been €5,142.4 million and €924.8 million, respectively.

Subsequently, the agreement of 19 April 2012 for the transfer to the Canada Pension Plan Investment Board (CPPIB), a leading Canadian pension fund, of a 49.99% interest in Grupo Costanera became effective on 3 August 2012. The total price amounted to 560 billion Chilean pesos (€862 million at the euro/Chilean peso exchange rate of 1 April 2012). As a result, the Group incurred an estimated direct tax charge of approximately 57 billion Chilean pesos (equal to approximately €87 million at the euro/Chilean peso exchange rate of 1 April 2012). As a result of the transaction, full control of the Chilean sub-holding company, Nueva Inversiones, was transferred to Grupo Costanera.
As required by IAS 27, this transfer of a non-controlling interest in a consolidated subsidiary was equity accounted in the consolidated financial statements resulting in an increase in consolidated equity of 36 billion Chilean pesos (€56 million at the 1 April 2012 Chilean peso/euro exchange

rate). This was equal to the difference between the consideration paid by CPPB and the carrying amount of the prorated share of the assets and liabilities transferred.

6.2 Acquisition of Atlantia Bertin Concessoes and its investees

The agreement entered into with the Bertin group on 27 January 2012, regarding the establishment of a joint venture to which the two partners will contribute their investments in Brazilian toll motorway operators, became effective on 30 June 2012.

As a result, Autostrade Concessões e Participacões Brasil contributed its entire 100% interest in the operator, Triangulo do Sol, to the Brazilian sub-holding, Atlantia Bertin Concessões SA, thus enabling the Group to acquire 50% plus one share of the Brazilian holding company, Infra Bertin Partecipacões SA, and of the following Brazilian motorway operators in which the latter holds indirect interests (via the newly established sub-holding companies, Triangulo do Sol Partecipacões SA and Atlantia Bertin Concessões):

a) Rodovias das Colinas SA, which holds the concession for five sections of a toll motorway, totalling 307 km, in the area between Campinas, Sorocava and Rio Claro in the state of Sao Paulo, Brazil;
b) Concessionària da Rodovia MG 050 SA, which holds the concession for 372 km of toll motorway network in the area between Betim, Sao Sebastiao do Paraiso and Belo Horizonte in the state of Minas Gerais, Brazil.

Pursuant to IFRS 3, the transaction was accounted for using the acquisition method.

The table below shows the carrying amounts of the assets acquired and liabilities assumed (translated at the euro/Brazilian real exchange rate of 2.579 at 30 June 2012, the date of first-time consolidation of Atlantia Bertin Concessoes and its subsidiaries), in addition to the final fair values identified.

The agreements entered into include an earn-out adjustment based on the effective toll revenue of Triangulo do Sol and Rodovias das Colinas during the three-year period 2012-2014, the impact of which was estimated as part of the measurement of the final fair values. This has resulted in recognition of an additional cost to be incurred by the Group of approximately €105.2 million Brazilian reals (approximately €40.9 million) to be paid in a lump sum in 2015, compared with a contractually agreed maximum adjustment of 135.0 million reals (approximately €52 million) or a reduction in the price of up to 26.0 million reals (approximately €10 million).

(€m)	Carrying amount as at 30 June 2012	Fair value adjustments	Fair value and recognition of effects of transaction
Net assets acquired:			
Property, plant and equipment	1.8		1.8
Intangible assets	365.7	870.3	1,236.0
Non-current financial assets	154.6		154.6
Other non-current assets	0.1		0.1
Cash and cash equivalents	132.0		132.0
Trading and other current assets	13.5		13.5
Non-current financial liabilities	-334.0		-334.0
Deferred tax assets/(liabilities)	-36.3	-295.9	-332.2
Other non-current liabilities	-17.7		-17.7
Current financial liabilities	-256.9		-256.9
Provisions	-63.9		-63.9
Trading and other current liabilities	-23.4		-23.4
Net assets acquired	**-64.5**	**574.4**	**509.9**
Equity attributable to non-controlling interests			**-254.9**
Carrying amount of Triangulo do Sol's net assets acquired (50% of the total)			162.5
Cash disbursed by the Group as a result of the transaction (A)			42.0
Estimated earn-out adjustment (B)			40.9
Positive impact on equity (difference between fair value and carrying amount of Triangulo do Sol's net assets)			9.6
Cost of acquisition			**255.0**
Cash and cash equivalents acquired ©			-132.0
Net effective cash outflow for the acquisition (A+B+C)			**-49.1**

Completion of the measurement process has resulted in a net fair value adjustment to the net assets acquired of €574.4 million (reflecting an increase in the value of the concession held by Rodovias das Colinas, amounting to €870.3 million, before the related deferred taxation). After adjusting for non-controlling interests, the fair value of the net assets acquired is €255 million, substantially in line with the fair value of the net assets sold, resulting in a difference of €9.6 million compared with the relevant carrying amounts. With regard to the nature of the transaction, as described above, the cost of acquisition consists of the consideration paid, amounts paid as a result of the earn-out adjustment and the consolidated carrying amount, as at 30 June 2012, of the non-controlling interest (50% less one share) in the subsidiary, Triangulo do Sol, sold to third parties. Based on IAS 27, paragraphs 30-31, and IFRS 3, paragraph 38, and the fact that the above difference of €9.6 million is entirely attributable to the greater fair value (compared with the carrying amount) of the above non-controlling interest in Triangulo do Sol sold, this difference has been accounted for as a positive impact on the Group’s equity, given that it qualifies as an owner transaction.

In the period from 1 July and 31 December 2012, the newly consolidated companies reported total revenue and profit of €116.9 million and €2.1 million, respectively. Had these companies been consolidated on a line-by-line basis from 1 January 2012, consolidated revenue and profit for the year would have been €5,210.7 million and €938.7 million, respectively.

6.3 Sale of Autostrada Torino-Savona

On 28 September 2012 the SIAS Group, acting through Autostrada dei Fiori SpA, exercised the call option given by Autostrade per l’Italia under a contract signed on 25 February 2012 for the acquisition of 99.98% of the share capital of Autostrada Torino-Savona for €223.0 million. The shares were transferred to SIAS following the receipt of the necessary clearance on 15 November 2012.
The following table shows the assets and liabilities of Autostrada Torino-Savona at the deconsolidation date, which were eliminated from the Group’s consolidated financial statements.

(€000)

ASSETS		LIABILITIES	
Non-current assets		**Non-current liabilities**	
Property, plant and equipment	8,690	Non-current provisions	13,977
Intangible assets	258,103	Non-current financial liabilities	36,173
Investments	2	Deferred tax liabilities	6,937
Non-current financial assets	65,425		
Deferred tax assets	6,581		
Total non-current assets	**338,801**	**Total non-current liabilities**	**57,087**
Current assets		**Current liabilities**	
Trading assets	12,661		
Cash and cash equivalents	1,340	Current provisions	15,661
Other current financial assets	14,517	Trading liabilities	20,586
Current tax assets	4,033	Current financial liabilities	43,703
Other current assets	963	Current tax liabilities	6,730
		Other current liabilities	4,149
Total current assets	**33,514**	**Total current liabilities**	**90,829**
TOTAL ASSETS	**372,315**	**TOTAL LIABILITIES**	**147,916**

The effect of the sale on consolidated income was recognised in “Profit/(Loss) from discontinued operations” in the consolidated income statement for 2012, as described in detail in note 8.13, together with the Group’s share of this company’s 2012 profit/(loss) to the date of the sale.

6.4 Sale of Port Mobility

The Group's 70% shareholding in Port Mobility was sold in the fourth quarter of 2012 for €1.1 million. The sale did not have a material effect on the Group’s results of operations, financial position or cash flows.

7. NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The following notes provide information on items in the consolidated statement of financial position as at 31 December 2013. Comparative amounts as at 31 December 2012 are shown in brackets. The statements of changes in assets include the effect on consolidated figures of the changed scope of consolidation, as described in note 6.1 above. Details of amounts in the consolidated statement of financial position deriving from related party transactions are provided in note 10.5.

7.1 Property, plant and equipment €194,268 thousand (€204,108 thousand)

The balance of property, plant and equipment shows a net decrease of €9,840 thousand in 2013, primarily as a result of the combined effect of the following:
a) depreciation for the year of €53,382 thousand;
b) the negative balance of currency translation differences, linked to the depreciation of the Chilean peso and the Brazilian real, accounting for a reduction of €3,036 thousand;
c) reductions due to disposals during the year, totalling €1,418 thousand;
d) capital expenditure during the year of €54,035 thousand;

Investment property of €4,059 thousand refers to land and buildings not used in operations and is stated at cost. The total fair value of these assets is estimated to be €23.9 million, based on independent appraisals and information on property markets relevant to these types of investment property.

There were no significant changes in the expected useful lives of these assets during the period and the rates of depreciation used during the year are shown in note 3 above.

Property, plant and equipment as at 31 December 2013 is free of mortgages, liens or other charges restricting use.

The following table show changes in the various categories of property, plant and equipment during 2013, including amounts at the beginning and end of the period.

(€000)	31 December 2012			CHANGES DURING THE YEAR – Cost					CHANGES DURING THE YEAR – Accumulated depreciation				31 December 2013		
	Original cost	Accumulated depreciation	Carrying amount	Additions: purchases and capitalisations	Assets entering service	Disposals	Currency translation differences	Reclassifications and other adjustments	Additions	Disposals	Currency translation differences	Reclassifications and other adjustments	Original cost	Accumulated depreciation	Carrying amount
Land	6,964	-	6,964	-	-	-	-80	-2	-	-	-	-	6,882	-	6,882
Buildings	71,003	-30,392	40,611	911	572	-51	-222	-327	-3,652	45	90	217	71,886	-33,692	38,194
Plant and machinery	102,589	-70,981	31,608	4,538	265	-2,791	-1,835	3	-7,155	2,527	1,231	-1	102,769	-74,379	28,390
Industrial and trading equipment	167,137	-116,519	50,618	18,824	1,956	-9,561	-2,438	-214	-19,593	8,467	1,616	206	175,704	-125,823	49,881
Other assets	228,668	-165,309	63,359	20,236	85	-5,722	-3,909	-11,819	-22,753	5,711	2,947	5,793	227,539	-173,611	53,928
Property, plant and equipment under construction and advance payments	3,446	-	3,446	9,526	-2,878	-1	-2	9	-	-	-	1	10,100	1	10,101
Property, plant and equipment	**579,807**	**-383,201**	**196,606**	**54,035**	**-**	**-18,126**	**-8,486**	**-12,350**	**-53,153**	**16,750**	**5,884**	**6,216**	**594,880**	**-407,504**	**187,376**
Land held under finance leases	739	-	739	-	-	-	-95	-	-	-	-	-	644	-	644
Buildings held under finance leases	2,865	-366	2,499	-	-	-	-367	-	-88	-	55	-	2,498	-399	2,099
Equipment held under finance leases	278	-136	142	-	-	-113	-7	-75	-23	71	4	39	83	-45	38
Other assets held under finance leases	354	-279	75	-	-	-	-45	-	-15	-	37	-	309	-257	52
Property, plant and equipment held under finance leases	**4,236**	**-781**	**3,455**	**-**	**-**	**-113**	**-514**	**-75**	**-126**	**71**	**96**	**39**	**3,534**	**-701**	**2,833**
Land	122	-	122	-	-	-	-	2	-	-	-	-	124	-	124
Buildings	11,425	-7,500	3,925	-	-	-	-117	595	-103	-	96	-461	11,903	-7,968	3,935
Investment property	**11,547**	**-7,500**	**4,047**	**-**	**-**	**-**	**-117**	**597**	**-103**	**-**	**96**	**-461**	**12,027**	**-7,968**	**4,059**
Total property, plant and equipment	**595,590**	**-391,482**	**204,108**	**54,035**	**-**	**-18,239**	**-9,117**	**-11,828**	**-53,382**	**16,821**	**6,076**	**5,794**	**610,441**	**-416,173**	**194,268**

7.2 Intangible assets €21,717,317 thousand (€22,837,676 thousand)

Intangible assets recorded a net reduction of approximately €1,120,359 thousand in 2013, primarily due to the combined effect of the following:

a) amortization for the year of €624,689 thousand;
b) the negative balance of currency translation differences, linked to the depreciation of the Chilean peso and the Brazilian real, accounting for a reduction of €573,798 thousand;
c) a reduction in the present value on completion of investment in construction services for which no additional benefits are received, totalling €320,316 thousand, with a matching entry in provisions for construction services required by contract;
d) investment in construction services for which additional economic benefits are received, totalling €420,317 thousand.

There were no significant changes in the expected useful lives of intangible assets during the period.

In 2013 the Group invested a total of €1,149,134 thousand in assets held under concession (€1,583,431 thousand in 2012). In accordance with IFRIC 12, operating and financial expenses in connection with those assets were recognised in income by nature, as was the fair value of construction services rendered.
The following analysis shows the various components of investment in assets held under concession effected through construction services, as reported in the statement of cash flows for the year.

€000	Note	2013	2012	Increase/ (Decrease)
Increase in rights acquired		-	4,554	-4,554
Use of provisions for construction services required by contract for which no additional economic benefits are received	7.13 / 8.10	380,974	480,896	-99,922
Increase in intangible concession rights accruing from completed construction services for which additional economic benefits are received	8.2	420,317	771,479	-351,162
Increase in financial assets deriving from motorway construction services	7.4 / 8.2	325,295	296,610	28,685
Revenue from government grants for construction services for which no additional economic benefits are received	7.13 / 8.2	22,548	29,892	-7,344
Investment in assets held under concession		**1,149,134**	**1,583,431**	**-434,297**

Research and development expenditure of approximately €0.7 million has been recognised in the income statement for 2013. These activities are carried out in order to improve infrastructure, the services offered, safety levels and environmental protection.

"Goodwill and other intangible assets with indefinite lives" of €6,112,160 thousand is unchanged with respect to 31 December 2012. The balance primarily consists of the carrying amount of goodwill (impairment tested at least once a year rather than amortised), amounting to €6,111,199 thousand, regarding the transfer of motorway assets from the former Autostrade – Concessioni e Costruzioni Autostrade SpA (now Atlantia), as part of the Group's reorganisation in 2003. This goodwill was determined in accordance with prior accounting standards under the exemption permitted by IFRS 1 and is the carrying amount as at 1 January 2004, the Parent Company's IFRS transition date. The full amount has been allocated to the CGU represented by the operator, Autostrade per l'Italia.

The recoverability of goodwill, concession rights belonging to Group operators, and other intangible assets with indefinite lives was tested in the manner described below for CGUs showing evidence of impairment, any other CGU to which goodwill was allocated, and other intangible assets with indefinite lives:

a) as explained in note 3, each operator is a separate CGU since the cash flows generated by the motorways operated under concession arrangements are largely independent of cash flows generated by other assets. Subsidiaries that do not hold concessions are also treated as a separate CGU;
b) impairment tests for motorway concession operators are performed to confirm the recoverability of the assets of each CGU (net of any impairments recognised in previous years) by estimating value in use, and, in the case of the CGU represented by Stalexport Autostrada Malopolska, taking into account the estimated fair value, based on the price of the shares of its direct parent (Stalexport Autostrady, a company listed on the Warsaw Stock Exchange). The balance as at 31 December 2013 is net of the impairments of the concession rights pertaining to Raccordo Autostradale Valle d'Aosta (€193,843 thousand, before deferred taxes of €60,867 thousand) and Stalexport Autostrada Malopolska (€17,381 thousand, before deferred taxes of €3,302 thousand). These impairments were recognised as a result of the impairment tests required by IAS 36, and are based on estimated future cash flows through to the end of the respective concession terms.
   Value in use was estimated on the basis of the long-term plans drawn up by the respective companies, containing traffic, investment, revenue and cost projections for the full term of the concessions, derived from the business and financial plans annexed to concession arrangements signed with the Grantor. The projected after tax cash flows of Autostrade per l'Italia were discounted to present value at 6.08% which is its after tax weighted average cost of capital (5.93% in 2012), whereas projected cash flows of Raccordo Autostradale Valle d'Aosta and the Polish company, Stalexport Autostrada Malopolska, were discounted at the after tax WACC of those companies, respectively 6.66% and 6.85% (7.04% and 8.92%, respectively in 2012). After tax cash flows and discount rates are used because the results are substantially the same as pre-tax computations.

   In addition to the above impairment test, sensitivity analyses were conducted, increasing and reducing the above WACC by 1%. The results of these analyses have not indicated any material impact on the consolidated financial statements.

The following table shows intangible assets at the beginning and end of 2013 and changes during the year in the different categories of intangible asset.

(€000)	31 December 2012				CHANGES DURING THE YEAR: Cost								CHANGES DURING THE YEAR: Impairments	CHANGES DURING THE YEAR: Accumulated amortisation				31 December 2013			
	Cost	Accumulated impairments	Accumulated amortisation	Carrying amount	Increases due to work completed	Additions: purchases and capitalisations	Changes due to revised present value of obligations	Assets entering service	Reductions due to accrued government grants	Disposals	Currency translation differences	Reclassifications and other adjustments	Currency translation differences	Additions	Disposals	Currency translation differences	Reclassifications and other adjustments	Cost	Accumulated impairments	Accumulated amortisation	Carrying amount
Acquired concession rights	3,326,443	-17,381	-216,374	3,092,688	-	-	-	-	-	-	-451,233	-	336	-92,511	-	31,812	-	2,875,210	-17,045	-277,073	2,581,092
Concession rights accruing from construction services for which no additional economic benefits are received	12,241,849	-	-2,824,842	9,417,007	-	-	-320,316	-	-	-	-9,039	-1,957	-	-359,837	-	1,649	-	11,910,537	-	-3,183,030	8,727,507
Concession rights accruing from construction services for which additional economic benefits are received	5,406,483	-194,748	-1,107,267	4,104,468	420,317	-	-	-	-10,602	-	-193,745	-32,659	-	-146,179	-	47,805	-	5,589,794	-194,748	-1,205,641	4,189,405
Concession rights accruing from construction services provided by sub-operators	87,928	-	-17,646	70,282	-	-	-	-	-	-	-	-	-	-2,704	-	-	-	87,928	-	-20,350	67,578
Intangible assets deriving from concession rights	**21,062,703**	**-212,129**	**-4,166,129**	**16,684,445**	**420,317**	**-**	**-320,316**	**-**	**-10,602**		**-654,017**	**-34,616**	**336**	**-601,231**	**-**	**81,266**	**-**	**20,463,469**	**-211,793**	**-4,686,094**	**15,565,582**
Goodwill	6,112,128	1	-	6,112,129	-	-	-	-	-	-	-	-	-	-	-	-	-	6,112,128	1	-	6,112,129
Trademarks	4,655	-4,623	-	32	-	-	-	-	-	-	-201	-	200	-	-	-	-	4,454	-4,423	-	31
Goodwill and other intangible assets with indefinite lives	**6,116,783**	**-4,622**	**-**	**6,112,161**	**-**	**-**	**-**	**-**	**-**		**-201**	**-**	**200**	**-**	**-**	**-**	**-**	**6,116,582**	**-4,422**	**-**	**6,112,160**
Development costs	157,071	-	-144,467	12,604	-	11,068	-	921	-	-97	-428	3,335	-	-15,666	65	419	-	171,870	-	-159,649	12,221
Industrial patents and intellectual property rights	62,168	-658	-52,278	9,232	-	6,645	-	62	-	-1,802	-815	952	28	-7,183	1,802	500	-543	67,210	-630	-57,702	8,878
Concessions and licenses	6,962	-2	-1,791	5,169	-	3	-	-	-	-	-563	-82	-	-577	-	94	82	6,320	-2	-2,192	4,126
Other	4,793	-2,474	-2,163	156	-	16	-	-	-	-1	-193	-	106	-31	-	84	3	4,615	-2,368	-2,107	140
Intangible assets under development and advance payments	13,909	-	-	13,909	-	5,658	-	-983	-	-	-615	-3,759	-	-	-	-	-	14,210	-	-	14,210
Other intangible assets	**244,903**	**-3,134**	**-200,699**	**41,070**	**-**	**23,390**	**-**	**-**	**-**	**-1,900**	**-2,614**	**446**	**134**	**-23,457**	**1,867**	**1,097**	**-458**	**264,225**	**-3,000**	**-221,650**	**39,575**
Intangible assets	**27,424,389**	**-219,885**	**-4,366,828**	**22,837,676**	**420,317**	**23,390**	**-320,316**	**-**	**-10,602**	**-1,900**	**-656,832**	**-34,170**	**670**	**-624,689**	**1,867**	**82,364**	**-458**	**26,844,276**	**-219,215**	**-4,907,744**	**21,717,317**

7.3 Investments – €113,846 thousand (€85,089 thousand)

There was a net increase of €28,757 thousand during 2013, primarily as a result of:

a) the net positive impact of recognition of the investment in Rodovias do Tieté following the merger of Atlantia Bertin Partecipacoes (in which the Group previously held a 50% interest) with and into the sub-holding company, Infra Bertin Partecipacoes, and the related measurement using the equity method (a total of €10,671 thousand);

b) the increase of €15,976 thousand reflecting the capital contribution in respect of Tangenziale Esterne di Milano SpA. Following the rights issue, which was not fully subscribed by Autostrade per l'Italia, the percentage interest decreased from 26.40% to 13.67%. As a result, the corresponding carrying amount at 31 December 2013 has been reclassified to investments accounted for at cost or fair value.

The equity method was used to measure interests in associates and joint ventures based on the most recent approved financial statements made available by the companies. In the event that financial statements for the year ended 31 December 2013 were not available, the above information was supplemented and, where necessary, restated in accordance with Group accounting policies.

The table on the next page shows carrying amounts at the beginning and end of the period, grouped by category, and changes in investments in 2013.

(€000)	31 December 2012	CHANGES DURING THE YEAR						31 December 2013
	Opening balance	Additions	Change in scope of consolidation	Other changes and reclassifications	Investments accounted for using the equity method			Closing balance
					Comprehensive income/(loss) for the period		Transactions with owners recognised in equity	
					Other comprehensive income	Profit or loss		
Investments accounted for at cost or fair value	2,171	2,270	-	34,544	-	-	-	38,985
Investments accounted for using the equity method	82,918	15,974	20,268	-34,544	-4,596	-5,233	74	74,861
Investments	**85,089**	**18,244**	**20,268**	**-**	**-4,596**	**-5,233**	**74**	**113,846**

The following table shows an analysis of the Group's principal investments as at 31 December 2013, including the Group's percentage interest and the relevant carrying amount, net of unpaid, called-up issued capital, and showing the original cost and any accumulated revaluations and impairments at the end of the period.

Annex 1 provides a list of all the Group's investments as at 31 December 2013.

(€000)	31 December 2013				31 December 2012			
	% interest	Original cost	Reversal of impairment losses (Impairments)	Carrying amount	% interest	Original cost	Reversal of impairment losses (Impairments)	Carrying amount
Investments accounted for at cost or fair value								
Tangenziali Esterne di Milano SpA (1)	13.67%	36,034	-1,490	34,544		-	-	-
Tangenziale Esterna SpA	1.25%	3,515		3,515	1.25%	1,250	-	1,250
Uirnet SpA	1.61%	427		427	1.62%	426	-	426
Veneto Strade SpA	5.00%	258		258	5.00%	259	-	259
Other smaller investments		241		241		227	9	236
				38,985				**2,171**
Investments accounted for using the equity method								
Rodovia do Tieté SA (2)	50.00%	42,465	-8,567	33,898	-	-	-	-
Società Autostrada Tirrenica	24.98%	6,343	21,925	28,268	24.98%	6,343	20,134	26,477
Societa' Infrastrutture Toscane SpA	46.60%	6,990	-1,196	5,794	46.60%	6,990	-1,021	5,969
Arcea Lazio SpA	34.00%	1,430	253	1,683	34.00%	1,430	241	1,671
Bologna & Fiera Parking SpA	32.50%	5,558	-3,976	1,582	32.50%	5,558	-3,120	2,438
Geie del Traforo Del Monte Bianco	50.00%	1,000		1,000	50.00%	1,000	-	1,000
Autostrada Mazowsze SA (in liquidation)	30.00%	913	-507	406	30.00%	925	512	411
Atlantia Bertin Partecipacoes SA (2)				-	50.00%	25,669	-2,442	23,227
Tangenziali Esterne di Milano SpA (1)				-	26.40%	18,537	1,248	19,785
Other smaller investments		4,040	-1,810	2,230		373	1,567	1,940
				74,861				**82,918**
Investments				**113,846**				**85,089**

(1) Following the rights issue subscribed by the company's other shareholders, Autostrade per l'Italia's percentage interest has fallen to 13.67%; the corresponding carrying amount as at 31 December 2013 has thus been reclassified to investments accounted for at cost or fair value.

(2) Following the merger of Atlantia Bertin Participacões with and into the sub-holding company, Atlantia Bertin Concessões, with effect from 1 July 2013, Atlantia Bertin Concessões holds 50% of Rodovias do Tietê , included in investments accounted for using the equity

7.4 Financial assets

(non-current) – €2,309,530 thousand (€1,935,768 thousand)
(current) – €757,570 thousand (€917,705 thousand)

The following analysis shows the composition of other financial assets at the beginning and end of the year, together with the current and non-current portions.

