Atlantia

Press Release

BOARD APPROVES CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR 2019

Consolidated results for 2019[1][2]

- Operating revenue of €11,630m, including increased contribution from Abertis group (€4,534m), up €4,714m (up 4% on pro forma like-for-like basis)
- Provisions of €1,500m made by Autostrade per l'Italia linked to undertaking given to Italian Government to take on new financial commitments in form of toll discounts and contribution to development of the country's infrastructure, conditional on reaching agreed resolution of dispute initiated by Ministry of Infrastructure and Transport that would ensure necessary financial sustainability of investment programme. Total cost of measures proposed by Autostrade per l'Italia amount to €2,900m, to be met entirely by the subsidiary
- Gross operating profit (EBITDA) of €5,727m up €1,959m compared with 2018, due essentially to increased contribution from Abertis group (€3,186m), partially offset by

(1) In addition to the reported amounts in the statutory consolidated financial statements, this press release also presents and analyses alternative performance indicators ("APIs"), including operating revenue, EBITDA, operating cash flow, capital expenditure, net invested capital, net debt and net financial debt. A detailed description of the principal APIs used, including an explanation of the term "like-for-like basis", used in describing changes in certain consolidated financial indicators, is provided in the "Explanatory notes" below.

(2) Completion of the process of identification and fair value measurement linked to the acquisition of the Abertis group has resulted in changes to certain items in the statement of financial position and the income statement for 2018, reflecting the final measurement of the fair value of the assets acquired and the liabilities assumed as a result of the business combination.

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increased provisions made by Autostrade per l'Italia. On pro forma like-for-like basis, EBITDA is up €56m (1%)

- Profit attributable to owners of parent of €136m down €639m compared with 2018 (€775m), reflecting increased provisions during year, only partly offset by increased contribution from Abertis group (after the negative impact of €332m resulting from completion of process of allocating fair value of net assets acquired)
- Operating cash flow of €4,969m up €1,985m, due primarily to increased contribution from Abertis group, totalling €2,204m
- Capital expenditure of €1,794m up €669m, primarily reflecting increased contribution from Abertis group, totalling €701m
- Net debt of €36,722m as at 31 December 2019 down €2,069m (€38,791m as at 31 December 2018)

Annual General Meeting

- Annual General Meeting ("AGM") to approve financial statements to be held on 29 May 2020
- Board to propose appropriation of entire profit for year to distributable "Retained earnings" reserve, without paying a dividend for the year

Rome, 28 April 2020 – Today's meeting of the Board of Directors of Atlantia SpA, chaired by Fabio Cerchiai, has examined and approved Atlantia's separate and consolidated financial statements as at and for the year ended 31 December 2019, which will be published within the deadline established by the relevant statutory requirements, together with the results of the audit currently in progress.
The separate and consolidated financial statements as at and for the year ended 31 December 2019 have been prepared in accordance with the IFRS in effect on 31 December 2019. Atlantia SpA's Board of Directors also approved Atlantia's Integrated Report for 2019, containing the consolidated non-financial statement required by Legislative Decree 254/2016. This will be published at the same time as Atlantia's Annual Report.
Atlantia's Board of Directors has approved the financial statements after having taken advantage of the extended term of 180 days from the end of the financial year, within which the Annual General Meeting is required to approve the financial statements, in compliance with art. 2364, paragraph 2 of the Italian Civil Code and art. 16 of the Company's Articles of Association. This was done in view of the decision taken by the Board of Directors of the subsidiary, Autostrade per l'Italia, to postpone approval of the subsidiary's financial statements in order to fully assess the impact of recent

developments on the preparation of its financial statements for the year ended 31 December 2019.
At the date of preparation of the Annual Report for the year ended 31 December 2019, there are certain significant uncertainties surrounding the concession arrangement and regulatory framework of the subsidiary, Autostrade per l'Italia, linked to the events of 14 August 2018 and recent legislation introduced by Law 8 of 28 February 2020 (which has converted Law Decree 162/2019 of 31 December 2019, the so-called *Milleproroghe* legislation). Further uncertainty also surrounds Autostrade per l'Italia's and Atlantia's potential exposure to liquidity and financial risk resulting from the spread of the Covid-19 pandemic, which has led many governments to limit the movement of people, with a major impact on traffic and revenue at the Atlantia Group's main subsidiaries
In preparing the Annual Report for the year ended 31 December 2019, the Parent Company assessed whether the going concern basis is appropriate, as required by law and by the applicable accounting standards.
This included an assessment of the uncertainties and risks relating to the subsidiary, Autostrade per l'Italia, and of Atlantia's exposure to liquidity and financial risk, within a time-frame of 12 months from the date of approval of the Annual Report for the year ended 31 December 2019.
In brief, with regard to Autostrade per l'Italia, the assessment conducted by the subsidiary's Board of Directors, based on a number of opinions from legal and technical experts, confirmed that the going concern basis is appropriate. This reflects the subsidiary's belief that the risk of termination of the concession arrangement is unlikely, and that there is a reasonable possibility that an agreement will be reached with the Ministry of Infrastructure and Transport (the "MIT"), thereby resolving the ongoing dispute linked to the tragic events of 14 August 2018.
The subsidiary, without prejudice to any subsequent findings regarding liability for the collapse and whilst contesting any and all accusations levelled against it, has expressed a willingness to enter into talks with the MIT with a view to identifying agreed solutions that would lead to a resolution of the dispute, which would also be in the public interest.
Following a series of contacts between the parties, the latest on 5 March 2020, when Autostrade per l'Italia sent the MIT a letter in which it gave, among other things, an undertaking to assume financial commitments amounting to €2,900m, to be met entirely by the subsidiary. This sum breaks down as follows:

- €1,500m to be allocated on the basis of agreements to be reached by the parties in order to implement toll discounts for road users and fund the development of the country's infrastructure and the upgrade of the motorway network operated by Autostrade per l'Italia and/or its subsidiaries;

- an increase of €700m (to be borne entirely by the subsidiary) in improvement maintenance in the period 2019-2023, compared with the commitments included in the Financial Plan submitted to the Grantor in June 2018;
- without affecting the previous commitment to bear the full cost of construction of the new road bridge (including any ancillary expenses), estimated at €600m, an undertaking to make up to a further €100m available to the Special Commissioner to cover any additional reconstruction costs.

In relation to the undertaking offered to the MIT by Autostrade per l'Italia, the change in provisions for 2019 includes provisions of €1,500m to cover the above measures designed to benefit road users, despite the fact that talks with the Government are still in progress. The further commitments regarding the increase in improvement maintenance in the period 2019-2023 and construction of the new Polcevera road bridge are covered by the provisions already made in the financial statements for 2018 and by the attributable portion of the additional provisions made in 2019.

With regard to the risks assessed in relation to Atlantia's ability to continue as a going concern, the following should be noted:

- liquidity risk is deemed reasonably unlikely, in view of the Company's available cash at the date of preparation of this Annual Report and its existing debt obligations;
- the financial risk potentially resulting from the impact on Atlantia of the situation surrounding the subsidiary, Autostrade per l'Italia (the risk of accelerated repayment of debt guaranteed by Atlantia), and from the restrictions on movement introduced as a result of the spread of the Covid-19 pandemic, is deemed reasonably unlikely, partly on the basis of the above conclusions reached by the Board of Directors of Autostrade per l'Italia.

Key performance indicators by operating segment[3]

KEY PERFORMANCE INDICATORS BY OPERATING SEGMENT	ITALIAN MOTORWAYS		OVERSEAS MOTORWAYS		ABERTIS GROUP		ITALIAN AIRPORTS		OVERSEAS AIRPORTS		ATLANTIA AND OTHER ACTIVITIES		CONSOLIDATION ADJUSTMENTS		TOTAL ATLANTIA GROUP	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
REPORTED AMOUNTS																
External revenue	4.012	3.954	694	625	5.361	827	952	934	290	305	321	271	-	-	11.630	6.916
Intersegment revenue	71	50	1	1	-	-	1	1	-	-	444	401	-517	-453	-	-
Total operating revenue	4.083	4.004	695	626	5.361	827	953	935	290	305	765	672	-517	-453	11.630	6.916
EBITDA	710	1.991	522	457	3.735	550	596	580	122	139	44	51	-2	-	5.727	3.768
Operating cash flow	1.435	1.708	392	388	2.566	354	437	437	90	98	51	-1	-2	-	4.969	2.984
Capital expenditure	559	592	112	64	701	175	258	183	70	67	108	55	-14	-11	1.794	1.125

[3] Details of the composition of the Group's operating segments are provided in the "Explanatory notes" below.