(€000)	Note	31 December 2013			31 December 2012		
		Carrying amount	Current portion	Non-current portion	Carrying amount	Current portion	Non-current portion
Takeover rights		390,433	390,433	-	357,775	357,775	-
Guaranteed minimums		631,408	22,634	608,774	727,698	28,741	698,957
Other concession rights		687,920	-	687,920	340,621	-	340,621
Financial assets deriving from concession rights	**(1)**	**1,709,761**	**413,067**	**1,296,694**	**1,426,094**	**386,516**	**1,039,578**
Financial assets deriving from government grants related to construction services	**(1)**	**266,412**	**18,931**	**247,481**	**260,742**	**23,784**	**236,958**
Term deposits	**(2)**	**499,608**	**166,863**	**332,745**	**662,771**	**355,042**	**307,729**
Loans to associates	(1)	-	-	-	110,000	110,000	-
Derivative assets	(3)	5,387	-	5,387	-	-	-
Other medium/long-term financial assets	(1)	456,844	29,621	427,223	352,686	1,183	351,503
Other medium/long-term financial assets		**462,231**	**29,621**	**432,610**	**462,686**	**111,183**	**351,503**
Current derivative assets	**(3)**	**70**	**70**	**-**	**-**	**-**	**-**
Other current financial assets	**(1)**	**129,018**	**129,018**	**-**	**41,180**	**41,180**	**-**
		3,067,100	**757,570**	**2,309,530**	**2,853,473**	**917,705**	**1,935,768**

1) These assets include financial instruments primarily classified as "loans and receivables" under IAS 39. The carrying amount is equal to fair value.

2) These assets have been classified as "available-for-sale" financial instruments and in level 2 of the fair value hierarchy. The carrying amount is equal to fair value.

3) These assets primarily include derivative financial instruments classified as hedges under level 2 of the fair value hierarchy.

Financial assets deriving from concession rights include:

a) takeover rights of €390,433 thousand attributable to the subsidiary, Autostrade Meridionali, being the amount payable by a replacement operator on termination of the concession for the company's unamortised capital expenditure during the final years of the outgoing operator's concession;
b) the present value of the financial asset deriving from the minimum revenue guarantee given by the Grantor of the concessions held by certain of the Group's Chilean operators (€631,408 thousand);
c) other financial assets (€687,920 thousand) essentially connected to Ecomouv’s capital expenditure relating to construction of a satellite-based tolling system for heavy vehicles in France.

The increase of €283,667 thousand during the period essentially reflects capital expenditure during the year (€325,295 thousand), relating primarily to the Eco-Taxe project in France (€287,159 thousand), partially offset by the negative impact of currency translation differences on the value of the concession rights of the Chilean companies (€82,032 thousand).

Financial assets deriving from government grants to finance infrastructure works include amounts receivable from grantors or other public entities as grants accruing as a result of construction and maintenance of assets held under concession. This item has increased €5,670 thousand.

Convertible term deposits are down €163,163 thousand, primarily reflecting a reduction in amounts in the project accounts of the Chilean and Polish companies (€23,563 thousand), use of the deposit (€68,611 thousand) to increase the loan that Atlantia Bertin Concessões is disbursing to Infra Bertin Empreendimentos, and the release of Autostrade Holding do Sur’s term deposits (€71,126 thousand).

Other medium/long-term financial assets, totalling €462,231 thousand, essentially regard the amount receivable by Atlantia Bertin Concessoes from Infra Bertin Empreendimentos (€347,566 thousand as at 31 December 2013), after an increase of €106,287 thousand on the previous year, and the amount due from Toto Costruzioni Generali (€28,225 thousand), recognised in 2011 following the sale of 58% of Strada dei Parchi. Compared with the previous year, the loan made by Autostrade per l’Italia to Autostrada Tirrenica, amounting to €110,000 thousand, has been renegotiated and rescheduled, with the accompanying recognition of the renegotiated loan in other current financial assets (of the same amount, subject to a fixed rate of interest of 6.75% and maturing on 30 June 2014).

Other current financial assets have increased by €87,838 thousand, essentially due to recognition of the above short-term loan from Autostrade per l’Italia to Autostrada Tirrenica (€110,000 thousand), partially offset by the change, compared with 31 December 2012, in the amount due to Autostrade per l’Italia from the Grantor, resulting in a reduction in the net amount receivable of €26,811 thousand.
There has been no indication of impairment of any financial assets.

7.5 Deferred tax assets and liabilities

Deferred tax assets – €153,290 thousand (€151,020 thousand)
Deferred tax liabilities – €1,142,083 thousand (€1,146,892 thousand)

The amount of deferred tax assets and liabilities both eligible and ineligible for offset is shown below, with respect to temporary timing differences between consolidated carrying amounts and the corresponding tax bases.

(€000)	31 December 2013	31 December 2012
Deferred tax assets	1,426,168	1,462,671
Deferred tax liabilities eligible for offset	-1,272,878	-1,311,651
Deferred tax assets less deferred tax liabilities eligible for offset	**153,290**	**151,020**
Deferred tax liabilities not eligible for offset	**1,142,083**	**1,146,892**
Difference between deferred tax assets and liabilities (eligible and ineligible for offset)	**-988,793**	**-995,872**

The nature of the temporary differences giving rise to the Group's deferred taxation is summarised in the following table.

		CHANGES DURING THE YEAR					
(€000)	31 December 2012	Provisions	Releases	Deferred tax assets/liabilities on gains and losses recognised in comprehensive income	Changes in prior year estimates	Currency translation differences and other changes	31 December 2013
Restatement of global balance on application of IFRIC 12 by Autostrade per l'Italia	560,729	2,278	-22,592	-	-	-	540,415
Provisions	298,091	101,504	-52,146	7	-392	1,210	348,274
Impairments and depreciation of non-current assets	144,476	1,356	-9,701	-	-	-11,490	124,641
Other temporary differences	194,819	19,855	-16,173	-54	-47	-36,313	162,087
Tax losses eligible for carry-forward	128,501	30,806	-11,729	-	-	4,548	152,126
Reduction in carrying amounts of hedging instruments	113,039	18	-587	-37,061	-	-473	74,936
Impairment of receivables and inventories	23,016	1,395	-722	-	-	-	23,689
Deferred tax assets	**1,462,671**	**157,212**	**-113,650**	**-37,108**	**-439**	**-42,518**	**1,426,168**
Off-balance sheet amortisation of goodwill	-1,047,768	-111,045	5,245	-	-	-	-1,153,568
Differences between carrying amounts and fair values of assets and liabilities acquired through business combinations	-957,014	-	25,383	-	-	105,819	-825,812
Accelerated depreciation							
Gain on recognition of financial assets	-159,314	-1,550	1,789	-	-	-17,337	-176,412
Other temporary differences	-294,447	-50,038	14,887	42	-	70,387	-259,169
Deferred tax liabilities	**-2,458,543**	**-162,633**	**47,304**	**42**	**-**	**158,869**	**-2,414,961**
Difference between deferred tax assets and liabilities (eligible and ineligible for offset)	**-995,872**	**-5,421**	**-66,346**	**-37,066**	**-439**	**116,351**	**-988,793**

As shown above, the balance of net deferred tax liabilities, totalling €988,793 thousand as at 31 December 2013, substantially includes the following:

a) deferred tax liabilities recognised from 2003 as a result of the deduction, solely for tax purposes, of the amortisation of goodwill attributable to Autostrade per l'Italia;
b) deferred tax liabilities on the gains recognised following the fair value measurement of the assets acquired through business combinations in prior years and primarily attributable to the Chilean and Brazilian motorway operators;
c) the residual balance of deferred tax assets deriving from the realignment of the total amount determined on first-time application of IFRIC 12, in accordance with art. 11, paragraph 3 of the Ministerial Decree of 8 June 2011 on the harmonisation of tax rules and international financial reporting standards;
d) deferred tax assets on the portion of provisions, primarily for the repair and replacement of motorway assets held under the concession, deductible in future years.

The most important changes during 2013 essentially regard:

a) the net reduction of €116,351 thousand in deferred tax liabilities due to reductions in the value of the Chilean peso and the Brazilian real against the euro;
b) the provision of deferred tax liabilities of €105,800 thousand on the deduction, solely for tax purposes, of the above goodwill amortization;
c) the net increase of €49,358 thousand in deferred tax assets in connection with the non-deductible portion of provisions, primarily having regard to the repair and replacement of assets held under concession;
d) the recognition in comprehensive income of net deferred tax assets on the fair value measurement of hedging derivatives (€37,066 thousand).

7.6 Other non-current assets – €7,754 thousand (€2,069 thousand)

This item is up €5,685 thousand, essentially due to accrued income attributable to the Chilean companies.

7.7 Trading assets – €1,125,137 thousand (€1,148,630 thousand)

Trading assets consist of:

a) inventories of €53,473 thousand (€62,107 thousand as at 31 December 2012), primarily relating to stocks and spare parts used in motorway maintenance or the assembly of plant;
b) contract work in progress of €26,530 thousand (€31,369 thousand as at 31 December 2012);
c) trade receivables of €1,045,134 thousand, with the composition shown in the following table.

(€000)	31 December 2013					31 December 2012				
	Amounts due from customers	Other trade receivables	Prepayments for construction services	Other trading assets	TOTAL	Amounts due from customers	Other trade receivables	Prepayments for construction services	Other trading assets	TOTAL
Amounts receivable from motorway users	712,477					682,195				
Service area operators	123,589					119,215				
Receivable from sundry customers and retentions	26,692					32,218				
Gross trade receivables	**862,758**	**304,614**	**27,644**	**19,126**	**1,214,142**	**833,628**	**300,022**	**27,258**	**28,883**	**1,189,791**
Allowance for bad debts	**94,854**	**74,154**	**-**	**-**	**169,008**	**89,092**	**45,545**	**-**	**-**	**134,637**
Net trade receivables	**767,904**	**230,460**	**27,644**	**19,126**	**1,045,134**	**744,536**	**254,477**	**27,258**	**28,883**	**1,055,154**

Receivables due from customers, net of the allowance for bad debts, have increased €23,368 thousand on 2012, primarily due to a €30,282 thousand increase in amounts due from motorway users and an increase of €4,374 thousand in amounts due from service area operators, partially offset by an increase in the allowance for bad debts of €5,762 thousand.
Other trade receivables, net of the allowance for bad debts, are down €24,017 thousand on 31 December 2012, primarily linked to impairment losses on receivables recognised by Electronic Transactions Consultant as a result of ongoing disputes with customers.

The following table shows an ageing schedule for amounts due from customers and other trade receivables.

(€000)	Total receivables at 31 Dec 2013	Total not yet due and payable	More than 90 days overdue	Between 90 and 365 days overdue	More than one year overdue
Due from customers and other trade receivables	**1,167,372**	**844,554**	**53,122**	**57,108**	**212,588**

Overdue receivables regard uncollected and unpaid tolls, in addition to royalties due from service area operators and sales of other goods and services.
The following table shows movements of the bad debt allowance for trade receivables.

(€000)	31 December 2012	Additions	Uses	Reclassifications and other changes	31 December 2013
Allowance for bad debts	134,637	45,603	-4,636	-6,596	169,008

The bad debt allowance for trade receivables is adequate and has been determined with reference to past experience and historical data regarding losses on receivables, taking into account guarantee deposits and other collateral given by customers.
The carrying amount of trade receivables approximates to fair value.

7.8 Cash and cash equivalents €3,324,129 thousand (€2,809,944 thousand)

Cash and cash equivalents consists of cash on hand and investments with terms of less than 120 days. The balance is up €514,185 thousand on the figure for 31 December 2012. Details of the cash flows resulting in the increase in the Group's cash at the end of 2013 are contained in note 9.1.

7.9 Current tax assets and liabilities

Current tax assets €57,518 thousand (€137,099 thousand)
Current tax liabilities €25,899 thousand (€26,853 thousand)

Current tax assets and liabilities at the beginning and end of the period are detailed below.

(€000)	Current tax assets		Current tax liabilities	
	30 Dec 2013	31 Dec 2012	30 Dec 2013	31 Dec 2012
IRES	49,929	111,076	4,692	6,219
IRAP	2,292	7,665	1,662	1,403
Taxes attributable to foreign operations	5,297	18,358	19,545	19,231
	57,518	**137,099**	**25,899**	**26,853**

The Group reports net current tax assets of €31,619 thousand as at 31 December 2013 (€110,246 thousand as at 31 December 2012), marking a reduction of €78,627 thousand compared with the previous year. This essentially reflects the offset of accumulated tax credits for previous years against advance payments due for 2013.

7.10 Other current assets €120,529 thousand (€131,182 thousand)

This item consists of receivables and other current assets that are not eligible for classification as trading or financial. The composition of this item is shown below.

(€000)	31 December 2013	31 December 2012
Tax credits other than for income tax	37,363	48,570
Receivables due from end users and insurance companies for damages	34,801	41,098
Receivable from public entities	9,028	6,950
Receivables from social security institutions	8,676	5,182
Accrued income of a non-trading nature	2,324	2,504
Other current assets	59,771	60,707
Gross other current assets	**151,963**	**165,011**
Allowance for bad debts	-31,434	-33,829
Other current assets	**120,529**	**131,182**

The balance is down €10,653 thousand on 31 December 2012, primarily reflecting a reduction in of €11,207 thousand in tax credits other than for income tax. The allowance for bad debts, totalling €31,434 thousand as at 31 December 2013 (€33,829 thousand as at 31 December 2012) primarily relates to Stalexport Autostrady's accounts receivable (in the table included in other current assets) from a number of investee companies on Stalexport's repayment, acting in its capacity of guarantor, to local authorities of loans on the books of its investee companies, which are now insolvent.

7.11 Non-current assets held for sale and related to discontinued operations €18,153 thousand (€17,436 thousand)

As at 31 December 2013 these assets regard:

a) the non-controlling interest in Lusoponte, totalling €12,239 thousand (€11,895 thousand as at 31 December 2012) and loans and receivables due from this company, totalling €1,643 thousand (in line with 31 December 2012);
b) the 2% interest in Strada dei Parchi, amounting to €4,271 thousand (€3,898 thousand as at 31 December 2012), that is the subject of put and call options agreed with Toto Costruzioni Generali in the contract governing the sale, in 2011, of a controlling interest in the company.

7.12 Equity €4,529,520 thousand (€4,760,827 thousand)

Autostrade per l'Italia SpA's issued capital is fully subscribed and paid and consists of 622,027,000 ordinary shares of a par value of €1 each, amounting to a total of €622,027 thousand. This figure did not undergo any changes in 2013.

Equity attributable to owners of the parent, totalling €2,922,406 thousand, is down €130,265 thousand compared with 31 December 2012. The most important changes during the period are shown in detail in the statement of changes in consolidated equity. These regard:

a) net comprehensive income for the year of €561,238 thousand, consisting of profit for the year of €656,556 thousand and the loss on other components of comprehensive income for the year (€95,318 thousand), primarily reflecting:
   1. the reduction in the foreign currency translation reserve, totalling €190,113 thousand, essentially reflecting falls in the value of the Chilean peso and the Brazilian real against the euro;
   2. fair value gains, after the related taxation, on cash flow hedges, totalling €89,797 thousand (losses of €77,239 thousand in 2012);
   3. fair value gains, after the related taxation, on net investment hedges, totalling €1,193 thousand (losses of €37,593 thousand in 2012);
b) payment of the final dividend for 2012, amounting to €344,148 thousand and of the interim dividend for 2013, totalling €349,579 thousand.

Equity of €1,607,114 thousand attributable to non-controlling interests is down €101,042 thousand on 31 December 2012 (€1,708,156 thousand), essentially due to:

a) the comprehensive loss for the year attributable to non-controlling interests, totalling €114,259 thousand (again due to falls in the value of the Chilean peso and the Brazilian real against the euro);
b) the increase resulting from the merger of Atlantia Bertin Partecipacòes with and into Atlantia Bertin Concessoes, totalling €21,232 thousand;
c) payment of the final dividend for 2012, totalling €8,496 thousand, and of the interim dividend for 2013, amounting to €203 thousand.

Autostrade per l'Italia aims to manage its capital in order to create value for its shareholder, ensure the Company remains a going concern, safeguard the interests of stakeholders and guarantee efficient access to external sources of financing to adequately support the growth of the Group's businesses and fulfil the commitments given in concession arrangements.

Other comprehensive income

The section "Consolidated financial statements" includes the "Statement of comprehensive income", showing after tax other comprehensive income, in addition to the profit for the year.
The following table shows the gross amount and net amounts of components of other comprehensive income including amounts attributable to owners of the parent and non-controlling interests.

(€000)		2013			2012		
		BEFORE TAX	TAX	AFTER TAX	BEFORE TAX	TAX	AFTER TAX
Fair value gains/(losses) on cash flow hedges		129,928	-36,565	93,363	-116,712	33,471	-83,241
Fair value gains/(losses) on net investment hedges		1,645	-452	1,193	-51,852	14,259	-37,593
Gains/(losses) from translation of assets and liabilities of consolidated companies denominated in functional currencies other than the euro		-387,741	-	-387,741	-7,704	-	-7,704
Gains/(Losses) from translation of investments in associates and joint ventures accounted for using the equity method denominated in functional currencies other than the euro		-4,596	-	-4,596	3,961	-	3,961
Other fair value gains/(losses)		-	-	-	-1,518	-	-1,518
Other comprehensive income/(loss) for the year reclassifiable to profit or loss, after related taxation	**(A)**	**-260,764**	**-37,017**	**-297,781**	**-173,825**	**47,730**	**-126,095**
Gains/(losses) from actuarial valuations of provisions for employee benefits		4,309	-49	4,260	-27,357	3,739	-23,618
Other comprehensive income/(loss) for the year not reclassifiable to profit or loss, after related taxation	**(B)**	**4,309**	**-49**	**4,260**	**-27,357**	**3,739**	**-23,618**
Reclassifications of other components of comprehensive income to profit or loss	**(C)**	**1,830**	**-**	**1,830**	**-20,787**	**-**	**-20,787**
Total other comprehensive income/(loss) for the year, after related taxation	**(A+B+C)**	**-254,625**	**-37,066**	**-291,691**	**-221,969**	**51,469**	**-170,500**

7.13 Provisions for construction services required by contract

(non-current) € 3,727,154 thousand (€4,323,990 thousand)
(current) € 434,882 thousand (€487,270 thousand)

Provisions for construction services required by contract represent the residual present value of motorway infrastructure construction and/or upgrade services that certain of the Group's operators, particularly Autostrade per l'Italia, are required to provide and for which no additional economic benefits are received in terms of specific toll increases and/or significant increases in traffic.
The following table shows provisions for construction services required by contract and for which no additional economic benefits are received at the beginning and end of the year and changes during the year, showing the non-current and current portions.

(€000)	31 December 2012								31 December 2013		
	Carrying amount	*non-current*	*current*	Changes due to revised present value of obligations	Financial provisions	Reductions for completed works	Grants accrued on completed works	Currency translation differences	Carrying amount	*non-current*	*current*
Provisions for construction services required by contract	4,811,260	*4,323,990*	*487,270*	-320,317	62,751	-403,522	22,548	-10,684	4,162,036	*3,727,154*	*434,882*

The €649,224 thousand reduction in the provisions essentially reflects the combined effect of the following:

a) the €380,974 thousand release, net of grants, for the year in connection with construction services completed during the year and for which no additional benefits are received;
b) a €320,317 thousand reduction following a revision of the present value of future construction services, primarily linked to an increase in current and future interest rates, with an analogous decrease in intangible assets deriving from concession rights;
c) a €62,751 thousand increase in finance-related provisions, being the double entry to the financial expenses incurred in connection with discounting to present value.

7.14 Provisions

(non-current) €1,024,921 thousand (€1,148,549 thousand)
(current) €366,888 thousand (€183,139 thousand)

A breakdown of provisions at the beginning and end of the period and of changes in 2013, showing the non-current and current portions, is shown below.

PROVISIONS FOR EMPLOYEE BENEFITS
(non-current) €135,115 thousand (€144,794 thousand)
(current) €18,653 thousand (€17,376 thousand)

As at 31 December 2013 this item consists essentially of provisions for post-employment benefits to be paid to staff employed under Italian law.
Provisions for post-employment benefits are down €8,402 thousand on the previous year, essentially due to:

a) operating and financial provisions, totalling €4,155 thousand;
b) use of provisions amounting to €7,880 thousand for benefits and advances;
c) net actuarial losses of €4,310 thousand recognised in comprehensive income.

The most important actuarial assumptions used to measure the provision for post-employment benefits at 31 December 2013 are summarised below.

Financial assumptions	
annual discount rate (*)	2.50%
annual inflation rate	2.00%
annual rate of increase in post-employment b	3.00%
annual rate of increase in real salaries	from 0.04% to 0.65%
annual turnover rate	from 1.30% to 5.00%
Duration (years)	7.9 to 18.9

*) The annual discount rate is used to determined the present value of the obligation and was, in turn, determined with reference to the average yield curve taken from the Iboxx Eurozone Corporate AA on the valuation date for durations of 7-10 years, which reflect the overall duration of the provisions.

(*)The annual discount rate is used to determine the present value of the obligation and was, in turn, determined with reference to the average yield curve taken from the Iboxx Eurozone Corporate AA on the valuation date for durations of 7-10 years, which reflect the overall duration of the provisions.

Demographic assumptions	
mortality	Government General Accounting Office projections
disability	INPS tables by age and sex
retirement age	Mandatory state pension retirement age

As required by IAS 19, following the changes described above in note 3, the following table shows a sensitivity analysis at the end of the year based on assumed changes in the individual rates used in the actuarial assumptions.

Sensitivity analysis for principal assumptions used in measuring post-employment benefit obligations as at 31 December 2013

(€000)	change in assumptions					
	Turnover rate		Inflation rate		Discount rate	
	+1%	-1%	+0.25%	+0.25%	+0.25%	+0.25%
Autostrade per l'Italia Group	145,790	146,008	147,834	143,987	143,069	148,808

The expected service cost is €416 thousand and represents the expected present value of future obligations resulting from employee service in the current year, conceptually similar to the accrued liability for employee benefits payable under Italian GAAP.

PROVISIONS FOR REPAIR AND REPLACEMENT OBLIGATIONS
(non-current) €858,151 thousand (€975,706 thousand)
(current) €253,609 thousand (€112,963 thousand)

This item regards the present value of provisions for the repair and replacement of assets operated under concession, in accordance with the contractual commitments of the Group's motorway operators. The provisions have increased by €23,091 thousand, essentially due to new operating and financial provisions (totalling €379,986 thousand), partially offset by uses (€344,468 thousand) in connection with repairs and replacements carried out during the period.

OTHER PROVISIONS
(non-current) €31,655 thousand (€28,049 thousand)
(current) €64,626 thousand (€52,800 thousand)

These provisions essentially regard liabilities at year end expected to be incurred in connection with pending litigation and disputes, including those with Autostrade per l'Italia's maintenance contractors regarding contract reserves. Total other provisions have increased by €15,432 thousand, primarily due to provisions for the year (€37,684 thousand), essentially relating to Autostrade per l'Italia's provisions for disputes, partially offset by uses during the year and the reversal of overprovisioning (a total of €21,621 thousand) after settlement of a number of disputes.

The following table shows other provisions at the beginning and end of the period and changes in 2013, showing the non-current and current portions.