Operating review for the principal Group companies

Italian motorways [4] – Autostrade per l'Italia Group

- **Traffic up 0.7% overall in 2019, compared with 2018**
- **Operating revenue of €4,083m up €79m (2%)**
- **EBITDA of €710m down €1,281m compared with 2018 (down €247m after adjusting for the undertaking given to the MIT, the expenses relating to the collapse of a section of the Polcevera road bridge and the change in discount rates used to discount provisions to present value)**
- **Capital expenditure totals €559m**

Traffic on the motorway network operated by Autostrade per l'Italia and its motorway subsidiaries is up 0.7% compared with the previous year. The number of kilometres travelled by vehicles with 2 axles is up 0.4%, with the figure for those with 3 or more axles up 2.9%.

The Group's Italian motorway operations generated operating revenue of €4,083m in 2019, an increase of €79m (2%) compared with 2018.

Toll revenue of €3,690m is up €32m (1%) compared with 2018. The increase is primarily due to traffic growth of 0.7% and the positive impact of the different traffic mix[5]. Autostrade per l'Italia's decision to exempt road users in the Genoa area from the payment of tolls has resulted in an estimated reduction in toll revenue of approximately €19m (an estimated €7m in 2018).

Other operating income is up €47m and includes €38m in insurance proceeds following agreement with the Group's insurance company regarding quantification of the amount payable to Autostrade per l'Italia solely under existing third-party liability insurance policies for the Polcevera road bridge.

The cost of materials and external services and other costs reflects increased maintenance work (up €106m), primarily on the network operated by Autostrade per l'Italia and reflecting the new and more complex tender procedures introduced in 2017, resulting in delays to work in the previous year, and the early implementation of operational programmes.

EBITDA totals €710m for 2019. This is down €1,281m compared with 2018 (€1,991m).

In addition to the above components, the reduction primarily reflects:

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

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

- the undertaking offered by Autostrade per l'Italia with the aim of resolving the dispute with the MIT (provisions of €1,500m);
- a reduction in expenses linked to the tragic events of 14 August 2018 which, in 2019, amounted to €18m, compared with €502m in 2018[(6)]
- the change in provisions for the repair and replacement of motorway infrastructure (excluding items attributable to reconstruction of the Polcevera road bridge), primarily reflecting net provisions made by Autostrade per l'Italia (€210m) following a revised estimate of the repair work to be carried out on the network under the new strategic plan and the performance of the interest rates used to discount the provisions to present value (down €46m).

After adjusting for the undertaking offered to the MIT, the expenses relating to the collapse of a section of the Polcevera road bridge and the change in discount rates used to discount provisions to present value, EBITDA is down €247m (10%).

Capital expenditure at the Group's Italian motorway operators in 2019 amounts to €559m. Work on the following projects continued:

- *with regard to the works included in the Agreement of 1997*, widening of the A1 to three lanes between Barberino and Florence North and between Florence South and Incisa, and improvements to feeder roads for the Tuscan stretch of the A1;
- *with regard to the works included in the IV Addendum of 2002,* complementary works connected with the widening of the A14 motorway to three lanes, work on the second phase of the Tunnel Safety Plan and construction of the fourth free-flow lane for the A4 in the Milan area.

With regard to the new road and motorway system serving Genoa (the so-called "*Gronda di Genova*"), for which the final design was approved by the Grantor in September 2017, the detailed designs for all the 10 lots forming the project were submitted to the Ministry of Infrastructure and Transport between February and August 2018. To date, most of the work involved in preparing for the start-up of work has been completed (surveys, expropriations, the movement of existing services interfering with construction, etc.), with the costs incurred so far amounting to over €180m. Tenders have been called for works amounting to a further €800m, despite the fact that the Group

(6) With regard to provisions made in 2018, in 2019 a total of €280m was paid at the request of the Special Commissioner for Genoa, without prejudice to the reservations expressed in correspondence with the Commissioner and in the legal challenges brought (including €225m to fund demolition and reconstruction of the road bridge, net of the remaining advance payment for the start-up of work and VAT, with this sum paid from the provisions made as at 31 December 2018). A further €51m was also paid in the form of compensation for the families of the victims and the injured, as well as to cover legal expenses, with this sum again paid from the provisions made as at 31 December 2018.

is still waiting for the Grantor's formal approval of the detailed designs, which is necessary before contracts can be awarded.
A revised design for the Bologna Interchange was recently agreed on with the Ministry of Infrastructure and Transport, partly after talks with the relevant local authorities. The addendum including the agreed design solution has been finalised.

Autostrade per l'Italia is one of Italy's biggest investors in infrastructure. The proposed revision of its financial plan, which was recently submitted to the Ministry of Infrastructure and Transport, would result in investment of €13.2bn through to expiry of its concession term. In addition, the plan proposes to invest a further €1.3bn in modernisation projects of interest to the Grantor, which Autostrade per l'Italia would include among its investment commitments.

Autostrade per l'Italia's Strategic Transformation Plan, launched in January 2020, aims to speed up all investment programmes, with around a third of the remaining investment to be completed by 2023.

Abertis group

- **Traffic in 2019: up 7.9% in Spain, up 1.0% in France, up 0.2% in Italy, up 3.8% in Brazil, down 3.2% in Chile, down 0.9% in Argentina**
- **Operating revenue of €5,361m up 2.3%**
- **EBITDA of €3,735m up 5.2% (6.7% on like-for-like basis)**
- **Capital expenditure totals €701m**

The Atlantia Group's results for 2019 include the full-year contribution of Abertis Infraestructuras and its subsidiaries (the Abertis group), consolidated by Atlantia solely from October 2018. For information purposes, this section reports on the Abertis group's key performance indicators for 2019, compared with the previous year[7].

Traffic growth was positive in the main markets in which Abertis operates. The comparison with the same period of the previous year has benefitted from the negative impact of adverse weather conditions in Spain in early 2018, as well as from the application of discounted tolls for heavy vehicles introduced by the Spanish operators, Acesa and Aumar, from September 2018. Traffic growth in Brazil reflects the impact of the truck drivers' strike in May 2018, whilst traffic in Chile was negatively impacted by social unrest in October 2019. In Argentina, traffic was affected by the country's economic situation and toll increases.

COUNTRY	TRAFFIC (millions of km travelled)			
	2019	2018	2019	Var. %
Spain	13,229	12,265	964	7.9%
France	16,398	16,239	160	1.0%
Italy	5,635	5,624	10	0.2%
Brazil	21,763	20,962	801	3.8%
Chile	7,547	7,794	-246	-3.2%
Argentina	5,204	5,253	-49	-0.9%
Puerto Rico	2,278	2,271	6	0.3%
India	1,245	1,153	91	7.9%
Total	73,299	71,562	1,737	2.4%

Total operating revenue amounts to €5,361m, up 2.3% on the previous year, primarily as a result of traffic growth (up 2.4%) and toll increases. This growth was partially offset by adverse currency

[7] Amounts for Abertis group companies are based on the same accounting standards and policies applied by the Atlantia Group.

movements (above all, declines in the Argentine peso and the Chilean peso) and the impact of social unrest in Chile in October 2019. The figure also reflects changes in the scope of concessions in Spain and Brazil, following consolidation of the operator, Trados-45, the expiry of the concessions held by Vianorte (May 2018) and Autovias (July 2019) and the entry into effect of Via Paulista's concession from January 2019.

The performance of revenue in Argentina reflects recognition of the agreements entered into with the Argentine Government in July 2018, which have resulted in the transition to a financial model from the previous intangible model. This transition resulted in a non-recurring increase in revenue in 2018 (reflecting the change in financial assets deriving from concession rights) and, from July 2018, the recognition of revenue based on a predetermined margin on motorway operating costs.