(€000)	31 December 2012											31 December 2013		
	Carrying amount	*non-current*	*current*	**Operating provisions**	**Financial provisions**	**Deferred actuarial gains/(losses) recognised in comprehensive income**	**Reductions due to post-employment benefits paid and advances**	**Reductions due to reversal of overprovisions**	**Operating uses**	**Reclassifications and other changes**	**Currency translation differences**	**Carrying amount**	*non-current*	*current*
Post-employment benefits	160,978	143,751	17,227	1,033	3,122	-4,310	-7,880	-	-	-349	1	152,595	133,999	18,596
Other employee benefits	1,192	1,043	149	512	-	5	-	-	-264	-168	-99	1,173	1,116	57
Provisions for employee benefits	**162,170**	**144,794**	**17,376**	**1,545**	**3,122**	**-4,305**	**-7,880**	**-**	**-264**	**-517**	**-98**	**153,768**	**135,115**	**18,653**
Provisions for repair and replacement obligations	**1,088,669**	**975,706**	**112,963**	**350,793**	**29,193**	**-**	**-**	**-**	**-344,468**	**-2,096**	**-10,331**	**1,111,760**	**858,151**	**253,609**
Provisions for impairments exceeding carrying amounts of investments	3,662	-349	4,011	37	-	-	-	-	-	-	-	3,699	-	3,699
Provisions for disputes, liabilities and sundry charges	77,187	28,398	48,789	37,647	-	-	-	-4,590	-17,031	-25	-606	92,582	31,655	60,927
Other provisions	**80,849**	**28,049**	**52,800**	**37,684**	**-**	**-**	**-**	**-4,590**	**-17,031**	**-25**	**-606**	**96,281**	**31,655**	**64,626**
TOTAL PROVISIONS	**1,331,688**	**1,148,549**	**183,139**	**390,022**	**32,315**	**-4,305**	**-7,880**	**-4,590**	**-361,763**	**-2,638**	**-11,035**	**1,361,809**	**1,024,921**	**336,888**

7.15 Financial liabilities

(non-current) €13,550,416 thousand (€14,616,599 thousand)
(current) €3,368,926 thousand (€1,722,589 thousand)

MEDIUM/LONG-TERM FINANCIAL LIABILITIES
(non-current) €13,550,416 thousand (€14,616,599 thousand)
(current) €2,918,737 thousand (€1,284,472 thousand)

The following two tables provide an analysis of medium/long-term financial liabilities, showing:

a) an analysis of the balance by par value and maturity (current and non-current portions):

(€000)	Note	31 December 2013				Term		31 December 2012			
		Par value	Carrying amount	Current portion	Non-current portion	between 13 and 60 months	after 60 months	Par value	Carrying amount	Current portion	Non-current portion
Bond issues	(1) (2) (3)	1,007,717	1,010,985	19,214	991,771	*437,185*	*554,586*	1,048,661	1,079,552	550,780	528,772
Bank borrowings		4,064,511	4,058,247	446,366	3,611,881	*1,051,295*	*2,560,586*	4,177,419	4,162,981	373,087	3,789,894
Other borrowings		10,776,055	10,746,068	2,099,365	8,646,703	*3,551,649*	*5,095,054*	9,923,054	9,889,753	4,650	9,885,103
Other medium/long-term financial liabilities											
Medium/long-term borrowings	(2)(3)	14,840,566	14,804,315	2,545,731	12,258,584	*4,602,944*	*7,655,640*	14,100,473	14,052,734	377,737	13,674,997
Derivative liabilities	(4)		259,251	-	259,251	*51,177*	*208,074*		372,590	-	372,590
Accrued expenses on medium/long-term financial liabilities			353,792	353,792	-	-	-		355,955	355,955	-
Other financial liabilities			40,810	-	40,810	*40,810*	-		40,240	-	40,240
Other medium/long-term financial liabilities			394,602	353,792	40,810	*40,810*	-		396,195	355,955	40,240
Total			16,469,153	2,918,737	13,550,416	*5,132,116*	*8,418,300*		15,901,071	1,284,472	14,616,599

(1) The par value of bonds hedged using IPCA x CDI Swap derivatives is shown at the hedged notional amount.
(2) Financial instruments classified as financial liabilities measured at amortised cost in accordance with IAS 39.
(3) Details of hedged financial liabilities are contained in note 9.2.
(4) Financial instruments classified as hedging derivatives in accordance with IAS 39 and in level 2 of the fair value hierarchy.

b) type of interest rate, maturities and fair values;

(€000)	Maturity	31 December 2013 Carrying amount (1)	31 December 2013 Fair value (2)	31 December 2012 Carrying amount (1)	31 December 2012 Fair value (2)
Bond issues					
- listed fixed rate	from 2014 to 2025	465,253	470,999	530,089	531,615
- tasso variabile quotate	from 2014 to 2023	483,026	535,468	549,463	549,463
- unlisted floating rate	2015	62,706	70,667	-	-
		1,010,985	**1,077,134**	**1,079,552**	**1,081,078**
Medium/long-term borrowings					
- fixed rate	from 2014 to 2036	1,704,277	1,792,364	1,765,420	2,217,547
- floating rate	from 2014 to 2034	2,141,669	2,173,207	2,135,851	2,267,475
- non-interest bearing	from 2016 to 2017	212,301	212,301	261,710	262,363
Bank borrowings		**4,058,247**	**4,177,872**	**4,162,981**	**4,747,385**
- fixed rate	from 2014 to 2024	34,443	34,443	26,870	26,870
- floating rate	from 2014 to 2015	10,667,320	11,733,639	9,817,038	12,055,350
- non-interest bearing	from 2019 to 2020	44,305	43,865	45,845	45,845
Other borrowings		**10,746,068**	**11,811,947**	**9,889,753**	**12,128,065**
Total medium/long-term borrowings		**14,804,315**	**15,989,819**	**14,052,734**	**16,875,450**
Derivative liabilities		**259,251**	**259,251**	**372,590**	**372,590**
Accrued expenses on medium/long-term financial liabilities		353,792		355,955	
Other financial liabilities		40,810		40,240	
Total medium/long-term financial liabilities		**394,602**		**396,195**	
Total		**16,469,153**		**15,901,071**	

(1) The amounts shown in the table for medium/long-term financial liabilities include both the non-current and current portions.
(2) The fair value has been classified in level 2 of the fair value hierarchy

c) a comparison of the par value of each liability (bond issues and medium/long-term borrowings) and the related carrying amount, by issue currency with, for each currency, the average and effective interest rate for each liability;

	31 December 2012		31 December 2013			
(€000)	Par value	Carrying amount	Par value	Carrying amount	Average interest rate to 31 December 2013 (1)	Effective interest rate as at 31 December 2013
euro (EUR)	13,109,252	13,059,398	14,046,681	14,010,186	4.90%	4.15%
zloty (PLN)	129,015	111,927	116,847	103,176	6.82%	6.67%
peso (CLP) / unidad de fomento (UF)	1,348,595	1,403,645	1,107,681	1,149,223	7.32%	6.69%
real (BRL)	554,419	549,463	570,091	545,732	10.09%	11.73%
dollar (USD)	7,853	7,853	6,983	6,983	5.25%	5.25%
Total	**15,149,134**	**15,132,286**	**15,848,283**	**15,815,300**	**5.33%**	

1) Includes the impact of interest and foreign currency hedges.

d) movements during the period in outstanding bond issues and medium/long-term borrowings.

(€000)	Par value as at 31 December 2012	New borrowings	Repayments	Currency translation differences and other changes	Par value as at 31 December 2013
Bond issues	1,079,552	621,279	538,195	-151,651	1,010,985
Bank borrowings	4,162,981	368,761	402,663	-70,832	4,058,247
Other borrowings	9,889,753	830,114	3,847	30,048	10,746,068
Total	**15,132,286**	**1,820,154**	**944,705**	**-192,435**	**15,815,300**

The Group uses derivative financial instruments to hedge existing risks associated with certain financial liabilities, including interest rate swaps (IRS) and IPCA x CDI Swaps, which are classified as cash flow hedges or fair value hedges pursuant to IAS 39. The market value of the hedging instruments as at 31 December 2013 is recognised in “Derivative liabilities” and “Derivative assets”. More detailed information on financial risks and the manner in which they are managed, in addition to details of outstanding financial instruments, is contained in note 9.2 “Financial risk management”.

BOND ISSUES
(non-current) €991,771 thousand (€528,772 thousand)
(current) €19,214 thousand (€550,780 thousand)

This item principally refers to Chilean project bonds issued by Costanera Norte and Vespucio Sur (accounted for, respectively, in the financial statements at €309,804 thousand, maturing in 2016 and 2024, and €155,449 thousand, maturing in 2025), new bonds issued by Triangulo do Sol and Rodovia das Colinas in the first half of 2013, with maturities between 2020 and 2023 paying a floating nominal CDI rate (accounted for in the financial statements at €267,958 thousand, with residual weighted average terms to maturity of approximately 5 years) and a real IPCA rate (accounted for in the financial statements at €215,067 thousand, with residual weighted average terms to maturity of approximately 6 years), in addition to the Rodovia MG050’s issue of bullet bonds maturing in April 2015 (accounted for in the financial statements at €62,706 thousand, with a residual weighted average term to maturity of approximately 2 years). The change of €68,567 thousand primarily reflects falls in the value of the Chilean peso and the Brazilian real against the euro.

During the year maturing bonds issued by Triangulo do Sol and Colinas were redeemed following the refinancing transactions in the form of the above bond issues.

MEDIUM/LONG-TERM BORROWINGS
(non-current) – €12,258,584 thousand (€13,674,997 thousand)
(current) – €2,545,731 thousand (€377,737 thousand)

This item, including both the current and non-current portions, consists of other borrowings (accounted for in the financial statements at €10,746,068 thousand). These essentially include medium/long-term loans to Autostrade per l'Italia from the parent, Atlantia (accounted for in the financial statements at €10,633,454 thousand), and replicating the bonds issued by Atlantia and guaranteed by Autostrade per l'Italia. The item also consists of medium/long-term bank borrowings (accounted for in the financial statements at €4,058,247 thousand), including Autostrade per l'Italia's medium/long-term bank borrowings (accounted for in the financial statements at €2,884,058 thousand) and those of the Group's overseas companies (accounted for in the financial statements at €1,174.189 thousand).

The non-current portion of €12,258,584 thousand is down €1,416,413 thousand on 31 December 2012, essentially due to:

1) a reduction of €1,265,666 thousand in the non-current portion of loans from Atlantia to Autostrade per l'Italia (accounted for in the financial statements at €8,541,996 thousand, with maturities between 2016 and 2038), primarily following the reclassification to short-term of the loan with a nominal value of €2,094,200 thousand and maturing in June 2014, partially offset by new loans replicating, at intercompany level, Atlantia's issue of bonds totalling €750,000 thousand on 29 October 2013 (paying interest at a rate of 3.213% and maturing in 2021) and the private placement by Atlantia, totalling €75,000 thousand, issued on 17 May 2013 (paying interest at a rate of 4.137% and maturing in 2033);
2) a reduction of €262,225 thousand in the non-current portion of Autostrade per l'Italia's bank borrowings (accounted for in the financial statements at €2,521,366 thousand, with amortisation schedules and maturities between 2015 and 2034), primarily due to the reclassification to short-term of the portion of borrowings maturing in the next 12 months (€367,383 thousand), partially offset by use of the lines of credit granted by Cassa Depositi e Prestiti and SACE (€100,000 thousand);
3) a reduction of €108,628 thousand in the project loans obtained by the Group's Chilean and Polish operators (accounted for in the financial statements at €598,123 thousand, with amortisation schedules and maturities between 2020 and 2031), and in the Grupo Costanera's bank borrowings (accounted for in the financial statements at €146,105 thousand, with amortisation schedules and maturities up to 2022), essentially due to the fall in the value of the Chilean peso;
4) an increase of €200,396 thousand in Ecomouv's borrowings (accounted for in the financial statements at €421,302 thousand, with amortisation schedules and maturities up to 2024), essentially due to the progressive drawdown of the facilities obtained by Ecomouv, given that the Eco-Taxe project has substantially been completed.

The current portion is up €2,167,994 thousand, primarily due to the combined effect of the reclassification of borrowings maturing in the 12 months after 31 December 2013 (€2,555,723 thousand), partially offset by repayments (€397,885 thousand) of medium/long-term borrowings that matured in 2013.

Medium/long-term borrowings include loan agreements entailing certain covenants. The method of selecting the variables to compute the ratios is specified in detail in the relevant loan agreements.

These include a term loan facility (€398,007 thousand as at 31 December 2013), entailing certain covenants, with which Autostrade per l'Italia must comply over the term of the facility and which, to 31 December 2013, have never been breached.

NON-CURRENT DERIVATIVE LIABILITIES
(non-current) □ €259,251 thousand (€372,590 thousand)
(current) □ € - (€ -)

This item represents fair value losses on outstanding derivatives as at 31 December 2013, classified as cash flow hedges or fair value hedges depending on the hedged risk, as required by IAS 39.
The non-current portion includes the fair values of:
a) interest rate swaps (€242,565 thousand) entered into by certain Group companies to hedge interest rate risk on existing and highly probable future non-current financial liabilities;
b) IPCA x CDI Swaps (€11,299 thousand), classified as fair value hedges, entered into by Triangulo do Sol and Rodovias das Colinas, which are designed to convert the above bonds issued at a real IPCA rate in 2013 to a floating nominal CDI rate.

Further details of derivative financial instruments entered into by the Group companies for hedging purposes are contained in note 9.2 “Financial risk management”.

OTHER MEDIUM/LONG-TERM FINANCIAL LIABILITIES
(non-current) □ €40,810 thousand (€40,240 thousand)
(current) □ €353,792 thousand (€355,955 thousand)

The balances, in line with the previous year, primarily regard accrued interest payable on medium/long-term borrowings and bond issues.

SHORT-TERM FINANCIAL LIABILITIES
€450,189 thousand (€438,117 thousand)

The composition of short-term financial liabilities is shown below.

(€000)	31 December 2013	31 December 2012
Bank overdrafts	**7,228**	**113**
Short-term borrowings	**2,976**	**-**
Derivative liabilities	**-**	**122**
Intercompany current account payables due to the parent, affiliates and associates	**430,779**	**395,925**
Short-term financial liabilities	2,770	41,824
Other current financial liabilities	6,436	133
Other current financial liabilities	**9,206**	**41,957**
Total short-term financial liabilities	**450,189**	**438,117**

This item essentially refers to the intercompany running account between Atlantia and Autostrade per l’Italia, totalling €430,779 thousand as at 31 December 2013.

7.16 Other non-current liabilities €93,469 thousand (€106,249 thousand)

The reduction of €12,780 thousand essentially reflects a decrease in the amount payable to the grantor by the Group's Brazilian companies following reclassification of amounts falling due in 2014.

(€000)	31 December 2013	31 December 2012
Accrued expenses of a non-trading nature	42,563	44,568
Amounts payable to grantors	31,025	43,488
Liabilities deriving from contractual obligations	18,556	16,235
Other payables	1,325	1,956
Other non-current liabilities	**93,469**	**106,249**

7.17 Trading liabilities €1,286,317 thousand (€1,419,362 thousand)

An analysis of trading liabilities is shown below.

(€000)	31 December 2013	31 December 2012
Liabilities deriving from contract work in progress	**229**	**630**
Trade payables	703,824	819,962
Payable to operators of interconnecting motorways	491,242	472,922
Tolls in the process of settlement	84,191	114,637
Other payables	6,831	11,211
Trade payables	**1,286,088**	**1,418,732**
Trading liabilities	**1,286,317**	**1,419,362**

The reduction of €133,044 thousand compared with the previous year primarily reflects reductions in trade payables reported by Autostrade per l'Italia and Pavimental due to the reduced volume of capital expenditure during the period (a total of €116,481 thousand).

7.18 Other current liabilities €378,566 thousand (€435,407 thousand)

An analysis of other current liabilities is shown below.

(€000)	31 December 2013	31 December 2012
Concession fees payable	76,193	84,891
Guarantee deposits from users who pay by direct debit	52,489	53,190
Payable to staff	45,649	47,664
Amounts payable for expropriations	37,742	58,866
Taxation other than income taxes	35,062	38,662
Social security contributions payable	28,916	31,054
Amounts payable to public entities	16,604	22,947
Accrued expenses of a non-trading nature	2,892	2,277
Other payables	83,019	96,116
Other current liabilities	**378,566**	**435,407**

The reduction of €56,842 thousand) compared with the previous year is primarily due to the following:

a) reduced amounts payable for expropriations, linked to the decrease in capital expenditure at Autostrade per l'Italia (a reduction of €21,124 thousand);
b) a reduction in motorway concession fees payable (€8,698 thousand), following changes to the due dates for payment of such fees;
c) a reduction in amounts due to public entities (down €6,343 thousand).

8. NOTES TO THE CONSOLIDATED INCOME STATEMENT

This section includes the notes to the principal amounts in the consolidated income statement. Negative components of income are indicated with a minus sign in the headings and tables. Amounts for 2012 are shown in brackets. The income statement and statement of cash flows for 2013 also benefit from the full-year contributions of the Chilean and Brazilian companies acquired in 2012, whilst in the comparative period the related amounts were only consolidated from 1 April 2012 and 30 June 2012, respectively.
Details of amounts in the consolidated income statement deriving from related party transactions are provided in note 10.5.

8.1 Toll revenue – €3,540,993 thousand (€3,391,094 thousand)

Toll revenue of €3,540,993 thousand is up by a total of €149,899 thousand (4.4%) on 2012 (€3,391,094 thousand). This reflects the contribution for the first quarter of 2013 of the Chilean companies consolidated from 1 April 2012 (€34,900 thousand) and the contribution for the first half of 2013 of the Brazilian companies consolidated from 30 June 2012 (€88,574 thousand). On a like-for-like basis and at constant exchange rates, toll revenue is up €71,242 thousand (2.1%), reflecting a combination of the following:

a) application of annual toll increases for 2013 by the Group's Italian operators (in Autostrade per l'Italia's case 3.54%), boosting toll revenue by an estimated €87.2 million;
b) a 1.6% decline in traffic on the Group's Italian network, accounting for an estimated €45.7 million reduction in toll revenue (including the impact of the different traffic mix);
c) a reduction (€6.4 million or 1.9%) in the contribution of toll increases matching the increased concession fees payable by Italian operators, linked to the decline in traffic;
d) reduced toll revenue from Autostrade Meridionali (down €13.1 million) due to the release in 2012 of the accumulated "X variable" toll component, no longer recognised from 2013 following expiry of the concession term and the extension of responsibility for operation of the motorway;
e) income deriving from cancellation, from 2012, of unused prepaid Viacard cards issued over 10 years previously (€5.1 million in 2012);
f) an increase in toll revenue at overseas operators (up €48.0 million), reflecting traffic growth, toll increases and the package of measures (tolls for vehicles with suspended axles) introduced by the Public Transport Services Regulator for the State of Sao Paulo (ARTESP) to compensate operators in the State of Sao Paulo following the decision to delay the application of toll increases from 12 July 2013, as described in note 10.7 below.

8.2 Revenue from construction services – €768,160 thousand (€1,091,437 thousand)

An analysis of this revenue is shown below.

(€000)	2013	2012	Increase/ (Decrease)
Revenue from construction services for which additional economic benefits are received	420,317	764,935	-344,618
Revenue from investments in financial concession rights	325,295	296,610	28,685
Revenue from construction services: government grants for services for which no additional economic benefits are received	22,548	29,892	-7,344
Revenue from construction services	**768,160**	**1,091,437**	**-323,277**

Revenue from construction services rendered during the year is down on the figure for 2012, reflecting lower revenue on works for which additional economic benefits are received, predominantly regarding Autostrade per l'Italia, partially offset by increased investment in financial assets deriving from concession rights, almost entirely attributable to the "SCO Project" (*Santiago Centro Oriente*) being carried out by the Chilean motorway operator, Costanera Norte.

In line with the accounting model adopted pursuant to IFRIC 12, this revenue, which represents the consideration for services rendered, is recognised at fair value based on total costs incurred, represented by operating costs and financial expenses.
Moreover, in 2013 the Group, primarily Autostrade per l'Italia, carried out additional construction services for which no additional benefits are received, amounting to €380,974 thousand (€480,896 thousand in 2012), for which the Group made use of a portion of the specifically allocated "Provisions for construction services required by contract". This is accounted for as a reduction in operating costs for the year, as explained in note 8.10. Details of investment in assets held under concession during the year are provided in note 7.2, above.

8.3 Contract revenue – €50,702 thousand (€35,122 thousand)

Contract revenue of €50,702 thousand is up €15,580 thousand on 2012 (€35,122 thousand), primarily reflecting an increase in work carried out by Pavimental for external customers.

8.4 Other operating income – €569,474 thousand (€587,739 thousand)

An analysis of other operating income is provided below.

(€000)	2013	2012	Increase/ (Decrease)
Revenue from sub-operators	231,994	230,414	1,580
Revenue from Telepass and Viacard fees	125,560	122,522	3,038
Maintenance revenue	40,349	38,791	1,558
Other revenue from motorway operation	35,878	39,781	-3,903
Damages and compensation	22,010	33,244	-11,234
Revenue on the sale of technology devices and services	23,258	22,056	1,202
Refunds	23,261	27,888	-4,627
Advertising revenue	5,359	6,127	-768
Other income	61,805	66,916	-5,111
Other operating income	**569,474**	**587,739**	**-18,265**

Other operating income of €569,474 thousand is down €18,265 thousand (3.11%) on 2012 (€587,739 thousand). On a like-for-like basis and at constant exchange rates, this item is down €20,965 thousand, essentially a reduction in payouts from insurance companies to Autostrade per l'Italia.

8.5 Raw and consumable materials -€267,753 thousand (-€444,027 thousand)

This item consists of purchases of materials and the change in inventories of raw and consumable materials. On a like-for-like basis the balance is down €190,340 thousand on 2012, primarily reflecting the lower volume of investment and maintenance work carried out and reduced purchases of materials linked to the Eco-Taxe project.

(€000)	2013	2012	Increase/ (Decrease)
Construction materials	-128,554	-197,650	69,096
Electrical and electronic materials	-32,320	-39,431	7,111
Lubricants and fuel	-39,714	-47,666	7,952
Other raw and consumable materials	-60,804	-167,755	106,951
Cost of materials	**-261,392**	**-452,502**	**191,110**
Change in inventories of raw, ancillary and consumable materials and goods for resale	**-6,361**	**8,475**	**-14,836**
Raw and consumable materials	**-267,753**	**-444,027**	**176,274**

8.6 Service costs -€1,257,338 thousand (-€1,470,990 thousand)

An analysis of service costs is provided below.

(€000)	2013	2012	Increase/ (Decrease)
Construction and similar	-700,789	-920,706	219,917
Professional services	-286,795	-255,423	-31,372
Transport and similar	-60,894	-78,849	17,955
Utilities	-55,466	-53,951	-1,515
Insurance	-23,740	-23,129	-611
Statutory Auditors' fees	-818	-845	27
Other services	-131,473	-141,228	9,755
Gross service costs	**-1,259,975**	**-1,474,131**	**214,156**
Capitalised service costs for assets other than concession assets	2,637	3,141	-504
Service costs	**-1,257,338**	**-1,470,990**	**213,652**

Service costs are down €213,652 thousand, essentially due to:

a) a €219,917 thousand decrease in construction and similar services, primarily caused by the lower volume of motorway construction carried out by the Group;
b) a decrease in transport costs (down €17,955 thousand), essentially linked to a reduction in the cost of motorway maintenance;
c) an increase in consultants' fees (€31,372 thousand), attributable primarily to completion of the Eco-Taxe project.

On a like-for-like basis, service costs are down €237,285 thousand.

In line with the accounting policy adopted through application of IFRIC 12, the cost of construction services required by contract is recognised in profit or loss. Revenue from construction services is then recognised on the basis of these costs, which include payments for external services, staff costs and financial expenses (relating solely to investment in construction services for which additional economic benefits are received under the relevant concession arrangements). Provisions for construction services required by contract are also released in line with payments for construction services for which no additional benefits are received.

8.7 Staff costs -€659,247 thousand (-€672,101 thousand)

Staff costs break down as follows.

(€000)	2013	2012	Increase/ (Decrease)
Wages and salaries	-468,738	-475,840	7,102
Social security contributions	-135,480	-132,878	-2,602
Post-employment benefits (including payments to supplementary pension funds or INPS)	-25,143	-25,192	49
Directors' remuneration	-4,604	-4,707	103
Other staff costs	-27,724	-37,868	10,144
Gross staff costs	**-661,689**	**-676,485**	**14,796**
Capitalised staff costs for assets other than concession assets	2,442	4,384	-1,942
Staff costs	**-659,247**	**-672,101**	**12,854**

Staff costs (before deducting capitalised expenses) of €661,689 thousand are down €14,796 thousand on 2012 (€676,485 thousand).
On a like-for-like basis and at constant exchange rates, the figure these costs are down €21,101 thousand (3.1%), reflecting:

a) a decrease of 353 in the average workforce;
b) an increase in the average unit cost, primarily due to contract renewals at Italian motorway operators for the periods 2010-2012 and 2013-2015, partly offset by the reduction in variable staff;
c) a reduction in other staff costs, primarily due to reduced use of agency staff by Electronic Transactions Consultants, Spea and Essediesse (equal to a reduction of 100 on average) and a reduction in the cost of early retirement incentives.

Staff costs include €3,336 thousand corresponding to the fair value of options and units vesting during the period under share-based incentive plans, as more fully described in note 10.6, below.

The following table shows the average number of employees (by category and including agency staff):

Average workforce	2013	2012	Increase/ (Decrease)
Senior managers	197	203	-6
Middle managers and administrative staff	5,587	5,521	66
Toll collectors	3,497	3,238	259
Manual workers	2,107	2,280	-173
Total	**11,388**	**11,242**	**146**

8.8 Other operating costs -€524,953 thousand (-€533,168 thousand)

An analysis of other operating costs is shown below.

(€000)	2013	2012	Increase/ (Decrease)
Concession fees	**-425,435**	**-430,489**	**5,054**
Lease expense	**-18,265**	**-20,779**	**2,514**
Grants and donations	-29,146	-41,785	12,639
Direct and indirect taxes	-11,562	-10,730	-832
Other	-40,545	-29,385	-11,160
Other costs	**-81,253**	**-81,900**	**647**
Other operating costs	**-524,953**	**-533,168**	**8,215**

After stripping out the contribution from the Chilean and Brazilian companies, the balance is down €5,865 thousand. This reflects a decrease in concession fees, reflecting a decline in Italian motorway traffic, and a decrease in grants and donations as a result of a reduction in the costs incurred in 2013 for infrastructure upgrades carried out for other public entities in connection with motorway construction services.

8.9 Operating change in provisions -€40,429 thousand (-€71,337 thousand)

This item consists of operating changes (new provisions and uses) in provisions, excluding those for employee benefits, made by Group companies during the year in order to fulfil their legal and contractual obligations and which will entail expenditure in future years. The reduction compared with 2012 reflects a decrease in net provisions for the repair and replacement of motorway infrastructure made by Autostrade per l'Italia.

8.10 Use of provisions for construction services required by contract €380,974 thousand (€480,896 thousand)

This item regards the use, in 2013, of provisions for construction services required by contract for works with no additional economic benefits, after accrued government grants (recognised in revenue from construction services, as described in note 8.3). The item is effectively an indirect adjustment to construction costs classified by nature and incurred by the Group's operators, above all Autostrade per l'Italia, subject to such contractual obligations.
Further information on construction services and capital expenditure in 2013 is provided in notes 7.2 and 8.2.

8.11 (Impairment losses)/Reversal of impairment losses -€17,771 thousand (-€10,954 thousand)

The balance for 2013 essentially regards impairment losses on trade receivables attributable to Electronic Transaction Consultants as a result of outstanding disputes. In 2012, the balance included the write-off of the remaining goodwill (€7,966 thousand) allocated to Electronic Transaction Consultants' intangible assets after the restatement at fair value of the company's net assets following the Group's acquisition of control.

8.12 Financial income/(expenses) -€706,434 thousand (-€489,377 thousand)

Financial income €292,743 thousand (€455,568 thousand)
Net financial expenses -€1,002,962 thousand (-€942,390 thousand)
Foreign exchange gains/(losses) €3,785 thousand (-€2,555 thousand)

An analysis of financial income and expenses is shown below.