COUNTRY	Operating revenue (€M)		
	2019	2018	2019
Spain	1,529	1,424	7.4%
France	1,806	1,749	3.3%
Italy	429	430	-0.2%
Brazil	625	607	3.0%
Chile	554	537	3.2%
Argentina	130	233	-44.2%
Puerto Rico	162	138	17.4%
India	32	30	6.7%
Abertis Holding and other activities	94	91	3.3%
Total	**5,361**	**5,239**	**2.3%**

EBITDA of €3,735m is up 5.2%. On a like-for-like basis, and thus without considering the above changes in scope and the impact of IFRS 16 – Leases in terms of reduced lease expense, and at constant 2018 exchange rates, EBITDA is up 6.7%.

COUNTRY	EBITDA (€M)		
	2019	2018	% change
Spain	1,284	1,172	9.6%
France	1,257	1,200	4.8%
Italy	232	235	-1.3%
Brazil	338	293	15.4%
Chile	445	420	6.0%
Argentina	27	124	-78.2%
Puerto Rico	115	92	25.0%
India	23	20	15.0%
Abertis Holding and other activities	14	-7	n/a
Total	**3,735**	**3,549**	**5.2%**

The group's capital expenditure amounts to €701m[8]. This included investment in Brazil (€283m), primarily relating to the investment programmes being carried out by the Brazilian operators, in France (€257m), primarily due to work on the *Plan de Relance* investment programme being implemented by the operators, SANEF and SAPN, and in Chile (€91m), mainly relating to work on the construction of third lanes and the implementation of free-flow tolling systems.

COUNTRY	CAPITAL EXPENDITURE (€M) 2019	2018
Spain	18	19
France	257	227
Italy	23	15
Brazil	283	302
Chile	91	27
Abertis Holding and other activities	29	12
Total	701	605

[8] Includes the change in assets resulting from application of IFRS16, amounting to €24m.

Other overseas motorways[9]

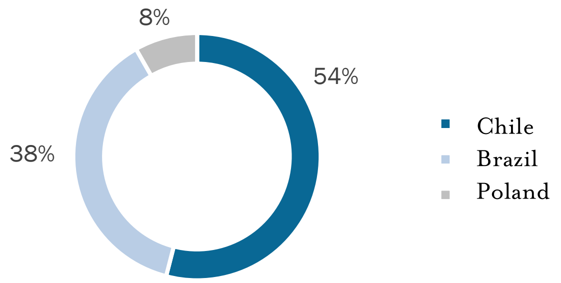
- **Traffic in 2019 up 4.6% in Brazil, 4.7% in Chile and 0.6% in Poland**
- **Operating revenue of €695m up 11% (14% at constant exchange rates)**
- **EBITDA of €522m up 14% (22% at constant exchange rates)**
- **Capital expenditure totals €112m**

In 2019, traffic on the networks managed by the Group's overseas operators rose 4.2% in terms of kilometres travelled compared with 2018.

COUNTRY	KM TRAVELLED (M)		
	2019	2018	% change
Chile	4,506	4,309	4.6%
Brazil	3,849	3,676	4.7%
Poland	1,015	1,009	0.6%
TOTAL	9,370	8,994	4.2%

The overseas motorways segment generated operating revenue of €695m, up €69m (11%) compared with 2018. At constant exchange rates, operating revenue is up €90m (14%), primarily reflecting toll increases and the performance of traffic. EBITDA amounts to €522m, up €65m (14%) compared with 2018. At constant exchange rates and on a like-for-like basis, EBITDA is up €102m (22%). Aggregate financial and operational data is provided below for each country.

Breakdown of EBITDA for the overseas motorway segment
(by geographical area)



Brazil

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

Operating revenue for 2019 amounts to €278m, up €13m (5%) compared with 2018. At constant exchange rates, revenue is up €20m (8%), reflecting annual toll increases and a greater volume of traffic compared with 2018 (up 4.6%), when the performance was affected by the truck drivers' strike of May 2018. The performance of revenue also reflects the exemption from tolls for vehicles with raised axles in the State of Sao Paulo, following protests (operators will be compensated for the lost revenue in accordance with their existing concession arrangements). EBITDA of €198m is up €35m (21%) compared with 2018. At constant exchange rates, EBITDA is up €39m (24%). Capital expenditure amounted to €27m in 2019, primarily in relation to the investment programme provided for in the TA07 Addendum agreed by the operator, Nascentes das Gerais.