(€000)	2013	2012	Increase/ (Decrease)
Financial income from the discounting to present value of concession rights and government grants	**83,644**	**43,581**	**40,063**
Interest and fees on bank and post office deposits	76,244	47,632	28,612
Income from transactions in derivative financial instruments	2,897	5,804	-2,907
Financial income accounted for as an increase in financial assets	37,015	-	37,015
Gains on restatement of investments at fair value	-	170,764	-170,764
Gain on the sale of the investment in IGLI	-	60,971	-60,971
Bargain purchase gain on acquisition of ASA	-	27,356	-27,356
Other	92,942	99,429	-6,487
Other financial income	**209,098**	**411,956**	**-202,858**
Dividends received from investee companies	**1**	**31**	**-30**
Financial income (a)	**292,743**	**455,568**	**-162,825**
Financial expenses from the discounting to present value of provisions for construction services required by contract and other provisions	**-95,067**	**-147,148**	**52,081**
Interest on bonds	-103,239	-20,559	-82,680
Interest on medium/long-term borrowings	-637,598	-628,082	-9,516
Losses on derivative financial instruments	-92,677	-56,018	-36,659
Interest expense accounted for as an increase in financial liabilities	-12,186	-	-12,186
Interest and fees on bank and post office deposits	-1,010	-3,707	2,697
Other	-61,185	-86,876	25,691
Other financial expenses less grants	**-907,895**	**-795,242**	**-112,653**
Financial expenses (b)	**-1,002,962**	**-942,390**	**-60,572**
Foreign exchange gains	17,038	12,443	4,595
Foreign exchange losses	-13,253	-14,998	1,745
Foreign exchange gains/(losses) (c)	**3,785**	**-2,555**	**6,340**
Financial income/(expenses) (a+b+c)	**-706,434**	**-489,377**	**-217,057**

"Financial income accounted for as an increase in financial assets" amounts to €83,644 thousand and are up €40,063 thousand on 2012. On a like-for-like basis, the balance, recognised in relation to the effect of the passage of time on the present value of financial assets deriving from concession rights and government grants, has risen €32,288 thousand as a result of increased contributions from Ecomouv and Los Lagos.
"Financial expenses from the discounting to present value of provisions for construction services required by contract and other provisions", linked to the passage of time, amount to €95,067 thousand and are down €52,081 thousand on 2012. This is primarily due to the performance of provisions for construction services required by contract, which essentially reflected a decline in

the interest rates used to discount provisions at 31 December 2012, compared with the rates used at 31 December 2011.

After stripping out the impact of the newly consolidated companies, totalling €198,484 thousand and essentially including the gain on the restatement at fair value of the existing 50% interest in Autostrade Sud America (totalling €170,764 thousand) following the acquisition of control of this company in 2012, the increase in net financial expenses is €81,451 thousand (13.6%), due to:

a) the impact of the transactions that took place in 2012 (a total of €30,759 thousand), including the gain on the sale of IGLI and the financial expenses incurred as a result of partial repayment of the medium/long-term loan from Atlantia to Autostrade per l'Italia, replicating, at intercompany level, the bonds issued by Atlantia and maturing in 2014, also the subject of a partial buyback during the year;
b) an increase of €67,818 thousand in debt servicing costs, essentially due to the increase in average financial debt. The increase includes approximately €41,706 thousand relating to the differential between the cost of funding incurred in order to raise the cash needed by the Group and the return on the investment of liquidity. In view of the upcoming repayment, in June 2014, of the loan replicating, at intercompany level, the bonds issued by Atlantia, with a par value of €2,094.2 million, the Group obtained financing to fund full repayment of the debt, resulting in an increase in net financial expenses, essentially due to the fact that the cost of debt is higher than returns on the average amount of cash available;
c) the difference in the contributions to net financial income in the two comparative periods of the Chilean and Brazilian companies consolidated in 2012, totalling €15,133 thousand.

8.13 <u>Share of profit/(loss) of associates and joint ventures accounted for using the equity method – -€5,233 thousand (€2,477 thousand)</u>

The "Share of profit/(loss) of associates and joint ventures accounted for using the equity method" amounts to a loss of €5,233 thousand, primarily reflecting the Group's share of the results of Rodovias do Tietè and Tangenziali Esterne Milano (totalling €8,453 thousand), partially offset by the share of the profit of Società Autostrada Tirrenica (€1,791 thousand).

8.14 Income tax (expense)/benefit □ - €410,527 thousand (-€336,005 thousand)

A comparison of the tax charges for the two comparative periods is shown below.

(€000)	2013	2012	Increase/ (Decrease)
IRES	-195,629	-204,649	9,020
IRAP	-82,017	-80,855	-1,162
Income taxes attributable to foreign operations	-69,652	-44,137	-25,515
Current tax benefit of tax loss carry-forwards	2,980	6,611	-3,631
Current tax expense	**-344,318**	**-323,030**	**-21,288**
Recovery of previous years' income taxes	7,073	35,502	-28,429
Previous years' income taxes	-1,079	-2,183	1,104
Differences on current tax expense for previous years	**5,994**	**33,319**	**-27,325**
Provisions	158,322	138,151	20,171
Releases	-114,140	-85,915	-28,225
Changes in prior year estimates	-1,058	26,071	-27,129
Deferred tax income	**43,124**	**78,307**	**-35,183**
Provisions	-162,630	-129,122	-33,508
Releases	46,203	49,264	-3,061
Changes in prior year estimates	1,100	-44,743	45,843
Deferred tax expense	**-115,327**	**-124,601**	**9,274**
Income tax (expense)/benefit	**-410,527**	**-336,005**	**-74,522**

Income tax expense for 2013 totals €410,527 thousand, an increase of €74,522 thousand (22.18%) on 2012 (€336,005 thousand). The increase reflects both the improved profit before tax in 2013 and the fact that 2012 benefitted from non-recurring income in the form of a refund for the deduction of IRAP from IRES.

The following table shows a reconciliation, for the comparative periods, of the statutory rate of IRES with the effective charge for the year and for current tax expense payable overseas.

(€000)	Taxable income	2013		Taxable income	2012	
		Tax	Tax rate		Tax	Tax rate
Profit/(loss) before tax from continuing operations	**1,148,298**			**1,246,561**		
Tax expense/(benefit) at statutory rate		315,782	27.5%		342,804	27.5%
Temporary differences deductible in future years	570,060	150,132	12.2%	435,287	115,476	9.2%
Temporary differences taxable in subsequent years	-533,257	-148,031	-12.9%	-428,607	-117,500	-9.4%
Reversal of temporary differences arising in previous years	-273,437	-63,783	-5.7%	-134,290	-23,786	-2.0%
Permanent differences	9,656	13,235	2.3%	-256,132	-70,565	-5.6%
Taxation resulting from application of different tax rates in the various foreign countries	-40,923	-5,033	4.8%	-14,053	-4,254	7.1%
IRAP		**82,017**			**80,855**	
Total		**344,318**			**323,030**	

8.15 Profit/(Loss) from discontinued operations €899 thousand (€11,614 thousand)

An analysis of the profit/(loss) from discontinued operations for the two comparative periods is shown below.

(€000)	2013	2012	Increase/ (Decrease)
Operating income	-	60,581	-60,581
Operating costs	-	-39,601	39,601
Financial income	-	44	-44
Financial expenses	-	-1,662	1,662
Tax expense	-	-6,478	6,478
Net contribution to IFRS profits of discontinued operations	**-**	**12,884**	**-12,884**
Gain/(Loss) on sales after taxation	**-**	**-1,354**	**1,354**
Other net profit/(loss) from discontinued operations	**899**	**84**	**815**
Profit/(loss) from discontinued operations	**899**	**11,614**	**-10,715**

The figure of €899 thousand refers to the dividends received from the Portuguese company, Lusoponte, in the process of being sold, whilst the amount for 2012 (€11,614 thousand) included the Group's share of the profit of Autostrada Torino-Savona, a company sold in 2012.

8.16 Earnings per share

The following statement shows a breakdown of the calculation of earnings per share for the two comparative periods.

In the absence of options or convertible financial instruments issued by the Parent Company, diluted earnings per share coincides with the figure for basic earnings per share.

	2013	2012
Weighted average number of shares outstanding	622,027,000	622,027,000
Weighted average of shares outstanding	**622,027,000**	**622,027,000**
Profit for the year (€000)	738,670	922,170
Earnings per share (€)	**1.19**	**1.48**
Profit from continuing operations (€000)	737,771	910,556
Basic earnings per share from continuing operations (€)	**1.19**	**1.46**
Profit from discontinued operations (€000)	899	11,614
Basic earnings per share from discontinued operations (€)	-	0.02

9. OTHER FINANCIAL INFORMATION

9.1 Notes to the consolidated statement of cash flows

The Group's consolidated cash flows for the year ended 2013 are analysed below and compared with those of 2012. Cash flows are shown in the statement of cash flows included in the section, "Consolidated financial statements". Cash flows during 2013 resulted in a €472.2 million increase in net cash, versus a net cash inflow of €2,146.5 million in 2012.

Operating activities generated cash flows of €1,499.8 million in 2013, up €322.4 million on 2012 (€1,177.4 million). The increase essentially reflects an increase in operating cash flow from continuing operations and the reduced amount of cash used resulting from the change in working capital, essentially due to the offset of the tax credit deriving from the previous year against prepayments due from Autostrade per l'Italia for 2013.

Cash used for investing activities, totalling €1,249.5 million, essentially reflects:
a) investment in assets held under concession, totalling €1,149.1 million;
b) investment in property, plant and equipment, other intangible assets and unconsolidated investments, totalling €96.7 million.

Cash used for investing activities in 2012 amounted to €1,786 million.

Net cash from financing activities amounted to €257.8 million in 2013, essentially due to bond issues, new shareholder loans and new medium/long-term borrowings, totalling €1,820.1 million, partially offset by repayments of €944.1 million during the period and dividends payments of €701.9 million. In 2012, on the other hand, cash flows from financing activities amounted to €2,765.0 million, essentially reflecting new loans from the parent, Atlantia, and banks, only partially offset by repayments during the year and dividend payments.

The following table shows the net cash flows for 2012 of Autostrade Torino-Savona, a company whose contribution to the consolidated income statement is presented in the item "Profit/(Loss) from discontinued operations", as described in note 8.15. These flows are included in the consolidated statement of cash flows for 2012 and attributable to operating, investing and financing activities.

CASH FLOWS FROM DISCONTINUED OPERATIONS

€m	2013	2012
Net cash generated from/(used in) operating activities	-	8.5
Net cash generated from/(used in) investing activities	-	4.0
Net cash generated from/(used in) financing activities	-	-9.5

9.2 Financial risk management

The Autostrade per l'Italia Group's financial risk management objectives and policies

In the normal course of business, the Atlantia Group is exposed to:
a) market risk, principally linked to the effect of movements in interest and foreign exchange rates on financial assets acquired and financial liabilities assumed;

b) liquidity risk, with regard to ensuring the availability of sufficient financial resources to fund the Group's operating activities and repayment of the liabilities assumed;
c) credit risk, linked to both ordinary trading relations and the likelihood of defaults by financial counterparties.

The Group's financial risk management strategy is derived from and consistent with the business goals set by Atlantia's Board of Directors, as contained in the various strategic plans from time to time approved by the Board, taking into account Atlantia's role in the management and coordination of Autostrade per l'Italia.

Market risk
The adopted strategy for each type of risk aims, wherever possible, to eliminate interest rate and currency risks and minimise borrowing costs, whilst taking account of stakeholders' interests, as defined in the Financial Policy as approved by the Board of Directors of the parent, Atlantia.
Management of these risks is based on prudence and best market practice.
The main objectives set out in this policy are as follows:
a) to protect the scenario forming the basis of the strategic plan from the effect of exposure to currency and interest rate risks, identifying the best combination of fixed and floating rates;
b) to pursue a potential reduction of the Group's borrowing costs within the risk limits determined by the Board of Directors;
c) to manage derivative financial instruments taking account of their potential impact on the results of operations and financial position in relation to their classification and presentation.

The Group's hedges outstanding as at 31 December 2013 are classified, in accordance with IAS 39, either as cash flow or fair value hedges, depending on the type of risk hedged. The fair value of financial derivative instruments is based on expected discounted cash flows, using the market yield curve at the measurement date. Amounts in foreign currencies other than the euro are translated at closing exchange rates communicated by the European Central Bank. The residual average term to maturity of the Group's debt as at 31 December 2013 is approximately 6 years. The average cost of medium to long-term debt for 2013 was 5.3% (4.9% for the companies operating in Italy, 7.3% for the Chilean companies and 10.1% for the Brazilian companies). Monitoring is, moreover, intended to assess, on a continuing basis, counterparty creditworthiness and the degree of risk concentration.

a) Interest rate risk
Interest rate risk is linked to uncertainty regarding the performance of interest rates, and takes two forms:
a) cash flow risk: linked to financial assets and liabilities with cash flows indexed to a market interest rate. In order to reduce floating rate debt, the Group has entered into interest rate swaps (IRS), classified as cash flow hedges. The hedging instruments and the underlying financial liabilities have matching terms to maturity and notional amounts. Following tests of effectiveness, changes in fair value were essentially recognised in comprehensive income. Interest income or expense deriving from the hedged instruments is recognised simultaneously in profit or loss;
b) fair value risk: the risk of losses deriving from an unexpected change in the value fixed rate financial assets and liabilities following an unfavourable shift in the market yield curve. As at 31 December 2013 the Group reports transactions classifiable as fair value hedges in accordance with IAS 39, regarding the previously mentioned new IPCA x CDI Swaps entered into by the Brazilian companies, Triangulo do Sol and Colinas, with the aim of converting the real IPCA rate bonds issued in 2013 to a floating CDI rate. Changes in the fair value of these instruments are recognised in profit or loss and are offset by matching changes in the fair value of the underlying liabilities.

As a result of cash flow hedges, 90% of interest bearing debt is fixed rate.

b) Currency risk

Currency risk can result in the following types of exposure:

a) economic exposure incurred through purchases and sales denominated in currencies other than the functional currency of the individual company;
b) translation exposure through equity investments in subsidiaries and associates whose financial statements are denominated in a currency other than the Group's functional currency;
c) transaction exposure incurred by making deposits or obtaining loans in currencies other than the functional currency of the individual company.

The Group's prime objective of currency risk is to minimise transaction exposure through the assumption of liabilities in currencies other than the presentation currency.
11% of the Group's debt is denominated in currencies other than the euro, based on the proportion of debt denominated in the local currency of the country in which the relevant Group company operates. The Group is, therefore, effectively not exposed to currency risk on translation.
The following table summarises outstanding derivative financial instruments as at 31 December 2013 (compared with 31 December 2012) and shows the corresponding market value and the hedged financial asset or liability.

(€000)				31 December 2012		31 December 2013		Hedged financial liability		
Type	**Purpose of hedge**	**Currency**	**Company**	**Fair value asset/(liability)**	**Notional amount**	**Fair value asset/(liability)**	**Notional amount**	**Description**	**Par value**	**Term**
Cash flow hedges (1)										
Interest Rate Swap	Interest rate			**-372,590**	**2,385,630**	**-242,565**	**2,267,910**			
Interest Rate Swap		EUR	Autostrade per l'Italia	-245,326	750,000	-184,542	750,000	Atlantia loan	750,000	2004-2022
Interest Rate Swap		EUR	Autostrade per l'Italia	-30,015	560,000	-12,936	400,000	Term Loan Facility	400,000	2004-2015
Interest Rate Swap		EUR	Autostrade per l'Italia	-48,056	500,000	-20,378	500,000	Cassa Depositi e Prestiti	500,000	2011-2034
Interest Rate Swap		EUR	Autostrade per l'Italia	-917	100,000	3,099	100,000	Cassa Depositi e Prestiti e SACE	100,000	2012-2024
Interest Rate Swap		EUR	Autostrade per l'Italia	-915	100,000	2,288	100,000	Cassa Depositi e Prestiti e SACE	100,000	2013-2024
Interest Rate Swap		EUR	Ecomouv	-42,956	333,931	-26,942	380,589	Project financings	441,716	2012-2024
Interest Rate Swap		EUR	Stalexport	-4,405	41,699	-3,154	37,321	50% Project Loan Agreement (PLN)	61,085	2008-2020
		Total		**-372,590**	**2,385,630**	**-242,565**	**2,267,910**			
Fair value hedges (1)										
IPCA x CDI Swap				-	-	**-11,299**	**232,314**			
IPCA x CDI Swap	Interest rate	BRL	Triangulo do Sol	-	-	-4,250	115,036	Bond 2020 IPCA linked	115,036	2013-2020
IPCA x CDI Swap	Interest rate	BRL	Rodovias das Colinas	-	-	-1,659	38,304	Bond 2020 IPCA linked	38,304	2013-2020
IPCA x CDI Swap	Interest rate	BRL	Rodovias das Colinas	-	-	-5,390	78,974	Bond 2020 IPCA linked	78,974	2013-2023
		Total		**-**	**-**	**-11,299**	**232,314**			
Derivatives not accounted for as hedges										
FX Forward	Currency	USD	Autostrade per l'Italia	32 (2)	18,338	70 (2)	24,268			
		Total		**32**	**18,338**	**70**	**24,268**			
Net investment hedges										
Non Deliverable Forward	Currency	CLP		90	67,160	-	-			
		Total		**90**	**67,160**	**-**	**-**			
		Total		**-372,468**	**2,471,128**	**-253,794**	**2,524,492**			
		of which:								
		fair value (asset)		**122**		**5,457**				
		fair value (liability)		**-372,590**		**-259,251**				

(1) The fair value of cash flow hedges excludes accruals at the end of the reporting period.
(2) The fair value of these hedges is reported under current financial liabilities/assets.

Sensitivity analysis

Sensitivity analysis describes the impact that the interest rate and foreign exchange movements to which the Group is exposed would have had on the income statement for 2013 and on equity as at 31 December 2013. The interest rate sensitivity analysis is based on the exposure of derivative and non-derivative financial instruments at the end of the year, assuming, in terms of the impact on the income statement, a 0.10% (10 bps) shift in the market yield curve at the beginning of the year, whilst, with regard to the impact of changes in fair value on equity, the 10 bps shift in the curve was assumed to have occurred at the measurement date. The results of the analyses were:

a) in terms of interest rate risk, an unexpected and unfavourable 0.10% shift in market interest rates would have resulted in a negative impact on the income statement, totalling €1,878 thousand, and on the statement of comprehensive income, totalling €15,383 thousand, before the related taxation;
b) in terms of currency risk, an unexpected and unfavourable 10% shift in the exchange rate would have resulted in a negative impact on the income statement, totalling €15,927 thousand, and on the statement of comprehensive income, totalling €262,424 thousand, due to the adverse effect on the overseas companies' after-tax results and changes in the foreign currency translation reserves.

Liquidity risk

Liquidity risk relates to the risk that cash resources may be insufficient to fund the payment of liabilities as they fall due. The Group believes that its ability to generate cash, the ample diversification of its sources of funding and the availability of committed and uncommitted lines of credit provides access to sufficient sources of finance to meet its projected financial needs.

As at 31 December 2013 project debt allocated to specific overseas companies amounts to €2,196.8 million. At the same date the Group has cash reserves of €7,015 million, consisting of:

a) €3,324 million in cash and/or investments maturing within 120 days;
b) €500 million in term deposits allocated primarily to part finance the execution of specific construction services and to service the debt of certain Chilean companies;
c) €3,191 million in undrawn committed lines of credit.

Details of drawn and undrawn committed lines of credit are shown below.

(€m)				31 December 2013		
Borrower	Facility	Drawdown period	Final maturity	Available	Drawn	Undrawn
Autostrade per l'Italia	Committed Revolving Credit Facility	May 2015	June 2015	1,000	-	1,000
Autostrade per l'Italia	Medium/long-term committed EIB line - Tranche A	30 Nov 2012	31 Dec 2036	1,000	1,000	-
Autostrade per l'Italia	Medium/long-term committed EIB line - Tranche B	31 Dec 2014	31 Dec 2036	300	-	300
Autostrade per l'Italia	Medium/long-term committed EIB line 2013	31 Mar 2016	20 Sept 2033	200	-	200
Autostrade per l'Italia	Medium/long-term committed EIB line 2013	20 Sept 2015	20 Sept 2035	250	-	250
Autostrade per l'Italia	Medium/long-term committed CDP/EIB line	1 Aug 2013	19 Dec 2034	500	500	-
Autostrade per l'Italia	Medium/long-term committed CDP/SACE line	23 Sept 2014	23 Dec 2024	1,000	200	800
Autostrade per l'Italia	Medium/long-term committed CDP line	21 Nov 2016	20 Dec 2027	500	-	500
Ecomouv	Bridge Loan/Caisse de Depots et Consignations	30 Apr 2014	1 Dec 2024	582	441	141
			Total	**5,332**	**2,141**	**3,191**

The following schedule shows the distribution of loan maturities outstanding as at 31 December 2013 and 31 December 2012.

(€000)	Carrying amount	Total contractual flows	31 December 2013 Within 12 months	Between 1 and 2 years	Between 3 and 5 years	After 5 years
Non-derivative financial liabilities (1)						
Bond issues (A)	**1,010,985**	**-1,525,662**	**-114,201**	**-226,270**	**-420,658**	**-764,533**
Medium/long-term borrowings						
Bank borrowings	4,058,247	-5,200,074	-531,932	-449,130	-990,870	-3,228,142
Other borrowings	10,746,068	-13,634,186	-2,628,440	-382,901	-3,446,418	-7,176,427
Total medium/long-term borrowings (B)	**14,804,315**	**-18,834,260**	**-3,160,372**	**-832,031**	**-4,437,288**	**-10,404,569**
Total non-derivative financial liabilities (C)= (A)+(B)	**15,815,300**	**-20,359,922**	**-3,274,573**	**-1,058,301**	**-4,857,946**	**-11,169,102**
Derivatives (2) (3)						
Interest rate swaps (4)	-242,565	-549,487	-70,221	-60,734	-166,567	-251,965
IPCA x CDI Swaps (4)	-11,299	-27,742	-10,110	-7,460	7,780	-17,952
Total derivatives	**-253,864**	**-577,229**	**-80,331**	**-68,194**	**-158,787**	**-269,917**

(1) Future cash flows relating to floating rate loans have been calculated on the basis of the latest established rate and applied and held constant to final maturity.

(2) Expected contractual cash flows relate to hedged financial liabilites outstanding as at 31 December 2013.

(3) Expected cash flows deriving from differantials on derivatives are calculated on the basis of exchange rates determined on the measurement date.

(4) Future cash flows deriving from differentials on interest rate swaps (IRS) and IPCA x CDI Swaps are calculated on the basis of the latest established rate and held constant to the maturity of the contract.

(€000)	Carrying amount	Total contractual flows	31 December 2012 Within 12 months	Between 1 and 2 years	Between 3 and 5 years	After 5 years
Non-derivative financial liabilities (1)						
Bond issues (A)	**1,079,552**	**-1,292,203**	**-585,095**	**-75,923**	**-123,969**	**-507,216**
Medium/long-term borrowings						
Bank borrowings	**4,162,981**	-5,695,561	-742,749	-549,336	-1,205,710	-3,197,766
Other borrowings	**9,889,753**	-95,275	-4,036	-2,492	-14,210	-74,537
Total medium/long-term borrowings (B)	**14,052,734**	**-5,790,836**	**-746,785**	**-551,828**	**-1,219,920**	**-3,272,303**
Total non-derivative financial liabilities (C)= (A)+(B)	**15,132,286**	**-7,083,039**	**-1,331,880**	**-627,751**	**-1,343,889**	**-3,779,519**
Derivatives (2) (3)						
Interest rate swaps (4)	-372,590	-598,840	-74,939	-67,630	-165,326	-290,946
Total derivatives	**-372,590**	**-598,840**	**-74,939**	**-67,630**	**-165,326**	**-290,946**

(1) Future cash flows relating to floating rate loans have been calculated on the basis of the latest established rate and applied and held constant to final maturity.
(2) Expected contractual cash flows relate to hedged financial liabilites outstanding as at 31 December 2012.
(3) Expected cash flows deriving from differantials on derivatives are calculated on the basis of exchange rates determined on the measurement date.
(4) Future cash flows deriving from interest rate swap (IRS) differentials are calculated on the basis of the latest established rate and held constant to the maturity of the contract.

The amounts in the above tables include interest payments and exclude the impact of any offset agreements. The time distribution of terms to maturity is based on the residual contract term or on the earliest date on which repayment of the liability may be required, unless a better estimate is available.

The distribution for transactions with amortisation schedules is based on the date on which each instalment falls due.

The following table shows the time distribution of expected cash flows from cash flow hedges, and the financial years in which they will be recognised in profit or loss.

(€000)	31 December 2013 Carrying amount	Expected cash flows (1)	Within 12 months	Between 1 and 2 years	Between 3 and 5 years	After 5 years	31 December 2012 Carrying amount	Expected cash flows (1)	Within 12 months	Between 1 and 2 years	Between 3 and 5 years	After 5 years
Interest rate swaps												
Derivative assets	5,387	5,291	-2,830	-2,443	-981	11,545						
Derivative liabilities	-247,952	-273,334	-68,072	-54,543	-98,367	-52,352	-372,590	-397,542	-77,363	-70,940	-143,207	-106,031
Total cash flow hedges	**-242,565**						**-372,590**					
Accrued expenses on cash flow hedges	-25,478						-24,952					
Accrued income on cash flow hedges												
Total cash flow hedge derivative assets/liabilities	**-268,043**	**-268,043**	**-70,902**	**-56,986**	**-99,348**	**-40,807**	**-397,542**	**-397,542**	**-77,363**	**-70,940**	**-143,207**	**-106,031**

(€000)	31 December 2013 Expected cash flows (1)	Within 12 months	Between 1 and 2 years	Between 3 and 5 years	After 5 years	31 December 2012 Expected cash flows (1)	Within 12 months	Between 1 and 2 years	Between 3 and 5 years	After 5 years
Interest rate swaps										
Income on cash flow hedges	5,387	-2,795	-2,422	-912	11,516					
Losses on cash flow hedges	-247,951	-51,206	-53,232	-94,588	-48,926	-372,590	-79,573	-69,951	-136,275	-86,791
Total income (losses) on cash flow hedges	**-242,564**	**-54,001**	**-55,654**	**-95,500**	**-37,410**	**-372,590**	**-79,573**	**-69,951**	**-136,275**	**-86,791**

(1) Expected cash flows from swap differentials are calculated on the basis of market curves at the measurement date.

Credit risk

The Group manages credit risk essentially through recourse to counterparties with high credit ratings, with no significant credit risk concentrations as required by Financial Policy.

Credit risk deriving from outstanding derivative financial instruments can also be considered marginal in that the counterparties involved are major financial institutions. There are no margin agreements providing for the exchange of cash collateral if a certain fair value threshold is exceeded.

Provisions for impairment losses on individually material items, on the other hand, are established when there is objective evidence that the Group will not be able to collect all or any of the amount due. The amount of the provisions takes account of estimated future cash flows and the date of collection, any future recovery costs and expenses, and the value of any security and guarantee deposits received from customers. General provisions, based on the available historical and statistical data, are established for items for which specific provisions have not been made. Details of the bad debt allowance for trade receivables are provided in note 7.7.

10. OTHER INFORMATION

10.1 Operating segments

The Autostrade per l'Italia Group's operating segments have been identified on the basis of the information provided to Atlantia's Board of Directors, which represents the Group's chief operating decision maker, taking into account Atlantia's role in the management and coordination of Autostrade per l'Italia, taking decisions regarding strategy and the allocation of resources and assessing performance. In particular, the Board of Directors assesses the performance of the business both in terms of geographical area and in terms of segment.
Details of the Autostrade per l'Italia Group's operating segments are as follows:
a) 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 and Raccordo Autostradale Valle d'Aosta), whose core business consists of the management, maintenance, construction and widening of the related motorways operated under concession. In addition, this segment also includes Telepass, the companies that provide support for the motorway business in Italy and the Italian holding company, Autostrade dell'Atlantico, which holds investments in South America;
b) overseas motorways: this operating segment includes the activities of the holders of motorway concessions in Brazil, Chile and Poland, and the companies that provide operational support for these operators and the related foreign-registered holding companies;
c) other activities: this segment includes:
1) the production and operation of free-flow tolling systems in France, traffic and transport management systems, public information and electronic payment systems. The most important companies are Autostrade Tech, Ecomouv and Electronic Transaction Consultants;
2) the design, construction and maintenance of infrastructure, essentially referring to Pavimental and Spea Ingegneria Europea.

Other than those identified and presented in the following tables, there are no other operating segments that meet the quantitative thresholds provided for by IFRS 8.
The column "Adjustments" includes the consolidation adjustments included and intersegment eliminations. The "Unallocated items" include income and cost components that have not been allocated to the individual segments. These regard: revenue from construction services recognised in accordance with IFRIC 12 by the Group's motorway operators, depreciation, amortisation, impairment losses and reversals of impairment losses, provisions and other adjustments, financial income and expenses and income tax expense. In relation to the information used to assess the performances of its operating segments, the Group reports EBITDA (calculated as shown in the following table), deemed to be an appropriate means of assessing the results of the Autostrade per l'Italia Group and its operating segments.

A summary of the key performance indicators for each segment, identified in accordance with the requirements of IFRS 8, is shown below.

AUTOSTRADE PER L'ITALIA GROUP - 2013						
(€m)	**Italian motorways**	**Overseas motorways**	**Other activities**	**Adjustments**	**Unallocated items**	**Total consolidated amounts**
External revenue	3,496	557	108	-	-	4,161
Intersegment revenue	32	-	437	-469	-	-
Total revenue	**3,528**	**557**	**545**	**-469**	**-**	**4,161**
EBITDA	**2,106**	**410**	**24**	**1**	**-**	**2,541**
Amortisation, depreciation, impairment losses and reversals of impairment losses					-678	-678
Provisions and other adjustments					-59	-59
EBIT						**1,804**
Financial income/(expenses)					-656	-656
Profit/(Loss) before tax from continuing operations						**1,148**
Income tax (expense)/benefit					-410	-410
Profit/(Loss) from continuing operations						**738**
Profit/(Loss) from discontinued operations					1	1
Profit for the year						**739**
Operating cash flow	**1,289**	**307**	**32**	**-**	**-**	**1,628**

AUTOSTRADE PER L'ITALIA GROUP - 2012						
(€m)	**Italian motorways**	**Overseas motorways**	**Other activities**	**Adjustments**	**Unallocated items**	**Total consolidated amounts**
External revenue	3,483	423	106	2	-	4,014
Intersegment revenue	51	-	636	-687	-	-
Total revenue	**3,534**	**423**	**742**	**-685**	**-**	**4,014**
EBITDA	**2,051**	**276**	**101**	**-**	**-**	**2,428**
Amortisation, depreciation, impairment losses and reversals of impairment losses					-657	-657
Provisions and other adjustments					-74	-74
EBIT						**1,697**
Financial income/(expenses)					-450	-450
Profit/(Loss) before tax from continuing operations						**1,247**
Income tax (expense)/benefit					-336	-336
Profit/(Loss) from continuing operations						**911**
Profit/(Loss) from discontinued operations					11	11
Profit for the year						**922**
Operating cash flow	**1,282**	**179**	**84**	**-**	**-**	**1,545**

The following should be noted with regard to the operating segment information presented in the above tables:

a) intersegment revenue regards intragroup transactions between companies in different operating segments. They relate primarily to the design and construction of motorway infrastructure carried out by companies included in the "Other activities" segment;
b) total revenue does not include revenue from construction services, totalling €768.2 million in 2013 and €1,091.4 million in 2012;
c) EBITDA is calculated by deducting all operating costs, with the exception of amortisation, depreciation, impairment losses on assets and reversals of impairment losses, provisions and other adjustments, from operating revenue;
d) EBIT is calculated by deducting amortisation, depreciation, impairment losses on assets and reversals of impairment losses, provisions and other adjustments from EBITDA. EBIT differs from "Operating profit" in the consolidated income statement, as it does not include the capitalised component of financial expenses relating to construction services, which are not reported in this table, as indicated in point c) above. These amounts are €55.6 million for 2013 and €36.5 million for 2012;
e) operating cash flow is calculated as profit + amortisation/depreciation +/- provisions/releases of provisions + financial expenses from discounting of provisions +/- impairments/reversals of impairments of assets +/- share of profit/(loss) of investments accounted for using equity method +/- (losses)/gains on sale of assets +/- other non-cash items +/- portion of net deferred tax assets/liabilities recognised in the income statement;
f) "capital expenditure" regards investment in intangible assets and financial assets deriving from concession rights, recognised in accordance with IFRIC 12, and in property, plant and equipment.

EBITDA, EBIT and operating cash flow are not identified as performance indicators under the IFRS endorsed by the European Union. They have not, therefore, been audited.
Finally, in no case did revenues from transactions with a single external customer exceed 10% of the Group's total revenue in either 2013 or 2012.

10.2 Analysis by geographical segment

The following table shows an analysis of the Autostrade per l'Italia Group's revenue and non-current assets by geographical segment.

	Revenue		Non-current assets*	
(€m)	2013	2012	31 December 2013	31 December 2012
Italy	3,968.9	4,312.2	18,418.6	18,829.1
Brazil	289.4	296.6	6.3	6.8
Chile	342.0	261.6	1,371.1	1,687.5
France	228.2	144.0	1,987.3	2,319.8
United States	43.0	45.7	19.3	19.2
Poland	54.0	45.2	230.6	266.6
Romania	3.5	-	-	-
India	0.3	0.1	0.1	-
Other European countries	0.1	-	-	-
	4,929.4	**5,105.4**	**22,033.3**	**23,129.0**

* In accordance with IFRS 8, non-current assets do not include financial instruments, deferred tax assets, assets relating to post-employment benefits or rights deriving from insurance contracts.

10.3 Guarantees

The Group has certain personal guarantees in issue to third parties as at 31 December 2013. These include, listed by importance:

a) guarantees issued by Autostrade per l'Italia securing the bonds issued by Atlantia, amounting to a total of €12,782,371 thousand and representing 120% of par value, in return for which Autostrade per l'Italia receives intragroup loans with the same terms to maturity and a face value of €10,651,976 thousand;
b) bank guarantees provided by Tangenziale di Napoli (€32,213 thousand) to the Ministry of Infrastructure and Transport, as required by the covenants in the relevant concession arrangement;
c) guarantees issued by the Brazilian, Chilean and Polish operators securing project financing in the form of either bank loans or bonds.

Also as at 31 December 2013 the shares of certain of the Group's overseas operators (Rodovia das Colinas, Concessionaria da Rodovia MG050, Triangulo do Sol, Sociedad Concesionaria Costanera Norte, Sociedad Concesionaria de Los Lagos, Sociedad Concesionaria Autopista Nororiente, Sociedad Concesionaria Litoral Central, Sociedad Concesionaria Vespucio Sur and Stalexport Autostrada Malopolska) have been pledged to providers of project financing to the same companies, as have shares in Pune Solapur Expressways, Lusoponte and Bologna & Fiera Parking.

10.4 Reserves

As at 31 December 2013 Group companies have recognised contract reserves quantified by contractors amounting to approximately €2,050 million (€1,600 million as at 31 December 2012).
Based on past experience, only a small percentage of the reserves will actually have to be paid to contractors and, in this case, will be accounted for as an increase in the cost of concession rights.

10.5 Related party transactions

This section describes the Autostrade per l'Italia Group's principal transactions with related parties, identified as such according to the criteria in the procedure for related party transactions adopted by the parent, Atlantia, in application the Regulations adopted by the *Commissione Nazionale per le Società e la Borsa* (the CONSOB) in Resolution 17221 of 12 March 2010, as amended. This Procedure, which is available for inspection at the Company's website **www.atlantia.it**, sets out the criteria to be used in identifying related parties and the related reporting requirements.

The following table shows amounts in the income statement and statement of financial position generated by the Autostrade per l'Italia Group's related party transactions, broken down by nature of the transaction (trading or financial), including those with Directors, Statutory Auditors and key management personnel at the Parent Company, Autostrade per l'Italia SpA.

Related party trading and other transactions								
(€m)								
Name	31 December 2013		2013		31 December 2012		2012	
	Assets	Liabilities	Income	Expenses	Assets	Liabilities	Income	Expenses
Parents								
Atlantia	30.3	5.4	1.9	2.3	90.5	7.8	1.8	2.0
Sintonia	18.5	-	-	0.1	18.0	-	-	-
Total parents	**48.8**	**5.4**	**1.9**	**2.4**	**108.5**	**7.8**	**1.8**	**2.0**
Associates								
Bologna and Fiera Parking	1.1	-	-	-	1.1	-	-	-
Società Autostrada Tirrenica	2.1	4.7	2.3	-	7.9	5.6	7.8	-
Biuro Centrum	-	-	0.1	0.7	-	-	-	0.4
Uirnet	2.5	-	0.3	-	2.7	0.1	0.7	-
Total associates	**5.7**	**4.7**	**2.7**	**0.7**	**11.7**	**5.7**	**8.5**	**0.4**
Affiliates								
Autogrill	37.7	0.7	73.4	14.3	37.1	1.4	72.9	1.6
United Colors of Communication	-	0.5	-	0.5	-	-	-	-
Pune Solapur Expressways private Ltd	0.4	-	-	-	0.2	-	0.2	-
TowerCo	3.0	0.1	5.3	0.1	5.0	-	5.1	-
Aeroporti di Roma group	0.4	-	0.4	-	-	-	-	-
Total affiliates	**41.5**	**1.3**	**79.1**	**14.9**	**42.3**	**1.4**	**78.2**	**1.6**
Pension funds								
ASTRI pension fund	-	4.1	-	11.0	-	4.1	-	11.1
CAPIDI pension fund	-	2.6	-	2.6	-	2.0	-	2.0
Total pension funds	**-**	**6.7**	**-**	**13.6**	**-**	**6.1**	**-**	**13.1**
Key management personnel								
Key management personnel (1)	-	1.2	-	4.4	-	0.4	-	3.3
Total key management personnel	**-**	**1.2**	**-**	**4.4**	**-**	**0.4**	**-**	**3.3**
TOTAL	**96.0**	**19.3**	**83.7**	**36.0**	**162.5**	**21.4**	**88.5**	**20.4**

Related party financial transactions								
(€m)								
Name	31 December 2013		2013		31 December 2012		2012	
	Assets	Liabilities	Income	Expenses	Assets	Liabilities	Income	Expenses
Parents								
Atlantia	0.4	11,512.0	26.7	529.2	0.1	10,675.0	25.6	501.4
Total parents	**0.4**	**11,512.0**	**26.7**	**529.2**	**0.1**	**10,675.0**	**25.6**	**501.4**
Associates								
Società Autostrada Tirrenica	110.0	13.5	5.4	0.1	110.0	24.6	5.4	0.2
Società Infrastrutture Toscana	-	-	-	-	-	0.2	-	-
Total associates	**110.0**	**13.5**	**5.4**	**0.1**	**110.0**	**24.8**	**5.4**	**0.2**
Affiliates								
Autogrill SpA	0.6	-	1.4	-	-	-	1.8	-
TowerCo	-	10.2	-	-	-	9.9	-	-
Total affiliates	**0.6**	**10.2**	**1.4**	**-**	**-**	**9.9**	**1.8**	**-**
TOTAL	**111.0**	**11,535.7**	**33.5**	**529.3**	**110.1**	**10,709.7**	**32.8**	**501.6**

(1) Autostrade per l'Italia's "key management personnel" means Directors, Statutory Auditors and other senior management. Expenses for each year include emoluments, salaries, non-monetary benefits, bonuses and other incentives paid to personnel holding positions at Autostrade per l'Italia and its subsidiaries.

Related party transactions do not include transactions of an atypical or unusual nature, and are conducted on an arm's length basis.

The principal transactions entered into by the Group with related parties are described below.

The Autostrade per l'Italia Group's transactions with its parents

With regard to trading relations, the Company provides administrative, financial and tax services to Atlantia.

As a result of the tax consolidation arrangement headed by Atlantia, in which Autostrade per l'Italia and certain of its subsidiaries participate, as at 31 December 2013 the Group has recognised tax assets due from Atlantia of €28.6 million. Tax assets also include receivables due from Sintonia SpA (which has absorbed Schemaventotto), totalling €18.5 million, relating to the expected refund of income tax (IRES) paid during the periods when these companies headed the tax consolidation arrangement.

Transactions of a financial nature as at 31 December 2013 include medium/long-term loans from Atlantia to Autostrade per l'Italia and its subsidiaries, amounting to a total face value of €10,651.9 million. This marks an increase of €825 million compared with 31 December 2012, reflecting the following new loans:

a) a loan to Autostrade per l'Italia with a face value of €75,000 thousand, granted on 17 May 2013, with interest payable at 4.14% and maturing in 2033;
b) a loan to Autostrade per l'Italia with a face value of €750,000 thousand, granted on 29 October 2013, with interest payable at 3.21% and maturing in 2021.

The above borrowings have resulted in the payment of financial expenses totalling €529.2 million.

The conditions applicable to the above loans from the parent replicate those of Atlantia's bond issues, increased by a spread that takes account of the cost of managing the loans. The floating rate loan 2004-2022 (included in "Non-current financial liabilities", described in note 7.15) is hedged against interest rate risk through the use of specific derivative financial instruments entered into with Atlantia. As at 31 December 2013 fair value losses on these instruments amount to €184,542 thousand.

The Autostrade per l'Italia Group's transactions with other related parties

Autostrade per l'Italia provides services to a number of associates. The criteria used to determine the related fees take account of the estimated commitment of resources, for each company, broken down by area of activity.
The Group earned revenue of approximately €5.1 million on transactions with the affiliate, Towerco, regarding fees paid to certain Italian motorway operators in return for the use of land on the motorway network on which to locate telecommunications equipment.

For the purposes of the above CONSOB Resolution, which applies the requirements of IAS 24, the Autogrill group, which is under the common control of Edizione Srl, is treated as a related party. With regard to relations between the Autostrade per l'Italia Group's motorway operators and the Autogrill group, it should be noted that, as at 31 December 2013, Autogrill holds 132 food service concessions for service areas along the Group's motorway network. In 2013 the Group earned revenue of approximately €73.4 million on transactions with Autogrill, including €64.1 million in royalties deriving from the management of service areas. This recurring income is generated by contracts entered into over various years, of which a large part was awarded as a result of transparent and non-discriminatory competitive tenders. As at 31 December 2013 trading assets receivable from Autogrill amount to €37.7 million.

Transactions of a financial nature as at 31 December 2013 include, as part of the Autostrade per l'Italia's provision of centralised treasury services, a loan granted to Autostrada Tirrenica, totalling €110 million and maturing in June 2014.

10.6 Disclosures regarding share-based payments

Since 2009 the parent, Atlantia, has put in place a number of share incentive plans, designed to incentivise and foster the loyalty of directors and/or employees of the Autostrade per l'Italia Group who hold key positions and responsibilities within Autostrade per l'Italia or in Group companies, and linked to the achievement of pre-established corporate objectives. The plans aim to promote and disseminate a value creation culture in all strategic and operational decision-making processes, drive the Group's growth and boost management efficiency.

There were no substantial changes in 2013 to the existing incentive plans approved by Atlantia's shareholders at the General Meetings of 23 April 2009 and 20 April 2011. However, on 22 March 2013 the Board of Directors, in relation to the planned merger of Gemina SpA with and into Atlantia SpA, approved certain amendments to the existing plans, as described below. These were then approved by the General Meeting of shareholders held on 30 April 2013. The amendments are intended to increase the number of plan beneficiaries, to include employees and directors of Aeroporti di Roma as of the 2013 award cycle, so as to render long-term incentive plans consistent throughout the post-merger Group.

The following table shows the main aspects of existing incentive plans as at 31 December 2012, including the options and units awarded to directors and employees of the Atlantia group and changes during 2013. The table also shows the fair value of each option or unit awarded, as determined by a specially appointed expert, using the Monte Carlo model and the following parameters. The amounts have been adjusted for the amendments to the plans originally approved by General Meetings of Atlantia's shareholders and required to ensure plan benefits remained substantially unchanged despite the dilution caused by the bonus issues approved by Atlantia's shareholders on 14 April 2010, 20 April 2011, and 24 April 2012.

	Number of options/units awarded	Vesting date	Exercise / Grant date	Exercise price (€)	Fair value of each option or unit at grant date (€)	Expected expiration at grant date (years)	Risk free interest rate used	Expected volatility (based on historic mean)	Expected dividends at grant date
2009 SHARE OPTION PLAN									
Options outstanding as at 1 January 2013									
- 8 May 2009 grant	534,614	23 April 2013	30 April 2014	11.20	1.66	5.0	2.52%	26.5%	3.44%
- 16 July 2009 grant	174,987	23 April 2013	30 April 2014	12.09	1.32	4.8	2.41%	25.8%	3.09%
- 15 July 2010 grant	140,399	23 April 2013	30 April 2014	13.68	1.42	3.8	1.62%	26.7%	3.67%
- 13 May 2011 grant	26,729	23 April 2013	30 April 2014	11.20	(*)	(*)	(*)	(*)	(*)
	8,749	23 April 2013	30 April 2014	12.09	(*)	(*)	(*)	(*)	(*)
	76,476	23 April 2013	30 April 2014	13.68	1.60	3.0	2.45%	26.3%	4.09%
- 14 October 2011 grant	28,069	23 April 2013	30 April 2014	11.20	(*)	(*)	(*)	(*)	(*)
	9,187	23 April 2013	30 April 2014	12.09	(*)	(*)	(*)	(*)	(*)
	10,844	23 April 2013	30 April 2014	13.68	(*)	(*)	(*)	(*)	(*)
- 14 June 2012 grant	29,471	23 April 2013	30 April 2014	11.20	(*)	(*)	(*)	(*)	(*)
	9,646	23 April 2013	30 April 2014	12.09	(*)	(*)	(*)	(*)	(*)
	11,385	23 April 2013	30 April 2014	13.68	(*)	(*)	(*)	(*)	(*)
	1,060,556								
Changes in options in 2013									
- options not exercisable	-612,266								
- exercised options	-448,290								
Options outstanding as at 31 December 2013	**0**								
2011 SHARE OPTION PLAN									
Options outstanding as at 1 January 2013									
- 13 May 2011 grant	279,860	13 May 2014	14 May 2017	14.78	3.48	6.0	2.60%	25.2%	4.09%
- 14 October 2011 grant	13,991	13 May 2014	14 May 2017	14.78	(*)	(*)	(*)	(*)	(*)
- 14 June 2012 grant	14,692	13 May 2014	14 May 2017	14.78	(*)	(*)	(*)	(*)	(*)
	345,887	14 June 2015	15 June 2018	9.66	2.21	6.0	1.39%	28.0%	5.05%
	654,430								
Changes in options in 2013									
- 8 November 2013 grant	1,592,367	8 November 2016	9 November 2019	16.02	2.65	6.0	0.86%	29.5%	5.62%
Options outstanding as at 31 December 2013	**2,246,797**								
2011 SHARE GRANT PLAN									
Units outstanding as at 1 January 2013									
- 13 May 2011 grant	192,376	13 May 2014	13 May 2015 and 13 May 2016	N/A	12.90	4,0 - 5,0	2.45%	26.3%	4.09%
- 14 October 2011 grant	9,618	13 May 2014	13 May 2015 and 13 May 2016	N/A	(*)	(*)	(*)	(*)	(*)
- 14 June 2012 grant	10,106	13 May 2014	13 May 2015 and 13 May 2016	N/A	(*)	(*)	(*)	(*)	(*)
	348,394	14 June 2015	14 June 2016 and 14 June 2017	N/A	7.12	4,0 - 5,0	1.12%	29.9%	5.05%
	560,494								
Changes in units in 2013									
- 8 November 2013 grant	209,420	8 November 2016	8 November 2017 and 8 November 2018	N/A	11.87	4,0 - 5,0	0.69%	28.5%	5.62%
Units outstanding as at 31 December 2013	**769,914**								
MBO SHARE GRANT PLAN									
Units outstanding as at 1 January 2013									
- 14 May 2012 grant	96,282	14 May 2015	14 May 2015	N/A	13.81	3.0	0.53%	27.2%	4.55%
- 14 June 2012 grant	4,814	14 May 2015	14 May 2015	N/A	(*)	(*)	(*)	(*)	(*)
	101,096								
Changes in units in 2013									
- 2 May 2013 grant	41,077	2 May 2016	2 May 2016	N/A	17.49	3.0	0.18%	27.8%	5.38%
- 8 May 2013 grant	49,446	8 May 2016	8 May 2016	N/A	18.42	3.0	0.20%	27.8%	5.38%
Units outstanding as at 31 December 2013	**191,619**								

(*) Options and units awarded as a result of Atlantia's bonus issues which, therefore, do not represent the award of new benefits.

The main features of the plans and of any changes in 2013 are given below. Detailed information on the plans is contained in an Information Memorandum published on the Group's website at www.atlantia.it and prepared pursuant to art. 84-bis of CONSOB Regulation 11971/1999, as subsequently amended.
In general, the options and units awarded under any of the existing plans may not form part of *inter vivos* transfers by beneficiaries, and may not be subject to restrictions or be part of any disposition for any reason. The options and units cease to be exercisable or convertible on the unilateral termination of employment or in the event of dismissal for cause of the beneficiary prior to expiration of the vesting period.

2009 Share Option Plan
With regard to the 2009 Share Option Plan, 23 April 2013 was the vesting date for these options. In accordance with the Plan approved by Atlantia's shareholders on 23 April 2009, described in the financial statements for previous years, the effective options vested were determined on the basis of the final value of Atlantia's shares (the market value of each share, by convention calculated on the basis of the average official price of Atlantia's ordinary shares at the end of each trading day in the period from 23 January 2013 to 23 April 2013, plus any dividends paid from the grant date to the end of the vesting period), amounting to €15.58; this resulted in the vesting of options equal to 42.27% of the options originally granted.
As a result of the above, the number of vested options amounts to 448,290, whilst 612,266 of the options originally granted were not exercisable.
In 2013 all the beneficiaries exercised the vested options; this entailed the allocation to them of 448,290 of the Company's ordinary shares, held as treasury shares, against payment of the established exercise price.
Therefore, as at 31 December 2013 there are no further options outstanding and the Plan is for all intents and purposes closed.