Chile

Chilean operators' total operating revenue for 2019 amounts to €386m, up €57m (17%) on 2018. At constant exchange rates, revenue is up €71m (22%), reflecting traffic growth of 4.7% (despite the fact that the last quarter was hit by protests around the country against the Government), toll increases applied from January 2019 and, in the case of Costanera Norte and Vespucio Sur, an additional tariff component represented by a congestion charge. EBITDA of €283m is up €54m (24%) compared with 2018. At constant exchange rates, EBITDA is up €65m (28%).

Capital expenditure in 2019 totalled €77m[10]. In this regard:

- work began, in March 2019, on the last part (approximately €11m) of the *Santiago Centro Oriente* upgrade programme. The programme, which is 98% completed, involving investment of approximately 255 billion pesos (equal to approximately €350m) in upgrading the section of motorway operated by Costanera Norte;
- design work has begun for the investment programmes for the new Americo Vespucio Oriente II and Conexión Vial Ruta 78 hasta Ruta 68 concessions and the Group's initial contributions to the cost of expropriations have been paid to the Grantor in accordance with the related concession agreements.

Poland

The Stalexport Autostrady group's operating revenue for 2019 amounts to €83m, an increase of €2m (2.4%) compared with 2018. This reflects traffic growth of 0.6% and the new tolls for heavy vehicles introduced from March 2019. EBITDA of €43m is down €26m, reflecting recognition in operating costs of the increase in concession fees linked to the entry into effect of the new profit-

[10] Including €8m relating to the change in assets resulting from application of IFRS16.

sharing mechanism agreed with the Grantor (€21m) as part of Stalexport Autostrada Malopolska's concession arrangement and amounting to approximately €1m in 2018, and the impact of the release, in 2018, of provisions for maintenance work. After adjusting for these factors, EBITDA is in line with the previous year. Exchange rate movements did not have a material effect on the results. Capital expenditure amounted to €8m in 2019.

Italian airports

- **Roman airport system handles over 49m passengers in 2019, up 1.2% on 2018**
- **Operating revenue of €953m up €18m (2%)**
- **EBITDA of €596m up €16m (3%)**
- **Capital expenditure totals €258m**

The Roman airport system handled 49.4m passengers in 2019, marking an increase of 1.2% compared with the previous year. The EU segment, which accounts for 50% of total traffic, is up 1.5% on the previous year, whilst the Non-EU segment, which accounts for 27% of total traffic is up 5.0%, primarily due to growth in long-haul flights, which are up 6.3%. The Domestic segment is down 3.7%, reflecting the reduced frequency of flights to northern Italy (due partly to the closure of Milan's Linate airport for work to take place and reduced capacity on Alitalia flights to Venice) and reduced load factors. The decline was further added to by cancellations and reduced capacity on routes to Sicily served by Vueling and Ryanair.

The Group's Italian airports generated operating revenue of €953m in 2019, an increase of €18m (2%) compared with the previous year. Aviation revenue of €673m is up by a total of €6m (1%) on 2018, reflecting the positive impact of volume growth and the type of passenger handled (passengers were up 1.2%). This was partially offset, however, by a reduction in the tariff applied from April (down 1.4%). Other operating income of €280m is up €12m (4.5%) compared with the previous year, primarily due to the positive performances of both non-aviation revenue, which benefitted from the increase in passengers and a higher spending traffic mix, and revenue from the sub-concession of retail space. EBITDA of €596m is up approximately €16m (3%) on the previous year, entirely due to revenue growth.

Capital expenditure totalled €258m in 2019. The construction of new infrastructure for Leonardo da Vinci airport continued, with the aim of ensuring sufficient capacity to meet future demand and achieving continuous improvements in the level of service offered to passengers. Major infrastructure works are taking place in the Eastern area, in readiness to host domestic and Schengen flights.