2011 Share Option Plan
As approved by the Annual General Meeting of Atlantia's shareholders on 20 April 2011, and amended by the Annual General Meeting of Atlantia's shareholders on 30 April 2013, the Plan entails the award of up to 2,500,000 options free of charge in three annual award cycles (2011, 2012 and 2013). Each option will grant beneficiaries the right to purchase one ordinary Atlantia share held in treasury, with settlement involving either physical delivery or, at the beneficiary's option, a cash payment equivalent to the proceeds from the sale of the shares on the stock exchange organised and managed by Borsa Italiana SpA, after deduction of the full exercise price. The exercise price is equivalent to the average of the official prices of Atlantia's ordinary shares in the month prior to the date on which Atlantia's Board of Directors announces the beneficiary and the number of options to be awarded.
The options granted will vest in accordance with the Plan terms and conditions and, in particular, only if, on expiration of the vesting period (three years from the date of award of the options to beneficiaries by Atlantia's Board of Directors), cumulative FFO (total operating cash flow of the Group, the Company or of one or more specific subsidiaries – depending on the role held by the various beneficiaries of the Plan - for each of the three annual reporting periods preceding expiration of the vesting period, adjusted for a number of specific items) is higher than a pre-established target, unless otherwise decided by Atlantia's Board of Directors, which has the authority to assign beneficiaries further targets. Vested options may be exercised, in part, from the first day following expiration of the vesting period and, in part, from the end of the first year following expiration of the vesting period and, in any event, in the three years following expiration of the vesting period (subject to the clause in the Plan terms and conditions requiring executive Directors and key management personnel to maintain a minimum holding). The number of exercisable options will be calculated on the basis of a mathematical algorithm that takes account, among other things, of the current value and the exercise price, plus any dividends paid, so as to cap the realisable gain.
On 8 November 2013 the Board of Directors, within the scope of the third annual award cycle (2013), identified the awardees and approved the award of 1,592,367 options to certain directors

and employees. These options vest between 8 November 2013 and 8 November 2016 and are exercisable in the period between 8 November 2016 and 9 November 2019 at an exercise price per share of €16.0212.

2011 Share Grant Plan

As approved by the Annual General Meeting of Atlantia's shareholders on 20 April 2011, and amended by the Annual General Meeting of Atlantia's shareholders on 30 April 2013, the Plan entails the grant of up to 920,000 units free of charge in three annual award cycles (2011, 2012 and 2013). Each unit will grant beneficiaries the right to receive one Atlantia ordinary share held in treasury, with settlement involving either physical delivery or, at the beneficiary's option, a cash payment equivalent to the proceeds from the sale of the shares on the stock exchange organised and managed by Borsa Italiana SpA.

The units granted will vest in accordance with the Plan terms and conditions and, in particular, only if, on expiration of the vesting period (three years from the date the units are granted to beneficiaries by Atlantia's Board of Directors), cumulative FFO (total operating cash flow of the Group, the Company or of one or more specific subsidiaries – depending on the role held by the various beneficiaries of the Plan - for each of the three annual reporting periods preceding expiration of the vesting period, adjusted for a number of specific items) is higher than a pre-established target, unless otherwise decided by Atlantia's Board of Directors. Vested units may be converted into shares, in part, after one year from the date of expiration of the vesting period and, in part, after two years from the date of expiration of the vesting period (subject to the clause in the Plan terms and conditions requiring executive Directors and key management personnel to maintain a minimum holding). The number of convertible units will be calculated on the basis of a mathematical algorithm that takes account, among other things, of the current value and initial value of the shares so as to cap the realisable gain.

Certain shares resulting from conversion of the units will be subject to a lock-up until expiry of the term set out in the terms and conditions, except where authorisation is obtained in writing from the Board of Directors.

On 8 November 2013 Atlantia's Board of Directors, within the scope of the third annual award cycle (2013), approved the grant of 209,420 units to certain of the Group's directors and employees. These units vest between 8 November 2013 and 8 November 2016 and are convertible, in accordance with the above terms and conditions, on 8 November 2017 and 8 November 2018.

MBO Share Grant Plan

As approved by the Annual General Meetings of Atlantia's shareholders on 20 April 2011 and 30 April 2013, the MBO Share Grant Plan, serving as part payment of the annual bonus for the achievement of objectives assigned to each beneficiary under the Management by Objectives (MBO) plan adopted by the Group, entails the grant of up to 340,000 units free of charge annually for three years (2012, 2013 and 2014). Each unit will grant beneficiaries the right to receive one ordinary Atlantia share held in treasury.

The units granted (the number of which is based on the unit price of the company's shares at the time of payment of the bonus, and on the size of the bonus effectively awarded on the basis of achievement of the assigned objectives) will vest in accordance with the Plan terms and conditions, on expiration of the vesting period (three years from the date of payment of the annual bonus to beneficiaries, following confirmation that the objectives assigned have been achieved). Vested units will be converted into shares on expiration of the vesting period, on the basis of a mathematical algorithm that takes account, among other things, of the current value and initial value of the shares, plus any dividends paid, so as to cap the realisable gain.

Following the meeting of Atlantia's Board of Directors on 8 March 2013, a total of 90,523 units were granted with effect from 2 May 2013 and 8 May 2013, following the achievement of the objectives for 2012. The units were granted to the Directors and employees of the Group previously selected at the Board of Directors' meeting of 11 May 2012, with vesting dates of 2 May 2016 and 8 May 2016, respectively, and conversion into shares from this latter date. In addition,

with regard to the objectives for 2013, at its meeting of 22 March 2013 Atlantia's Board of Directors established the criteria for selecting the beneficiaries of the Plan in question for 2013.
In view of the previously indicated need to conduct prior verification of the achievement of the individual objectives assigned to each beneficiary, it is not at the moment possible to quantify the number of units to be granted for the second annual MBO share grant cycle, or, indeed, the fair value of each of the benefits. As, however, certain of these benefits have already vested since the grant date, the fair value of units awarded has been estimated for the purposes of these financial statements in order to accrue the amounts for the year.

The prices of Atlantia's ordinary shares in the various periods covered by the above plans are shown below:

a) price at 31 December 2013: €16.27;
b) price at 8 November 2013 (the grant date for new options under the 2011 Share Option Plan and new units under the 2011 Share Grant Plan, as previously described): €15.99;
c) price at 22 March 2013 (the grant date for new units under the MBO Share Grant Plan): €12.56;
d) the weighted average price for 2013: €14.13;
e) the weighted average price in the period 8 November – 31 December 2013: €15.97
f) the weighted average price in the period 22 March – 31 December 2013: €14.42.

As a result of implementation of the above plans, in accordance with the requirements of IFRS 2, in 2013 the Group recognised an increase in equity reserves of €3.3 million in these consolidated financial statements, based on the accrued fair value of the options and units awarded to certain Directors and employees of the Autostrade per l'Italia Group, with a double entry in staff costs.

10.7 <u>Significant regulatory aspects and litigation</u>

This section describes a number of the main disputes outstanding and key regulatory aspects of importance to the Group's operators through to the date of approval of these consolidated financial statements.
Current disputes are unlikely to give rise to significant charges for Group companies in addition to the provisions already accounted for in the consolidated statement of financial position as at 31 December 2013.

ITALIAN MOTORWAYS

Disputes with food and oil service providers

In November 2013 Autogrill filed three legal challenges, one before Lazio Regional Administrative Court, one before Emilia Romagna Regional Administrative Court and the third before Lombardy Regional Administrative Court. The plaintiff is requesting cancellation, subject to suspensive relief, of the calls for expressions of interest and the invitations sent by the Advisor, Roland Berger, in relation to the award of food service concessions at a number of motorway service areas. In brief, Autogrill is contesting the onerous nature of the conditions forming the basis of the tenders. Two requests for suspensive relief have been rejected by the courts and one has been withdrawn by the plaintiff. Moreover, with regard to tenders in the meantime completed by the Advisor, as a result of which Autogrill was ranked first, in January 2014 Autogrill filed three challenges, one before Tuscany Regional Administrative Court, one before Piedmont Regional Administrative Court and a third before Liguria Regional Administrative Court, requesting cancellation of certain contract terms and conditions governing financial aspects of the sub-concession arrangement. Again with reference to the above tenders called by the Advisor, as a result of which Autogrill ranked first, the company has announced additional grounds for the challenges filed in November 2013, containing a similar request for cancellation of the contract terms and conditions governing financial aspects of the sub-concession arrangement.
Two holders of food service concessions, My Chef and Chef Express, have alleged that Autostrade per l'Italia has breached the terms of contracts relating to a number of service areas, requesting the payment of damages. In brief, the dispute regards six claims brought before the Civil Court of Rome regarding the same number of service areas. The actions regard alleged breaches of contract by Autostrade per l'Italia and delays in carrying out foreseen investment by the providers, which the providers themselves claim is not their responsibility. The plaintiffs are requesting the payment of damages and a reduction in the royalties payable.
Autostrade per l'Italia SpA has been served two further writs by Chef Express in 2014. Consequently, there are now a total of eight claims pending before the Civil Court of Rome regarding the same number of service areas.

With reference to the dispute involving an oil service provider (Tamoil) that has requested the termination of existing agreements, alleging that the terms are excessively onerous and requesting the payment of damages for breach of contract by Autostrade per l'Italia in relation to a number of service areas, and the challenges brought by Tamoil against the orders for payment served on the company due to its failure to pay the fees due, on 9 June 2014 the parties reached a global settlement that involves, among other things, withdrawal of the above legal action.

Claim for damages from the Ministry of the Environment

On 26 March 2013 the Ministry of the Environment filed a civil claim in connection with a criminal case pending before the Pontassieve division of the Court of Florence. The case, which dates back to 2007 and relates to events in 2005, involves two of Autostrade per l'Italia's managers and another 18 people from contractors, and regards alleged violations of environmental laws during construction of the *Variante di Valico*. The Ministry is claiming "equivalent damages" of approximately €800 million for joint liability of the accused. The Ministry's claim was notified to Autostrade per l'Italia on 10 April.
The Public Prosecutor's investigation centres around categorisation of the materials produced during excavation of the tunnels as "waste" - consisting of earth removed as work on boring the

tunnel proceeds, mixed with other materials related to construction and demolition containing hazardous substances. The Public Prosecutor's Office claims that, as a result, the conduct of Autostrade per l'Italia's managers and the contractors carrying out the work was illegal, given that these materials were then used in constructing motorway embankments and in the landscaping work included in the designs and approved by the relevant authorities.
Based in part on opinions obtained from Autostrade per l'Italia's advisors, the company notes the following:

a) in supervising execution of the above works and, in particular, in handling the resulting excavation material, Autostrade per l'Italia has always acted in consultation with the government bodies and local authorities with responsibility for the related controls, as required by the Unified Standards, dated 8 August 2008, for the treatment of soil and rocks from excavation work, containing specific procedures for the handling of these materials;
b) the method used for the works in question was confirmed by ministerial decree 161/2012, which clarifies the conditions to be met before soil and rocks from excavation work can be reused as by-products, confirming what was agreed with the Ministry of the Environment in the above Unified Standards on 8 August 2008. The above decree also establishes limits on the amount of pollutants contained for the purposes of reuse in motorway infrastructure, limits with which the materials in question complied, as certified by a technical expert provided by the Engineering Department of the University of Roma Tre;
c) it should also be noted that the abnormally large claim for equivalent damages, presented during the criminal trial (in place of any prior attempts at environmental recovery), appears not to be compliant with Italian legislation or with EU Directive 2004/35/EC. In respect of which, the European Commission indeed initiated infringement proceedings against Italy in 2007 (no. 2007/4679), which has recently resulted in the inclusion of a number of amendments of the Environmental Code in legislation enacted on 6 August 2013 (the so-called "European Law 2013"). The amendments include (in art. 25 of the above European Law) elimination of the provision requiring payment of the "equivalent damages" referred to in art. 311 of the Environmental Code, without prejudice to the payment of compensation for specific environmental damage through specific reparation;
d) however, in the remote likelihood that the court should find the two managers liable, the company believes that any recovery work would be limited.

Autostrade per l'Italia, therefore, in part based on the uniform opinions issued by its legal advisors, deems the claim to be without grounds and as a result, in view of the remoteness of the risk, has not made any provision in the financial statements for 2013.
At the hearing held on 25 June 2013, Autostrade per l'Italia appeared before the court as the civil defendant. The hearing was adjourned until 27 September 2013, partly in order to rule on the objections raised by the defence, and subsequently – given the closure of the Pontassieve division pursuant to Legislative Decree 155/2012 and the decision to switch all trials to the Court of Florence. The adjournment was initially until 4 October 2013 and later until 9 December 2013.
At this latter hearing, the judge issued an order bearing the same date, in which, among other things, he (i) struck out the technical report forming the basis for the civil action and the Ministry's request for damages as it had not been signed, (ii) confirmed that the technical experts employed by ARPAT (the regional environmental protection agency) do not qualify as criminal investigators in conducting their duties in relation to the legislation governing the correct management of waste, and (iii) established that the sampling reports produced by ARPAT staff without notifying the person investigated are null and void.
A total of 8 hearings have been scheduled between now and December 2014.

Challenge filed by Varese Provincial Authority

On 6 March 2014, Varese Provincial Authority filed a legal challenge before Lazio Regional Administrative Court against the Ministry of Infrastructure and Transport, the Ministry of the Economy and Finance, ANAS and Autostrade per l'Italia, requesting cancellation, subject to suspensive relief, (i) of the decree of 31 December 2013 issued by the Ministry of Infrastructure and Transport, in agreement with the Ministry of the Economy and Finance, approving the toll increase for 2014, regarding, in particular, tolls on the A8 and A9 motorways, and (ii) the arrangement under which Autostrade per l'Italia was permitted to operate the toll stations on the above motorways, collecting a toll that is not based on the effective distance travelled by road users. Varese Provincial Authority also requested an injunction suspending implementation of the above decree and thus the toll increase. This request for injunctive relief was turned down by the Regional Administrative Court on 17 April 2014. A date for the hearing to discuss the challenge has yet to be fixed.

Società Infrastrutture Toscane SpA

In 2006 Società Infrastrutture Toscane ("SIT") signed the Concession Arrangement with Tuscany Regional Authority covering the construction and management of the motorway link between Prato and Signa, under a project financing initiative. SIT is 46% owned by Autostrade per l'Italia.

At the end of 2011 Tuscany Regional Authority terminated the arrangement, deeming the costs to be excessively high. Following the start of arbitration, the Arbitration Panel filed its arbitration award on 19 February 2014. The Panel found the Regional Authority's termination of the arrangement due to its high cost to be legal, ruling that the Authority should pay SIT, as a result of the termination, approximately €30.6 million (including €9.8 million as payment for design work), and that SIT should return public subsidies of approximately €32.2 million, with the debit and credit amounts to be offset. The Panel ruled that SIT should pay the difference due only following the outcome of the failed enforcement of the guarantee provided by Assicurazioni Generali SpA in relation to the project.

Partly to permit early implementation of the award, Generali Italia, Tuscany Regional Authority and SIT agreed a settlement on 1 October 2014 in order to resolve a situation involving a number of significant disputes. As a result, the concession is to be considered as definitively terminated with effect from 1 October 2014.

Autostrade per l'Italia -Autostrade Tech against Alessandro Patanè and others

To protect the Group's position following repeated claims filed by Mr. Alessandro Patanè and the companied linked to him, in substance regarding ownership of the software used in the SICVe (Safety Tutor) systems, on 14 August 2013 Autostrade per l'Italia and Autostrade Tech served a writ on Mr. Patanè before the Court of Rome, with the aim of having his claims declared without grounds.

On appearing before the court at the beginning of 2014, Mr. Patané filed a counterclaim after the legal deadline. The counterclaim contains, among other things, an assertion that the SICVe system has been illegally copied and asserting title to the system, and a claim for damages of approximately €7.5 billion.

The action, originally assigned to another section of the court, has finally been assigned to the section specializing in commercial disputes.

The first hearing, which should have been held on 23 April 2014, was adjourned until 3 December 2014 and the judge was replaced.

In the opinion of Autostrade per l'Italia's external legal advisor, none of the counterclaims have any chance of success, given that they were filed late and that the claims are inadmissible and without grounds.

Accident on the Acqualonga viaduct on the A16 Naples-Canosa motorway on 28 July 2013

On 28 July 2013 there was an accident on the A16 Naples-Canosa motorway at km 32+700. The accident, which occurred on the Naples-bound carriageway on the Acqualonga viaduct, involved a coach and a number of cars. 40 people were killed as a result of the accident. As a result of this event, the Public Prosecutor's Office in Avellino, which is conducting a preliminary investigation, notified Autostrade per l'Italia of a sequestration order in respect of the concrete slabs to which the New Jersey type crash barriers were fitted along the right-hand edge of the section between Km 32+600 and km 34+400 of the westbound carriageway of the A16 motorway, as well as the roadside crash barriers on this stretch of motorway, which finished up below the viaduct. The investigation involves three managers (the current Director of the section of motorway and his two predecessors) and two employees of Autostrade per l'Italia, who are being investigated for multiple manslaughter and negligence. The Public Prosecutor's Office in Avellino later ordered sequestration of the westbound carriageway of the entire Acqualonga viaduct, only partially

covered by the previous order, and widened the scope of the investigation being conducted by its technical experts to include checks on safety levels along the eastbound carriageway of the Acqualonga viaduct and on all the viaducts on the section of motorway from Baiano to Avellino West. This was done to see whether or not there is evidence of deterioration and thus of danger to the public. The relevant checks were carried out on 5 September 2013. Subsequently, the Public Prosecutor's Office in Avellino issued a decree on 7 November 2013, releasing from seizure the above viaduct and setting out a number of requirements to be met in carrying out the repairs needed to restore the viaduct to its previous condition. Autostrade per l'Italia has subsequently complied with these requirements.
In May 2014 the experts appointed by the Public Prosecutor's Office in Avellino filed their technical report. The report highlights the poor state of maintenance of the safety barriers which, if confirmed, could imply that Autostrade per l'Italia is liable.
It should be noted that Autostrade per l'Italia has an insurance policy that covers the Company for third-party liability. In June 2014, three further managers from Autostrade per l'Italia SpA were placed under investigation by the Public Prosecutor's Office in Avellino. In total, therefore, there are now eight of Autostrade per l'Italia SpA's managers/employees under investigation.
Finally, in September 2014, the examining judge with responsibility for the case extended the deadline for completion of the preliminary investigation by six months.

Five-yearly revision of Autostrade per l'Italia's financial plan

On 24 December 2013 the Grantor and Autostrade per l'Italia signed an Addendum to the Single Concession Arrangement. This document contained the five-yearly revision of the financial plan annexed to the Arrangement, as provided for by art. 11 of the Arrangement. The above Addendum was approved by a ministerial decree of 30 December 2013 and registered with the Italian Court of Auditors on 29 May 2014.

Five-yearly revision of the financial plans of Tangenziale di Napoli and Raccordo Autostradale Valle d'Aosta

In compliance with CIPE Resolution 27/2013, in June 2014 Tangenziale di Napoli SpA and Raccordo Autostradale Valle d'Aosta SpA submitted their proposed five-yearly revision of their financial plans to the Grantor, the Ministry of Infrastructure and Transport. In particular, with regard to Raccordo Autostradale Valle d'Aosta SpA, the proposed revision of the plan also includes a proposal to make up for the failure to award a toll increase from 1 January 2014.
The process of drawing up the revised plans with the Grantor is in progress, with the new plan to be formalised in the form of addenda to the existing concession arrangements.

Toll increases with effect from 1 January 2014

In accordance with the decree issued by the Ministry of Infrastructure and Transport and the Ministry of the Economy and Finance, the toll increase applicable to Autostrade per l'Italia for 2014, introduced from 1 January, is 4.43%. This increase is the sum of the following components: 1.54%, being equivalent to 70% of the consumer price inflation rate in the period from 1 July 2012 to 30 June 2013; 2.69% designed to provide a return on additional capital expenditure via the X tariff component; 0.20% designed to provide a return on new investment via the K tariff component. The toll increases for 2014 applicable to the Group's other motorway operators also came into effect from 1 January 2014. Unlike Autostrade per l'Italia, the operators, Raccordo Autostradale Valle d'Aosta and Tangenziale di Napoli apply a tariff formula that takes into account the target inflation rate, a rebalancing component and a return on investment, in addition to quality. A toll increase of 5% was approved for Raccordo Autostradale Valle d'Aosta, thus delaying, until revision of the Financial Plan to be completed by 30 June 2014, any decision regarding the method of recouping the portion of the increase due but not recognized (8.96%). Tangenziale di Napoli was awarded an increase of 1.89%. Autostrade Meridionali was not authorised to apply any toll increase following expiry of its concession on 31 December 2012. Raccordo Autostradale Valle d'Aosta and Autostrade Meridionali have filed legal challenges to the above decrees regarding tolls. Traforo del Monte Bianco, which operates under a different concession regime based on bilateral agreements between Italy and France, applied a total increase of 3.35% from 1 January 2013, in accordance with the resolutions approved by the relevant Intergovernmental Committee. This includes 0.95% for inflation and 2.40% in accordance with the joint declaration issued by the Italian and French governments on 3 December 2012, with use of the proceeds still be decided on by the two governments.

Challenges filed by Autostrade Meridionali and Raccordo Autostradale Valle d'Aosta regarding the absence of toll increases with effect from 1 January 2014

In 2014 Autostrade Meridionali SpA brought an action before Campania Regional Administrative Court, challenging the Decree of 31 December 2013 issued by the Ministry of Infrastructure and Transport, in agreement with the Ministry of the Economy and Finance, in which the Ministry omitted to award any toll increase for 2014, on 28 May 2014 the Court upheld the request for an injunction brought by Autostrade Meridionali SpA, requiring the Grantor to review its earlier decision. In execution of the ruling, on 18 July 2014 the Grantor issued a report on its review, confirming its earlier position. As part of the same action, Autostrade Meridionali SpA has also challenged this decision, with additional grounds.

Raccordo Autostradale Valle d'Aosta has also brought an action before the Regional Administrative Court in 2014, challenging the Decree of 31 December 2013 issued by the Ministry of Infrastructure and Transport, in agreement with the Ministry of the Economy and Finance, awarding the company a toll increase of 5% for 2014, thus lower than the increase requested (13.96%).

Office of Transport Regulation

The Presidential Decree of 9 August 2013 appointed the staff of the Office of Transport Regulation, set up by Law Decree 201/2011, converted with amendments into Law 214/2011, as amended. On 16 October 2013 the Office issued Resolution 1/2013 adopting the Office's Organisational and Operational Regulations.

Use of external contractors

In compliance with Law Decree 1/2012, converted with amendments into Law 27/2012, as amended, in commissioning the works provided for in the concession arrangements agreed prior to 30 June 2002, including those renewed or extended under existing legislation as at 30 June 2002, the minimum percentage of works to be contracted out to third-party contractors by the providers of construction services under concession is 60% from 1 January 2014.

Award of the concession for the A3 Naples – Pompei – Salerno motorway

The single concession arrangement signed by Autostrade Meridionali and the Grantor on 28 July 2009, and approved with Law 191/2009, expired on 31 December 2012. The Grantor published the call for tenders in the Official Gazette of 10 August 2012 in order to award the concession for maintenance and operation of the Naples – Pompei – Salerno motorway. The tender process envisages that the winning bidder must pay Autostrade Meridionali the value of the "takeover right", which the call for tenders has set at up to €410 million. Autostrade Meridionali submitted its request for prequalification. The tender process is still in progress. In compliance with the concession arrangement, in December 2012 the Grantor asked Autostrade Meridionali to continue operating the motorway after 1 January 2013, in accordance with the terms and conditions set out in the concession arrangement, and to implement safety measures on the motorway. According to the terms of the concession arrangement, the transfer of the concession to the incoming operator will

OVERSEAS MOTORWAYS

BRAZIL

On 28 June 2014, the Public Transport Services Regulator for the State of Sao Paulo (ARTESP) approved the toll increase to be introduced by motorway operators in the State of Sao Paulo from 1 July 2014.

Concession arrangements in the State of Sao Paulo provide for annual toll increases based on the inflation rate for the previous 12 months (the consumer price index), which, in the relevant period from June 2013 to May 2014, was 6.37%.

The authorised increase for each operator has been reduced by the additional amount collected as a result of the measures introduced to compensate for the absence of any toll increase for 2013

(i.e. the right to charge for the suspended axles of heavy vehicles and a reduction in the variable concession fee from 3% to 1.5%).
The authorised increases were: 5.72% for Triangulo do Sol; 5.51% for Rodovias das Colinas; 5.44% for Rodovias do Tietè.

After two negative outcomes in the first two instances in the courts of Sao Paulo, in 2004 and 2010, respectively, on 3 December 2013 Brazil's Supreme Court (Superior Tribunal de Justiça di Brasilia, or "STJ") found in favour of the operators, including Triangulo do Sol, who had brought the action challenging the unilateral decision of the Secretariat for Logistics and Transport in the State of Sao Paulo, which, in 1998, had imposed a ban on toll charges for the suspended axles of heavy vehicles, introducing a restriction not provided for in the concession arrangements. Following ARTESP's challenge, requesting a review of the sentence, on 20 February 2014 the court withdrew its previous ruling. On 24 February 2014, the operators then requested that the final ruling should be issued by the Supreme Court's panel of judges. The ruling is still awaited. Should the Court find in the operators' favour, Triangulo do Sol will have a contractual right to charge for suspended axles in the future and a right to compensation for the period prior to the start-up of the concession.

On 13 July 2013 ARTESP used the Official Gazette to announce its decision to proceed with an investigation of all twelve operators in the State of Sao Paulo that agreed Addenda and Amendments with ARTESP, which were signed and approved in 2006. The agreed changes were designed to extend the concession terms to compensate, among other things, for the expenses incurred as a result of taxes introduced after the concessions were granted.
The Addenda and Amendments of 2006 were negotiated and signed by ARTESP on the basis of favourable opinions issued by the Regulator's own technical, legal and finance departments. The Addenda and Amendments were then examined by specific oversight bodies from the Ministry of Transport and the Court of Auditors of the State of Sao Paulo, which confirmed their full validity. ARTESP is contesting the fact that the compensation was calculated on the basis of forecasts in the related financial plans as, moreover, provided for in the concession arrangements, and not on the basis of actual data. The administrative stage of the investigation undertaken by ARTESP with a view to revising the Addenda and Amendments of 2006 has been completed for all the operators concerned and ARTESP is progressively taking legal action in order to request cancellation of the Addenda and Amendments of 2006, thus enabling the regulator to make recalculations in accordance with its proposed method. Notice has to date been served on seven of the twelve operators concerned, including Rodovias das Colinas, which received notice on 29 September 2014. Triangulo do Sol has yet to be served notice, which is, however, expected to take place by the end of 2014. The operators concerned, including Triangulo do Sol and Rodovias das Colinas, and industry insiders, including banks, believe that the risk of a unilateral revision of the Addenda and Amendments is remote. This view is backed up by a number of unequivocal legal opinions provided by leading experts in administrative law and regulation.

POLAND

In September 2013, the Polish transport regulator requested Stalexport to provide information on the timing of its repayment to the Polish government, in accordance with the mechanism provided for in the Concession Arrangement, of the loan granted to finance construction work on the Katowice-Krakow section of the A4 motorway prior to being awarded the concession. The loan was, in turn, provided by the European Bank for Reconstruction and Development (EBRD).
The operator sent the Grantor an updated repayment schedule, based on the latest forecasts.
In January and February 2014, the regulator requested further details, suggesting, among other things, that the loan could constitute "state aid" received by the operator prior to Poland's entry into the EU and, in this case, be the subject of an investigation by the European Commission. Legal experts are currently assessing the actual risk for the operator should the loan be deemed to constitute "state aid". This risk, however, appears moderate.
Since 20 June 2012, the Polish Antitrust Authority has been conducting an Explanatory Proceeding to investigate the investee company, Stalexport Autostrada Maloposka SA.

The proceeding aims to investigate the company's "abuse of its dominant position" with regard to the tolls charged to road users when carrying out construction and extraordinary maintenance work, given that Stalexport Autostrada Maloposka SA is held to operate as a "monopoly". Should the Authority rule that there has been an "abuse of its dominant position", the proceeding could result in a fine.
Whilst reserving the right to challenge any ruling the Authority's investigation may result in, the company is taking steps to define the timing and amount of eventual reductions in tolls whilst such work takes place.
At the end of a similar investigation in 2008 the local Antitrust office fined the Polish company approximately €300 thousand, given that it had not put in place a procedure for reducing tolls during the work.
The fine was confirmed at various instances, including by the Supreme Court.

OTHER ACTIVITIES

ECOMOUV

On 20 October 2011 Autostrade per l'Italia, via the project company, Ecomouv SAS (in which Autostrade per l'Italia holds a 70% interest) signed a partnership agreement with the French Ministry of Ecology, Sustainable Development, Transport and Public Housing (MEEDE) for the implementation and operation of a satellite-based tolling system for heavy vehicles weighing over 3.5 tonnes on approximately 15,000 km of the country's road network (the so-called Eco-Taxe Poids Lourds project).
The contract envisages an initial 21-month design and construction phase, followed by operation and maintenance of the tax collection system for 11 and a half years.
Testing of the system by the French government (*Vérification d'Attitude au Bon Fonctionnement - VABF*) was completed on 8 November 2013 and on 22 November the government acknowledged compliance of the system with the applicable technical, legal and regulatory requirements, save for endorsement of the chains of collection and control. These endorsements, which according to Ecomouv are not necessary for the purpose of the *VABF*, were announced in December 2013.
On 29 October 2013 the French Prime Minister announced the suspension of introduction of the ecotax in order to reduce the burden on road users, as demanded by road hauliers' associations, farmers and politicians in the Brittany region. Postponement of introduction of the tax has had a serious impact on fulfilment of the contract. Two parliamentary committees were set up to look into the ecotax in December 2013, one of which, the *Mission d'Information* at the National Assembly, with the main purpose of establishing if the conditions are right for a renewed attempt to introduce the tax.
The French Ministry of Transport called a tripartite meeting with Ecomouv and the lending banks on 16 January 2014, at which it formally announced the results of system acceptance testing (*Vérification d'Attitude au Bon Fonctionnement* or "*VABF*"), and its intention to initiate negotiations with Ecomouv in order to determine the conditions for suspending the contract until such time as the parliamentary committees had concluded their work, safeguard the government's rights and provide Ecomouv with appropriate guarantees in view of its rights under the Eco-Taxe project and Contract.
On 17 January 2014, after having received the results of the *VABF*, which took place after the issue of a notice of default by Ecomouv, the company provided the government with the report on the user acceptance test that concluded that the System was in working order, which is the contractual condition precedent to the acceptance of the System.
A Senate committee hearing was held on 11 March 2014, at which the representatives of CAP Gemini, the government's technical advisor, who had tested the System, testified under oath that the System was in working order and the User Acceptance Test Report (*Vérification en Service Regulier* or *VSR*) made no mention of a "serious defects". In fact, even though the government had taken two months to analyse the User Acceptance Test Report, it had made no comment on the existence of serious defects that could have prevented it from accepting the system.
Despite this, and although the System is undeniably ready and compliant with the related contract specifications and applicable laws, in a letter of 20 March 2014, the date the government considered to be the deadline for taking a position on the final user acceptance test, the Ministry of

Transport advised Ecomouv that the government was of the opinion that there were grounds for terminating the contract. The reason given being that delivery of the System had taken place over six months later than the delivery date foreseen by the contract (20 July 2013).
At the same time, however, in the same letter the Ministry expressed its hope to restart negotiations with Ecomouv, as subsequently happened on 22 March.
Whilst agreeing to the meeting, in letters dated 21 March and 4 April 2014, Ecomouv, with the support of its legal advisors, firmly and formally rejected the legitimacy of the Ministry of Transport's claims and in particular: (i) the delay of over six months caused by Ecomouv, (ii) the ability of the government to terminate the contract due to the lack of harm caused to the government by the alleged delay, and (iii) maintained that the purpose of the proposed sanction together with the request to meet with Ecomouv to negotiate an agreement, was to gain an unfair advantage over Ecomouv in the negotiations. Ecomouv stated that its letter was without prejudice to its right to raise its own claims and to proceed against the government to protect its rights. At the same time, Ecomouv also initiated the obligatory conciliation procedure provided for in the Contract, in order to arrive at an amicable solution of disputes between the parties prior to any legal action being taken. The conciliation panel, consisting of three former presidents of a section of the French Council of State, formerly opened proceedings on 5 May 2014.
Negotiations between Ecomouv and the General Directorate of Transport (the *DGTIM*), appointed to conduct the negotiations by the Interministerial Committee, have resulted in preparation of a draft Memorandum of Understanding, which the *DGTIM* submitted for political approval by the Interministerial Committee at the beginning of April 2014.
Subsequently, and following the favourable opinion issued by the Conciliation Panel and publication of the findings of the parliamentary committees set up by the French National Assembly and Senate to look into the ecotax, which confirmed the legality of the tender procedures and the advisability of continuing with implementation of the system developed by Ecomouv - on 20 June a Memorandum of Understanding was entered into with the French government governing application of the partnership agreement during the period of suspension of the ecotax through to 31 December 2014.
Under the memorandum, the French government acknowledges that the System developed by Ecomouv meets the requirements set out in the contract, declaring its formal acceptance (the so-called "*mise à disposition*") of the system, and acknowledges its debt to the company. The government will also hold Ecomouv harmless from any operating costs and financial expenses resulting from its decision to postpone introduction of the ecotax. Amendments to the related legislation, aiming to ensure the introduction of the system, expected to enter service from 1 January 2015, with a number of modifications designed to render the tax more socially acceptable, have been approved by the French parliament.
The principal modifications regard the nature of the tax, transforming it into a “road toll” and reducing the extent of the national road network covered by the toll, cutting it from around 15,000 to 4,000 kilometres.
The reduction in the road network covered by the toll will not have more than a marginal impact on the consideration to be received by Ecomouv, which is for the most part fixed over the term of the Contract.
On 26 September 2014, the French government announced (i) the start of trials of the system from 1 October 2014, to enable hauliers to become familiar with how the system works, and (ii) the entry into service of the system during the early weeks of 2015. However, on 9 October 2014, following threats of strike action, involving road blocks, by road hauliers’ associations, the government announced that introduction of the new tax had been indefinitely postponed. Based on press conferences and interviews with senior members of the government over the following days, it would appear that the Eco-Taxe project is about to be abandoned completely by the French government.
On the basis of the agreements signed in June 2014, the government may notify Ecomouv, by 31 October 2014, of its intention to abandon the project. This would take the form an agreed termination, involving the payment of compensation to Ecomouv, which will include full reimbursement of the company’s investment in the project.
Otherwise, despite indefinite postponement of application of the tax, the partnership agreement would remain fully effective, including contractual obligations governing payments due to Ecomouv.

Nevertheless, given the political sensitivity of the project, the situation may develop in other ways, potentially resulting in litigation. Should this be the case, Ecomouv's contractual position is extremely strong.

ELECTRONIC TRANSACTION CONSULTANTS (ETC)

Following the withholding of payment by the Miami-Dade Expressway Authority ("MDX") for the on site and office system management and maintenance services provided by ETC, and after a failed attempt at mediation as required by the service contract, on 28 November 2012 ETC petitioned the Miami Dade County Court in Florida to order MDX to settle unpaid claims amounting to over US$30 million and damages for breach of contact.

In December 2012 MDX, in turn, notified ETC of its decision to terminate the service contract and sue for compensation for alleged damages of US$26 million for breach of contract by ETC.

In August 2013 ETC and MDX agreed a settlement covering the services rendered by ETC during the "disentanglement" phase, which ended on 22 November 2013. MDX has duly paid the sum due.

Pre-trial hearings were concluded during the first half of 2014. The court, which was initially expected to rule by the end of 2014, has announced a delay and a judgement is now expected in February 2015.

Furthermore, in September 2013 the Port Authority of New York and New Jersey (PANY) sent ETC a letter drawing attention to accumulated delays in the project involving installation of a new tolling system for the bridges and tunnels of New York and New Jersey, and requesting immediate action to make up for the delays and ensure completion of the project on time, under penalty of cancellation of the contract. Discussions with the Authority with the aim of resolving the disagreements have so far proved fruitless. ETC believes it has good grounds on which to base a challenge to the Port Authority. In the meantime, design work has been halted and talks are in progress with PANY, with the aim of negotiating an agreed termination of the contract.

10.8 Further events after 31 December 2013

REDUCED TOLLS FOR FREQUENT USERS

On 24 February 2014 a “Memorandum of Understanding” was signed by a number of motorway operators (including Autostrade per l’Italia), the trade association, AISCAT, and the Minister of Infrastructure and Transport. This has introduced reduced tolls for private road users who frequently make the same journey (of no more than 50 km) in class A vehicles. To benefit the user must have a Telepass account in the name of a private individual and must make the same journey more than 20 times in a calendar month, subject to a limit of twice a day. The reductions involve application of a discount on the relevant toll with effect from the 21st journey. The discounts are progressive, rising from a minimum 1% of the total toll payable for 21 journeys up to 20% of the total toll for 40 journeys. A discount of 20% will also be applied if users make between 41 and 46 journeys, whilst any journeys after the 46th will not qualify for the discount.
In accordance with the memorandum, in the first four-month trial period (from 1 February to 31 May 2014) operators will absorb the loss of revenue resulting from the discount. After this period (from 1 June 2014 until 31 December 2015), operators will have the right to recoup the lost revenue through the solutions described in the Memorandum.

CLAIM BROUGHT BY ESA EURO SERVICE ASSISTANCE SRL AGAINST AUTOSTRADE PER L’ITALIA SPA, TANGENZIALE DI NAOPOLI SPA, AUTOSTRADE MERIDIONALI SPA, ANAS SPA, ACI GLOBAL SPA AND EUROP SERVICE ASSISTENCE VAI SPA

On 7 May 2014 ESA served a writ on Autostrade per l’Italia SpA and other parties before the Court of Naples, asking the court to declare the regulations drawn up by the motorway operators, in relation to motorway breakdown services, invalid as far as they relate to the assignment of requests of a "nominative" kind, alleging that there is an agreement restricting competition and violation of art.2, paragraph 2 of Law 287/90. The claim amounts to €417.6 thousand. The first hearing is scheduled for 10 November 2014.

DISPOSAL OF THE CONTROLLING INTEREST IN PAVIMENTAL

In the first half of 2014, the parent, Atlantia, approved a restructuring of the companies that provide construction and maintenance services to the Atlantia Group’s motorway and airport operators. The restructuring envisages, among other things, Autostrade per l’Italia’s disposal of its controlling interests in Pavimental and Spea (as at 30 June 2014, amounting to 99.4% and 100% of the companies’ issued capital, respectively). Atlantia is to acquire control of both companies, whilst, on completion of the restructuring, both Autostrade per l’Italia and the affiliate, Aeroporti di Roma (a subsidiary of Atlantia) will each hold a 20% interest in the two investees.
On 8 August 2014, as part of a restructuring of the Atlantia Group’s investments, Autostrade per l’Italia transferred:
a) 46,223,290 shares, representing 59.4% of Pavimental’s issued capital, to Atlantia SpA;
b) 15,563,773 shares, representing 20% of Pavimental’s issued capital, to Aeroporti di Roma SpA.
As a result of this transaction, Autostrade per l’Italia owns a 20% interest in Pavimental.

The corporate restructuring, including the planned disposal of the controlling interest in Spea, is expected to be completed in the coming months, following receipt of the necessary clearance from the relevant authorities.

3

3. ANNEXES

ANNEX 1

THE AUTOSTRADE PER L'ITALIA GROUP'S BASIS OF CONSOLIDATION AND INVESTMENTS AS AT 31 DECEMBER 2013

ANNEX 2

RECLASSIFIED FINANCIAL STATEMENTS OF THE AUTOSTRADE PER L'ITALIA GROUP

ANNEX 1

THE AUTOSTRADE PER L'ITALIA GROUP'S BASIS OF CONSOLIDATION AND INVESTMENTS AS AT 31 DECEMBER 2013

NAME	REGISTERED OFFICE	BUSINESS	CURRENCY	SHARE CAPITAL/CONSORTIUM FUND AS AT 31 DECEMBER 2013	HELD BY	% INTEREST IN SHARE CAPITAL/ CONSORTIUM FUND AS AT 31 DECEMBER 2013	OVERALL GROUP INTEREST (%)	NOTE
PARENT								
AUTOSTRADE PER L'ITALIA SpA	ROME	MOTORWAY OPERATION AND CONSTRUCTION	EURO	622,027,000				
SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS								
AD MOVING SpA	ROME	ADVERTISING SERVICES	EURO	1,000,000	Autostrade per l'Italia SpA	100%	100%	
ATLANTIA BERTIN CONCESSÕES SA	SAO PAULO (BRAZIL)	HOLDING COMPANY	REAL	773,739,894	Triangulo do Sol Participacões SA	100%	50.00%	(1)
AUTOSTRADE CONCESSÕES E PARTICIPACÕES BRASIL LIMITADA	SAO PAULO (BRAZIL)	HOLDING COMPANY	REAL	729,590,863		100%	100%	
					Autostrade Portugal - Concessoes de Infrastructuras SA	25.00%		
					Autostrade dell'Atlantico Srl	41.14%		
					Autostrade Holding do Sur SA	33.86%		
AUTOSTRADE DELL'ATLANTICO Srl	ROME	HOLDING COMPANY	EURO	1,000,000	Autostrade per l'Italia SpA	100%	100%	
AUTOSTRADE HOLDING DO SUR SA	SANTIAGO (CHILE)	HOLDING COMPANY	PESO	51,496,805,692		100%	100%	
					Autostrade dell'Atlantico Srl	99.99%		
					Autostrade per l'Italia SpA	0.01%		
AUTOSTRADE INDIAN INFRASTRUCTURE DEVELOPMENT PRIVATE LIMITED	MUMBAI - MAHARASHTRA (INDIA)	HOLDING COMPANY	RUPEE	500,000		100%	100%	
					Autostrade per l'Italia SpA	99.99%		
					SPEA Ingegneria Europea SpA	0.01%		
AUTOSTRADE MERIDIONALI SpA	NAPLES	MOTORWAY OPERATION AND CONSTRUCTION	EURO	9,056,250	Autostrade per l'Italia SpA	58.98%	58.98%	(2)
AUTOSTRADE PORTUGAL - CONCESSÕES DE INFRAESTRUCTURAS SA	SINTRA (PORTUGAL)	HOLDING COMPANY	EURO	30,000,000	Autostrade dell'Atlantico Srl	100%	100%	
AUTOSTRADE TECH SpA	ROME	INFORMATION SYSTEMS AND EQUIPMENT FOR THE CONTROL AND AUTOMATION OF TRAFFIC AND ROAD SAFETY	EURO	1,120,000	Autostrade per l'Italia SpA	100%	100%	
CONCESSIONÁRIA DA RODOVIA MG 050 SA	SAO PAULO (BRAZIL)	MOTORWAY OPERATION AND CONSTRUCTION	REAL	53,976,022	Atlantia Bertin Concessões SA	100%	50.00%	(1)
DANNII HOLDING GMBH	VIENNA (AUSTRIA)	ACQUISITION AND MANAGEMENT OF INVESTMENTS IN OTHER COMPANIES	EURO	10,000	Autostrade Tech SpA	100%	100%	

(1) The Autostrade per l'Italia Group holds 50% plus one share in the companies and exercises control on the base of partnership and governance agreements.

(2) The company is listed on Borsa Italiana SpA's Expandi market.

NAME	REGISTERED OFFICE	BUSINESS	CURRENCY	SHARE CAPITAL/CONSORTIUM FUND AS AT 31 DECEMBER 2013	HELD BY	% INTEREST IN SHARE CAPITAL/ CONSORTIUM FUND AS AT 31 DECEMBER 2013	OVERALL GROUP INTEREST (%)	NOTE
ECOMOUV' D&B SAS.	PARIS (FRANCE)	DESIGN/CONSTRUCTION/DISTRIBUTION OF EQUIPMENT REQURIED FOR ECO-TAXE	EURO	500,000	Autostrade per l'Italia SpA	75.00%	75.00%	
ECOMOUV' SAS.	PARIS (FRANCE)	FINANCING/DESIGN/CONSTRUCTION/OPERATION OF EQUIPMENT REQURIED FOR ECO-TAXE	EURO	30,000,000	Autostrade per l'Italia SpA	70.00%	70.00%	
ELECTRONIC TRANSACTIONS CONSULTANTS Co.	RICHARDSON (TEXAS - USA)	AUTOMATED TOLLING SERVICES	DOLLAR	20,000	Autostrade dell'Atlantico Srl	61.41%	61.41%	
ESSEDIESSE SOCIETÀ DI SERVIZI SpA	ROME	GENERAL AND ADMINISTRATIVE SERVICES	EURO	500,000	Autostrade per l'Italia SpA	100%	100%	
GIOVE CLEAR Srl	ROME	CLEANING SERVICES	EURO	10,000	Autostrade per l'Italia SpA	100%	100%	
GRUPO COSTANERA SpA	SANTIAGO (CHILE)	HOLDING COMPANY	PESO	465,298,430,418	Autostrade dell'Atlantico Srl	50.01%	50.01%	
INFOBLU SpA	ROME	TRAFFIC INFORMATION	EURO	5,160,000	Autostrade per l'Italia SpA	75.00%	75.00%	
INFRA BERTIN PARTICIPACÕES SA	SAO PAULO (BRAZIL)	HOLDING COMPANY	REAL	738,652,989	Autostrade Concessões e Participações Brasil limitada	50.00%	50.00%	(1)
MAXIMUM ZAO	SAINT PETERSBURG	ACQUISITION AND MANAGEMENT OF INVESTMENTS IN OTHER COMPANIES	ROUBLE	10,000	Dannii Holding GMBH	99.00%	99.00%	
NEWPASS SpA	VERONA	TRANSPORT CONTROL AND AUTOMATED INFORMATION SYSTEMS AND EQUIPMENT	EURO	1,747,084	Autostrade per l'Italia SpA	100%	100%	
PAVIMENTAL POLSKA SP.ZO.O.	WARSAW (POLAND)	MOTORWAY AND AIRPORT CONSTRUCTION AND MAINTENANCE	ZLOTY	3,000,000	Pavimental SpA	100%	99.40%	
PAVIMENTAL SpA	ROME	MOTORWAY AND AIRPORT CONSTRUCTION AND MAINTENANCE	EURO	10,116,452	Autostrade per l'Italia SpA	99.40%	99.40%	

(1) The Autostrade per l'Italia Group holds 50% plus one share in the companies and exercises control on the base of partnership and governance agreements.

NAME	REGISTERED OFFICE	BUSINESS	CURRENCY	SHARE CAPITAL/CONSORTIUM FUND AS AT 31 DECEMBER 2013	HELD BY		% INTEREST IN SHARE CAPITAL/ CONSORTIUM FUND AS AT 31 DECEMBER 2013	OVERALL GROUP INTEREST (%)	NOTE
RACCORDO AUTOSTRADALE VALLE D'AOSTA SpA	ROME	MOTORWAY OPERATION AND CONSTRUCTION	EURO	343,805,000	Società Italiana per Azioni per il Traforo del Monte Bianco		47.97%	24.46%	(3)
RODOVIA DAS COLINAS SA	SAO PAULO (BRAZIL)	MOTORWAY OPERATION AND CONSTRUCTION	REAL	226,145,401	Atlantia Bertin Concessões SA		100%	50.00%	(1)
							100%	50.01%	
SOCIEDAD CONCESIONARIA AMB SA	SANTIAGO (CHILE)	MOTORWAY OPERATION AND CONSTRUCTION	PESO	5,875,178,700	Grupo Costanera SpA	99.98%			
					Sociedad Gestion Vial SA	0.02%			
							100%	50.01%	
SOCIEDAD CONCESIONARIA AUTOPISTA NORORIENTE SA	SANTIAGO (CHILE)	MOTORWAY OPERATION AND CONSTRUCTION	PESO	22,738,904,654	Grupo Costanera SpA	99.90%			
					Sociedad Gestion Vial SA	0.10%			
							100%	50.01%	
SOCIEDAD CONCESIONARIA AUTOPISTA NUEVA VESPUCIO SUR SA	SANTIAGO (CHILE)	HOLDING COMPANY	PESO	166,967,672,229	Grupo Costanera SpA	0.9999996			
					Sociedad Gestion Vial SA	4E-07			
							100%		
SOCIEDAD CONCESIONARIA COSTANERA NORTE SA	SANTIAGO (CHILE)	MOTORWAY OPERATION AND CONSTRUCTION	PESO	58,859,765,519	Grupo Costanera SpA	0.999980392		50.01%	
					Sociedad Gestion Vial SA	1.96078E-05			
							100%	100%	
SOCIEDAD CONCESIONARIA DE LOS LAGOS SA	SANTIAGO DEL CHILE (CHILE)	MOTORWAY OPERATION AND CONSTRUCTION	PESO	53,602,284,061	Autostrade Holding Do Sur SA	0.99952381			
					Autostrade dell'Atlantico Srl	0.00047619			
							100%	50.01%	
SOCIEDAD CONCESIONARIA LITORAL CENTRAL SA	SANTIAGO (CHILE)	MOTORWAY OPERATION AND CONSTRUCTION	PESO	18,368,224,675	Grupo Costanera SpA	99.99%			
					Sociedad Gestion Vial SA	0.01%			
							100%	50.01%	
SOCIEDAD CONCESIONARIA VESPUCIO SUR SA	SANTIAGO (CHILE)	MOTORWAY OPERATION AND CONSTRUCTION	PESO	52,967,792,704	Sociedad Concesionaria Autopista Nueva Vespucio Sur SA	0.999975	100%	50.01%	
					Sociedad Gestion Vial SA	0.000025			
							100%	50.01%	
SOCIEDAD GESTION VIAL SA	SANTIAGO (CHILE)	CONSTRUCTION AND MAINTENANCE OF ROADS AND TRAFFIC SERVICES	PESO	397,237,788	Grupo Costanera SpA	99.99%			
					Sociedad Operacion y Logistica de Infraestructuras SA	0.01%			

(1) The Autostrade per l'Italia Group holds 50% plus one share in the companies and exercises control on the base of partnership and governance agreements.

(3) The issued capital is made up of €284,350,000 in ordinary shares and €59,455,000 in preference shares. The percentage interest is calculated with reference to all shares in issue, whereas the 58.00% of voting rights is calculated with reference to ordinary voting shares.