Overseas airports

- **Nice airport handles 14.5m passengers in 2019, up 4.6%**
- **Operating revenue of €290m down €15m (4.9%)**
- **EBITDA of €122m down €17m (12%)**
- **Capital expenditure totals €70m**

Nice airport handled 14.5m passengers in 2019, an increase of 4.6% compared with the previous year. The Domestic segment, which accounts for 35% of total traffic, is up 4.2% compared with the previous year. The EU segment, accounting for 47% of total traffic, is up 4.9%, whilst the Non-EU segment is up 4.4%.

The Group's overseas airports segment generated operating revenue of €290m in 2019, a reduction of €15m (4.9%) compared with the previous year (down €10mm after stripping out non-recurring items[11]). Aviation revenue, consisting primarily of fees earned by the airports of Nice, Cannes and Saint-Tropez, in addition to the contribution from the Sky Valet FBO network, amounts to €153m, down €14m compared with the previous year. This reflects a combination of the negative impact of the decision by the Independent Supervisory Authority (ASI) to cut tariffs by 33% from 15 May 2019 (a reduction of €23.6m), and growth in passenger traffic (up 4.6%) and in other aviation revenue. Other operating income of €137m is down €1m compared with 2018; after stripping out non-recurring items, other operating income is up €4m, reflecting the performance of retail and other non-aviation revenue. EBITDA of €122m is down €17m (12%) on the previous year. After adjusting for the above non-recurring items, EBITDA is down €12m (9%).

The Aéroports de la Côte d'Azur group's capital expenditure amounted to €70m in 2019, including work on the modernisation of infrastructure and preparations for work to begin on the future extension of Terminal 2, with the goal of boosting capacity.

(11) The sale of an area belonging to Nice airport under agreements regarding the exchange of land in relation to property development schemes, resulting in the recognition of income of €5m in 2018.

Group financial review

Introduction

The international accounting standards (IFRS) approved by the European Commission and in force at 31 December 2019 were applied in the preparation of the consolidated financial statements for 2019. In this regard, it should be noted that IFRS 16 - Leases was adopted for the first time from 1 January 2019.

The reclassified consolidated financial statements for 2018 present a number of differences compared with the information published in the Annual Report for 2018. These reflect completion of the process of measuring and allocating the assets and liabilities resulting from the acquisition of the Abertis group (the "Purchase Price Allocation" or "PPA" process), completed at the end of October 2018.

The Atlantia Group's scope of consolidation as at 31 December 2019 is unchanged with respect to 31 December 2018. However, it should be noted that amounts for 2019 reflect the full-year contribution of the Abertis group, consolidated from the end of October 2018, and the line-by-line consolidation of the Spanish operator, Autopistas Trados-45 (in which Iberpistas SA, a wholly owned subsidiary of Abertis Autopista España SA, already held a 50% interest). In addition, Abertis Infraestructuras completed the sale of its 89.7% stake in Hispasat SA during the year, resulting in the deconsolidation of this company and its subsidiaries.

Finally, the Group did not enter into non-recurring, atypical or unusual transactions, either with third or related parties, in either of the comparative periods.

Operating results

Operating revenue for 2019 amounts to €11,630m, an increase of €4,714m compared with 2018 (€6,916m), including the full-year contribution from the Abertis group compared with the group's consolidation for just two months in 2018 (€4,534m). On a pro forma like-for-like basis, operating revenue is up €442m (4%), primarily reflecting the increase in toll revenue (€436m) contributed by the Abertis group (€304m), overseas motorway operators (€88m) and Italian motorway operators (€44m).

Toll revenue of €9,256m is up €4,264m compared with 2018 (€4,992m). After stripping out the impact of exchange rate movements, which had a negative impact of €19m, and the contribution from the Abertis group, totalling €4,164m, toll revenue is up €119m, primarily as a result of the following:

- an improved contribution from overseas operators (up €88m), linked to both the application of toll increases and traffic growth registered by the operators in Chile (up 4.7%), Brazil (up 4.6%) and Poland (up 0.6%);
- traffic growth on the Italian network (up 0.7%), boosting revenue by an estimated €32m after also taking into account the positive impact of the different traffic mix. The decision to exempt road users in the Genoa area from the payment of tolls resulted in reductions in toll revenue of approximately €12m in the two comparative periods.

Aviation revenue of €826m is down €8m compared with 2018 (€834m), primarily reflecting the impact on the Aéroports de la Côte d'Azur group of the decision taken by the French regulator (ASI) regarding tariffs.