NAME	REGISTERED OFFICE	BUSINESS	CURRENCY	SHARE CAPITAL/CONSORTIUM FUND AS AT 31 DECEMBER 2013	HELD BY	% INTEREST IN SHARE CAPITAL/ CONSORTIUM FUND AS AT 31 DECEMBER 2013	OVERALL GROUP INTEREST (%)	NOTE
SOCIEDAD OPERACION Y LOGISTICA DE INFRAESTRUCTURAS SA	SANTIAGO (CHILE)	CONCESSION CONTRUCTION AND SERVICES	PESO	11,736,819		100%	50.01%	
					Grupo Costanera SpA	99.99%		
					Sociedad Gestion Vial SA	0.01%		
SOCIETÀ ITALIANA PER AZIONI PER IL TRAFORO DEL MONTE BIANCO	PRE' SAINT DIDIER (AOSTA)	MONT BLANC TUNNEL OPERATION AND CONSTRUCTION	EURO	109,084,800	Autostrade per l'Italia SpA	51.00%	51.00%	
SPEA DO BRASIL PROJETOS E INFRA ESTRUTURA LIMITADA	SAO PAULO (BRAZIL)	INTEGRATED TECHNICAL ENGINEERING SERVICES	REAL	1,000,000		100%	100%	
					SPEA Ingegneria europea	99.99%		
					Austostrade Concessoes e Partecipacoes Brasil ltda	0.01%		
SPEA INGEGNERIA EUROPEA SpA	MILAN	INTEGRATED TECHNICAL ENGINEERING SERVICES	EURO	5,160,000	Autostrade per l'Italia SpA	100%	100%	
STALEXPORT AUTOROUTE SAR.L.	LUXEMBOURG	MOTORWAY SERVICES	EURO	56,149,500	Stalexport Autostrady SA	100%	61.20%	
STALEXPORT AUTOSTRADA DOLNOŚLĄSKA SA	KATOWICE (POLAND)	MOTORWAY SERVICES	ZLOTY	10,000,000	Stalexport Autostrady SA	100%	61.20%	
STALEXPORT AUTOSTRADA MAŁOPOLSKA SA	MYSŁOWICE (POLAND)	MOTORWAY OPERATION AND CONSTRUCTION	ZLOTY	66,753,000	Stalexport Autoroute SAr.l.	100%	61.20%	
STALEXPORT AUTOSTRADY SA	KATOWICE (POLAND)	HOLDING COMPANY	ZLOTY	185,446,517	Autostrade per l'Italia SpA	61.20%	61.20%	(4)
TANGENZIALE DI NAPOLI SpA	NAPLES	MOTORWAY OPERATION AND CONSTRUCTION	EURO	108,077,490	Autostrade per l'Italia SpA	100%	100%	
TECH SOLUTIONS INTEGRATORS SAS.	PARIS (FRANCE)	CONSTRUCTION, INSTALLATION AND MAINTENANCE OF ELECTRONIC TOLLING SYSTEMS	EURO	2,000,000	Autostrade per l'Italia SpA	100%	100%	
TELEPASS FRANCE SAS.	PARIS (FRANCE)	ELECTRONIC TOLLING AND ECO TAX PAYMENT SYSTEMS	EURO	1,000,000	Telepass SpA	100%	100%	
TELEPASS SpA	ROME	AUTOMATED TOLLING SERVICES	EURO	26,000,000		100%	100%	
					Autostrade per l'Italia SpA	96.15%		
					Autostrade Tech SpA	3.85%		
TRIANGULO DO SOL AUTO-ESTRADAS SA	MATAO (BRAZIL)	MOTORWAY OPERATION AND CONSTRUCTION	REAL	71,000,000	Atlantia Bertin Concessoes SA	100%	50.00%	(1)
TRIANGULO DO SOL PARTICIPACÕES SA	SAO PAULO (BRAZIL)	HOLDING COMPANY	REAL	1,122,539,010	Infra Bertin Participacoes SA	100%	50.00%	(1)
VIA4 SA	MYSŁOWICE (POLAND)	MOTORWAY SERVICES	ZLOTY	500,000	Stalexport Autoroute SAr.l.	55.00%	33.66%	

(1) The Autostrade per l'Italia Group holds 50% plus one share in the companies and exercises control on the base of partnership and governance agreements.

(4) The company is listed on the Warsaw stock exchange.

The issued capital is the amount approved by the General Meeting of shareholders and not the amount subscribed at the date of approval of these consolidated financial statements.

NAME	REGISTERED OFFICE	BUSINESS	CURRENCY	SHARE CAPITAL/ CONSORTIUM FUND AS AT 31 DECEMBER 2013	HELD BY	% INTEREST IN SHARE CAPITAL/ CONSORTIUM FUND AS AT 31 DECEMBER 2013	NOTE
INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD							
Associates and joint ventures							
ARCEA LAZIO SpA	ROME	ROAD AND MOTORWAY CONSTRUCTION AND CONCESSIONS IN LAZIO	EURO	1,983,469	Autostrade per l'Italia SpA	34.00%	
A&T Road Construction Management and Operation Private Limited	PUNEMAHARASHTRA (INDIA)	OPERATION AND MAINTENANCE, DESIGN AND PROJECT MANAGEMENT	RUPEE	100,000	Autostrade Indian Infrastracture Development Private Limited	50.00%	
AUTOSTRADA MAZOWSZE SA (IN LIQUIDATION)	KATOWICE (POLAND)	MOTORWAY SERVICES	ZLOTY	20,000,000	Stalexport Autostrady SA	30.00%	
AUTOSTRADE FOR RUSSIA GMBH	VIENNA (AUSTRIA)	HOLDING COMPANY	EURO	60,000	Autostrade Tech SpA	25.50%	
BOLOGNA & FIERA PARKING SpA	BOLOGNA	DESIGN, CONSTRUCTION AND MANAGEMENT OF MULTI-LEVEL PUBLIC CAR PARKS	EURO	9,000,000	Autostrade per l'Italia SpA	32.50%	
BIURO CENTRUM SP. Z O.O.	KATOWICE (POLAND)	ADMINISTRATIVE SERVICES	ZLOTY	80,000	Stalexport Autostrady SA	40.63%	
CONCESSIONÁRIA RODOVIAS DO TIETÊ SA	SAO PAULO (BRAZIL)	MOTORWAY OPERATION AND CONSTRUCTION	REAL	223,578,476	Atlantia Bertin Concessões SA	50.00%	
GEIE DEL TRAFORO DEL MONTE BIANCO	COURMAYEUR (AOSTA)	MAINTENANCE AND OPERATION OF MONT BLANC TUNNEL	EURO	2,000,000	Società Italiana per Azioni per il Traforo del Monte Bianco	50.00%	
PEDEMONTANA VENETA SpA (IN LIQUIDATION)	VERONA	OPERATION AND CONSTRUCTION OF PEDEMONTANA VENETA MOTORWAYS	EURO	6,000,000	Autostrade per l'Italia SpA	29.77%	
SOCIETÀ AUTOSTRADA TIRRENICA p.A.	ROME	MOTORWAY OPERATION AND CONSTRUCTION	EURO	24,460,800	Autostrade per l'Italia SpA	24.98%	
SOCIETA' INFRASTRUTTURE TOSCANE SpA	FLORENCE	DESIGN, CONSTRUCTION AND OPERATION OF PRATO TO SIGNA MOTORWAY LINK	EURO	30,000,000		46.60%	
					Autostrade per l'Italia SpA	46.00%	
					SPEA Ingegneria Europea SpA	0.60%	

NAME	REGISTERED OFFICE	BUSINESS	CURRENCY	SHARE CAPITAL/ CONSORTIUM FUND AS AT 31 DECEMBER 2013	HELD BY	% INTEREST IN SHARE CAPITAL/ CONSORTIUM FUND AS AT 31 DECEMBER 2013	NOTE
INVESTMENTS ACCOUNTED FOR AT COST OR FAIR VALUE							
Unconsolidated subsidiaries							
PAVIMENTAL EST AO	MOSCOW (RUSSIAN FEDERATION)	MOTORWAY OPERATION AND CONSTRUCTION	ROUBLE	4,200,000	Pavimental SpA	100%	
PETROSTAL SA (IN LIQUIDAZIONE)	WARSAW (POLAND)	REAL ESTATE SERVICES	ZLOTY	2,050,500	Stalexport Autostrady SA	100%	
STALEXPORT WIELKOPOLSKA SP. Z O. O. W UPADŚOŁCI	KOMORNIKI (POLAND)	STEEL TRADING	ZLOTY	8,080,475	Stalexport Autostrady SA	97.96%	
Other investments							
HUTA JEDNOŚĆ SA	SIEMIANOWICE (POLAND)	STEEL TRADING	ZLOTY	27,200,000	Stalexport Autostrady SA	2.40%	
INWEST STAR SA (IN LIQUIDATION)	STARACHOWICE (POLAND)	STEEL TRADING	ZLOTY	11,700,000	Stalexport Autostrady SA	0.26%	
ITALMEX SpA (IN LIQUIDATION)	MILAN	TRADING AGENCY	EURO	1,464,000	Stalexport Autostrady SA	4.24%	
KONSORCJUM AUTOSTRADA ŚLĄSK SA	KATOWICE (POLAND)	MOTORWAY OPERATION AND CONSTRUCTION	ZLOTY	1,987,300	Stalexport Autostrady SA	5.43%	
SOCIETA' DI PROGETTO BREBEMI SpA	BRESCIA	CONCESSION FOR THE CONSTRUCTION AND OPERATION OF THE BRESCIA - MILAN LINK	EURO	180,000,000	SPEA Ingegneria Europea SpA	0.10%	
TANGENZIALE ESTERNA SpA	MILAN	DESIGN, CONSTRUCTION AND OPERATION OF THE NEW MILAN OUTER RING ROAD	EURO	464,945,000		1.25%	
					Autostrade per l'Italia SpA	0.25%	
					Pavimental SpA	1.00%	
TANGENZIALI ESTERNE DI MILANO SpA	MILAN	CONSTRUCTION AND OPERATION OF MILAN RING ROAD	EURO	220,344,608	Autostrade per l'Italia SpA	13.67%	
UIRNET SpA	ROME	OPERATION OF NATIONAL LOGISTICS NETWORK	EURO	1,001	Autostrade per l'Italia SpA	1.60%	
VENETO STRADE SpA	VENICE	CONSTRUCTION AND MAINTENANCE OF ROADS AND TRAFFIC SERVICES	EURO	5,163,200	Autostrade per l'Italia SpA	5.00%	
WALCOWNIA RUR JEDNOŚĆ SP. Z O. O.	SIEMIANOWICE (POLAND)	STEEL TRADING	ZLOTY	220,590,000	Stalexport Autostrady SA	0.01%	
ZAKŁADY METALOWE DEZAMET SA	NOWA DĘBA (POLAND)	STEEL TRADING	ZLOTY	18,789,410	Stalexport Autostrady SA	0.27%	

NAME	REGISTERED OFFICE	BUSINESS	CURRENCY	SHARE CAPITAL/ CONSORTIUM FUND AS AT 31 DECEMBER 2013	HELD BY		% INTEREST IN SHARE CAPITAL/ CONSORTIUM FUND AS AT 31 DECEMBER 2013	NOTE
CONSORTIA								
CONSORCIO ANHANGUERA NORTE	RIBERAO PRETO (BRASILE)	CONSTRUCTION CONSORTIUM	REAL	-	Autostrade Concessoes e Participacoes Brasil		13.13%	
CONSORZIO AUTOSTRADE ITALIANE ENERGIA	ROMA	ELECTRICITY PROCUREMENT	EURO	107,112			36.90%	
					Autostrade per l'Italia SpA	29.00%		
					Autostrada Torino-Savona SpA	2.00%		
					Tangenziale di Napoli SpA	2.00%		
					Società Italiana per Azioni per il Traforo del Monte Bianco	1.90%		
					Raccordo Autostradale Valle d'Aosta SpA	1.10%		
					Autostrade Meridionali SpA	0.90%		
CONSORZIO COSTRUTTORI TEEM	MILANO	MOTORWAY CONSTRUCTION AND ACTIVITIES	EURO	10,000	Pavimental SpA		1.00%	
CONSORZIO FASTIGI	CIVITAVECCHIA	TUNNEL SAFETY RESEARCH AND STUDIES	EURO	40,000	Autostrade per l'Italia SpA		12.50%	
CONSORZIO GALILEO SCARL (IN LIQUIDAZIONE)	TODI	CONSTRUCTION OF AIRPORT APRONS	EURO	10,000	Pavimental SpA		40.00%	
CONSORZIO ITALTECNASUD (IN LIQUIDAZIONE)	ROMA	CONTROL OF IRPINIA EARTHQUAKE FUNDS	EURO	51,646	SPEA Ingegneria Europea SpA		20.00%	
CONSORZIO MIDRA	FIRENZE	SCIENTIFIC RESEARCH FOR DEVICE BASE TECHNOLOGIES	EURO	73,989	Autostrade Tech SpA		33.33%	
CONSORZIO MITECO	PESCHIERA BORROMEO	EXECUTION OF SERVICES AND WORKS ASSIGNED BY TANGENZIALE ESTERNA SPA	EURO	10,000	Pavimental SpA		1.30%	
CONSORZIO NUOVA ROMEA ENGINEERING	MONSELICE	MOTORWAY DESIGN	EURO	60,000	SPEA Ingegneria Europea SpA		16.67%	
CONSORZIO PEDEMONTANA ENGINEERING	VERONA	DESIGN OF PEDEMONTANA VENETA MOTORWAY	EURO	20,000	SPEA Ingegneria Europea SpA		23.30%	
CONSORZIO RAMONTI S.C.A.R.L.	TORTONA	MOTORWAY CONSTRUCTION	EURO	10,000	Pavimental SpA		49.00%	
CONSORZIO R.F.C.C. (IN LIQUIDAZIONE)	TORTONA	CONSTRUCTION OF MOROCCAN ROAD NETWORK	EURO	510,000	Pavimental SpA		30.00%	
CONSORZIO TANGENZIALE ENGINEERING	MILANO	INTEGRATED TECHNICAL ENGINEERING SERVICES - MILAN EXTERNAL RINGROAD EAST	EURO	20,000	SPEA Ingegneria Europea SpA		30.00%	
CONSORZIO TRINACRIA S.C.A.R.L.	LIMENA	CONSTRUCTION OF AIRPORT APRONS	EURO	10,000	Pavimental SpA		47.73%	
CONSORZIO 2050	ROMA	MOTORWAY DESIGN	EURO	50,000	SPEA Ingegneria Europea SpA		0.50%	
COSTRUZIONI IMPIANTI AUTOSTRADALI SCARL	ROMA	CONSTRUCTION OF PUBLIC WORKS AND INFRASTRUCTURE	EURO	10,000			100%	
					Pavimental SpA	75.00%		
					Autostrade Tech SpA	20.00%		
					Pavimental Polska Sp. z o.o.	5.00%		
ELMAS S.C.A.R.L. (IN LIQUIDAZIONE)	ROMA	CONSTRUCTION AND MAINTENANCE OF AIRPORT RUNWAYS AND APRONS	EURO	10,000	Pavimental SpA		60.00%	
IDROELETTRICA S.C.R.L.	CHATILLON	ELECTRICITY GENERATION	EURO	50,000	Raccordo Autostradale Valle d'Aosta SpA		0.10%	
LAMBRO S.C.A.R.L.	MILANO	OPERATION AND CONSTRUCTION ON BEHALF OF TEEM CONSTRUCTION CONSORTIUM	EURO	200,000	Pavimental SpA		2.78%	

NAME	REGISTERED OFFICE	BUSINESS	CURRENCY	SHARE CAPITAL/ CONSORTIUM FUND AS AT 31 DECEMBER 2013	HELD BY	% INTEREST IN SHARE CAPITAL/ CONSORTIUM FUND AS AT 31 DECEMBER 2013		NOTE
INVESTMENTS ACCOUNTED FOR IN CURRENT ASSETS								
DOM MAKLERSKI BDM SA	BIELSKO-BIAŁA (POLAND)	HOLDING COMPANY	ZLOTY	19,796,924	Stalexport Autostrady SA		2.71%	
IDEON SA	KATOWICE (POLAND)	STEEL TRADING	ZLOTY	343,490,781			2.78%	
					Stalexport Autostrady SA	2.63%		
					Biuro Centrum Sp. z o.o.	0.15%		
LUSOPONTE - CONCESSIONARIA PARA A TRAVESSIA DO TEJO SA	MONTIJO (PORTUGAL)	MOTORWAY OPERATION	EURO	25,000,000	Autostrade Portugal - Concessoes de Infraestructuras SA		17.21%	
STRADA DEI PARCHI SpA	ROME	MOTORWAY OPERATION AND CONSTRUCTION	EURO	48,114,240	Autostrade per l'Italia SpA		2.00%	

ANNEX 2
RECLASSIED FINANCIAL STATEMENTS OF THE AUTOSTRADE PER L'ITALIA GROUP

The Autostrade per l'Italia Group's reclassified consolidated income statement, statement of consolidated financial position and statement of changes in consolidated net debt as at and for the year ended 31 December 2013 are provided below.
These statements have not been audited .
The indicators set out in the following consolidated statements (EBITDA, EBIT and net debt) are not identified as performance indicators under the IFRS endorsed by the European Union.

RECLASSIFIED CONSOLIDATED INCOME STATEMENT

			INCREASE/ (DECREASE)	
€m	**2013**	**2012**	**ABSOLUTE**	**%**
Toll revenue	3,541	3,391	150	4.4
Contract revenue	51	35	16	45.7
Other operating income	569	588	-19	-3.2
Total revenue	**4,161**	**4,014**	**147**	**3.7**
Cost of materials and external services (1)	-618	-570	-48	8.4
Concession fees	-425	-431	6	-1.4
Staff costs	-662	-676	14	-2.0
Capitalised staff costs	85	91	-6	-6.6
Total net operating costs	**-1,620**	**-1,586**	**-34**	**2.2**
Gross operating profit (EBITDA) (2)	**2,541**	**2,428**	**113**	**4.7**
Amortisation, depreciation, impairment losses and reversals	-678	-657	-21	3.2
Provisions and other adjustments	-59	-74	15	-20.3
Operating profit (EBIT) (3)	**1,804**	**1,697**	**107**	**6.3**
Financial income from discounting to present value of concession rights and government grants	84	44	40	90.9
Financial expenses from discounting of provisions for construction services required by contract and other provisions	-95	-147	52	-35.3
Other financial income/(expenses)	-695	-386	-309	80.1
Capitalised financial expenses	56	37	19	51.4
Share of profit/(loss) of associates and joint ventures accounted for using the equity method	-6	2	-8	n.s.
Profit/(Loss) before tax from continuing operations	**1,148**	**1,247**	**-99**	**-8.0**
Income tax (expense)/benefit	-410	-336	-74	22.0
Profit/(Loss) from continuing operations	**738**	**911**	**-173**	**-19.0**
Profit/(Loss) from discontinued operations	1	11	-10	-90.9
Profit for the year	**739**	**922**	**-183**	**-19.8**
(Profit)/Loss attributable to non-controlling interests	-82	-23	-59	n.s.
(Profit)/Loss attributable to owners of the parent	**657**	**899**	**-242**	**-26.9**

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

(2) EBITDA is calculated by deducting all operating costs, with the exception of amortisation, depreciation, impairment losses on assets and reversals of impairment losses, provisions and other adjustments, from operating revenue.

(3) EBIT is calculated by deducting amortisation, depreciation, impairment losses on assets and reversals of impairment losses, provisions and other adjustments from EBITDA. In addition, it does not include the capitalised component of financial expenses relating to construction services, included in revenue in the income statement in the consolidated financial statements and shown in a specific line item under financial income and expenses in this statement.

RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€m	31 December 2013	31 December 2012	INCREASE/ DECREASE
Non-current non-financial assets			
Property, plant and equipment	194	204	-10
Intangible assets	21,717	22,838	-1,121
Investments	114	85	29
Deferred tax assets	153	151	2
Other non-current assets	8	2	6
Total non-current non-financial assets (A)	**22,186**	**23,280**	**-1,094**
Working capital (1)			
Trading assets	1,125	1,149	-24
Current tax assets	58	137	-79
Other current assets	121	131	-10
Non-financial assets held for sale or related to discontinued operations (2)	17	16	1
Current portion of provisions for construction services required by	-435	-487	52
Current provisions	-337	-183	-154
Trading liabilities	-1,286	-1,419	133
Current tax liabilities	-26	-27	1
Other current liabilities	-380	-436	56
Total working capital (B)	**-1,143**	**-1,119**	**-24**
Invested capital less current liabilities (C=A+B)	**21,043**	**22,161**	**-1,118**
Non-current non-financial liabilities			
Non-current portion of provisions for construction services required	-3,727	-4,324	597
Non-current provisions	-1,025	-1,149	124
Deferred tax liabilities	-1,142	-1,147	5
Other non-current liabilities	-94	-106	12
Total non-current non-financial liabilities (D)	**-5,988**	**-6,726**	**738**
NET INVESTED CAPITAL (E=C+D)	**15,055**	**15,435**	**-380**

(1) Calculated as the difference between current non-financial assets and liabilities.

(2) The presentation of assets and liabilities related to discontinued operations is based on their nature (financial or non-financial).

RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€m	31 December 2013	31 December 2012	INCREASE/ DECREASE
Equity			
Equity attributable to owners of the parent	**2,923**	**3,053**	**-130**
Equity attributable to non-controlling interests	**1,607**	**1,708**	**-101**
Total equity (F)	**4,530**	**4,761**	**-231**
Net Debt			
Non-current net debt			
Non-current financial liabilities	**13,550**	**14,617**	**-1,067**
Bond issues	992	529	463
Medium/long-term borrowings	12,259	13,675	-1,416
Non-current derivative liabilities	259	373	-114
Other non-current financial liabilities	40	40	-
Other non-current financial assets	**-2,310**	**-1,936**	**-374**
Non-current financial assets deriving from concession rights	-1,297	-1,040	-257
Non-current financial assets deriving from government grants	-247	-237	-10
Non-current term deposits convertible	-338	-308	-30
Other non-current financial assets	-428	-351	-77
Non-current net debt (G)	**11,240**	**12,681**	**-1,441**
Current net debt			
Current financial liabilities	**3,369**	**1,723**	**1,646**
Bank overdrafts	7	-	7
Short-term borrowings	3	-	3
Intercompany current account payables due to unconsolidated Group companies	431	396	35
Current portion of medium/long-term borrowings	2,919	1,284	1,635
Other current financial liabilities	9	43	-34
Cash and cash equivalents	**-3,324**	**-2,810**	**-514**
Cash in hand and at bank and post offices	-1,346	-469	-877
Cash equivalents	-1,978	-2,341	363
Other current financial assets	**-760**	**-920**	**160**
Current financial assets deriving from concession rights	-413	-387	-26
Current financial assets deriving from government grants	-19	-24	5
Current term deposits convertible	-167	-355	188
Current portion of medium/long-term financial assets	-30	-110	80
Other current financial assets	-129	-42	-87
Financial assets held for sale or related to discontinued operations (2)	-2	-2	-
Current net debt (H)	**-715**	**-2,007**	**1,292**
Net debt (I=G+H) (3)	**10,525**	**10,674**	**-149**
NET DEBT AND EQUITY (L=F+I)	**15,055**	**15,435**	**-380**

STATEMENT OF CHANGES IN CONSOLIDATED NET DEBT

€m	2013	2012
Profit for the year	**739**	**922**
Adjusted by:		
Amortisation and depreciation	678	649
Provisions	56	74
Financial expenses from discounting of provisions for construction services required by contract and other provisions	95	148
Impairment losses/(Reversal of impairment losses) on non-current financial assets and investments accounted for at cost or fair value	-	-171
Share of (profit)/loss of associates and joint ventures accounted for using the equity method	4	-3
Impairment losses/(Reversal of impairment losses) and adjustments of other non-current assets	-	9
(Gain)/Loss on sale of non-current assets	-	-59
Net change in deferred tax (assets)/liabilities through profit or loss	72	48
Other non-cash costs (income)	-15	-40
Change in working capital	-137	-116
Other changes in non-financial assets and liabilities	8	-284
Net cash from operating activities (A)	**1,500**	**1,177**
Investment in assets held under concession	-1,149	-1,583
Government grants related to assets held under concession	35	40
Increase in financial assets deriving from concession rights (related to capital expenditure)	358	331
Purchases of property, plant and equipment	-54	-54
Purchases of intangible assets	-23	-25
Purchase of investments, net of unpaid called-up issued capital	-18	-26
Investiments in consolidated companies, including net debt assumed	-	-1,421
Proceeds from sales of property, plant and equipment, intangible assets and unconsolidated investments	2	90
Proceeds from sale of consolidated investments, after net debt transferred	-	702
Net change in other non-current assets	-7	-
Net cash from/(used in) investment in non-financial assets (B)	**-856**	**-1,946**
Dividends declared by Group companies	-702	-575
Contributions from non-controlling shareholders	1	352
Effect of changes in exchange rates on net debt and other changes	51	-17
Net equity cash outflows (C)	**-650**	**-240**
Increase/(Decrease) in cash and cash equivalents (A+B+C)	**-6**	**-1,009**
Change in fair value and extinguishment of financial instruments recognised in comprehensive income (D)	130	-169
Financial income/(expenses) accounted for as an increase in financial assets/(liabilities) (E)	25	-17
Decrease/(Increase) in net debt for year (A+B+C+D+E)	**149**	**-1,195**
Net debt at beginning of year	**-10,674**	**-9,479**
Net debt at end of year	**-10,525**	**-10,674**

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4

4. **REPORT OF THE INDEPENDENT AUDITORS**

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AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013

To the Board of Directors of
Autostrade per l'Italia S.p.A.

1. We have audited the consolidated financial statements of Autostrade per l'Italia S.p.A. and subsidiaries ("Autostrade per l'Italia Group"), which comprise the statement of financial position as of December 31, 2013, and the income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes. These consolidated financial statements have been prepared in connection with the admission of the Euro Medium Term Note Programme of Autostrade per l'Italia Group to trade on the Irish Stock Exchange. The Directors of Autostrade per l'Italia Group are responsible for the preparation and presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

2. We conducted our audit in accordance with the Auditing Standards issued by the Italian Accounting Profession (CNDCEC) and recommended by Consob, the Italian Commission for listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

   The consolidated financial statements present for comparative purposes prior year data and the statement of consolidated financial position as of January 1, 2012. These figures have been examined by us solely for the purpose of expressing our opinion on the consolidated financial statements as of December 31, 2013.

3. In our opinion, the consolidated financial statements give a true and fair view of the financial position of Autostrade per l'Italia Group as of December 31, 2013, and of the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

DELOITTE & TOUCHE S.p.A.

Signed by
Fabio Pompei
Partner

Rome, Italy
October 22, 2014

This report has been translated into the English language solely for the convenience of international readers.

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