Other operating income totals €1,548m, an increase of €458m compared with 2018 (€1,090m). After stripping out the contribution from the Abertis group, totalling €370m, other operating income is up €88m, essentially due to recognition, in 2019, of insurance proceeds of approximately €38m received by Autostrade per l'Italia under third-party liability insurance policies in relation to the events of 14 August 2018, and growth in contract work carried out by Pavimental for external customers (approximately €38m).

Net operating costs of €5,903m are up €2,755m compared with 2018 (€3,148m).

The cost of materials and external services, totalling €2,386m, is up €1,180m compared with 2018 (€1,206m). After stripping out the contribution from the Abertis group, totalling €878m, the cost of materials and external services is up €302m, primarily reflecting a combination of the following:

- the costs connected with the collapse of the Polcevera road bridge, almost entirely covered by use of the provisions made in the previous year;
- an increase in motorway maintenance costs at Autostrade per l'Italia (approximately €103m), reflecting the greater volume of work on the motorway network as a result of the early implementation of operational programmes and the new and more complex tender procedures introduced in 2017, resulting in delays to work in 2018.

Concession fees of €609m are up €77m compared with 2018 (€532m). After stripping out the increase in the Abertis group's contribution (€53m), concession fees are up €24m, primarily due to recognition in operating costs of the accrued amount payable (€21m) by the Polish operator, Stalexport Autostrada Maloposka, to the Grantor under its concession arrangement.

The operating change in provisions in 2019 generated an expense of €1,426m (an expense of €437m in 2018). This marks an increase in expense of €989m compared with the comparative period, primarily reflecting provisions of €1,500m linked to the undertaking given by Autostrade per l'Italia with the aim of resolving the dispute with the MIT, compared with provisions (€455m) recorded in 2018, following the collapse of the Polcevera road bridge.
In 2019, this also item reflects the use of provisions to fund work connected with the demolition and reconstruction of the Polcevera road bridge, totalling €225m, offset by provisions of €210m made primarily due to a revised estimate of the cost of the repairs to the network included in Autostrade per l'Italia's new strategic plan, and the performance of the discount rates used to discount the provisions to present value.

Net staff costs of €1,482m are up €509m (€973m in 2018), primarily due to the increased contribution from the Abertis group (€444m), as well as the agreed termination of Atlantia's then Chief Executive Officer in September 2019 and the increased cost of staff incentive plans, partly in relation to changes in the fair value of rights vesting between 2018 and 2019.

Gross operating profit (EBITDA) of €5,727m is up €1,959m compared with 2018 (€3,768m). This essentially reflects the increased contribution of the Abertis group (€3,186m), partially offset by the above provisions made in relation to the undertaking given by Autostrade per l'Italia with the aim of resolving the dispute with the MIT (€1,500m). On a pro forma like-for-like basis, gross operating profit is up €56m (1%), essentially due to the above increase in operating revenue, partially offset by the greater volume of maintenance work carried out (€132m) and increased provisions (€194m) made primarily by Autostrade per l'Italia, as well as an increase in staff costs (€48m).

Amortisation, depreciation, impairment losses and reversals of impairment losses, totalling €3,957m, are up €2,342m compared with 2018 (€1,615m), primarily reflecting the Abertis group's contribution (€2,224m). This is due to the different contributions in the two comparative periods and the increase in amortisation (€1,188m) recognised following the above-mentioned completion of allocation of the fair value of the intangible assets acquired.

Provisions for renewal work and other adjustments, amounting to €104m, are down €64m compared with the previous year (€168m). This primarily reflects an updated estimate, in 2018, of the present value of future renewal work to be carried out on the infrastructure operated under concession by Aéroports de la Côte d'Azur.

Operating profit (EBIT) of €1,666m is down €319m compared with 2018 (€1,985m).

Financial income recognised as an increase in financial assets deriving from concession rights and government grants amounts €259m, an increase of €149m compared with 2018 (€110m). This reflects the contribution of certain motorway operators belonging to the Abertis group (€151m) who have significant financial assets resulting from amounts due from their respective grantors.

Financial expenses from discounting of provisions for construction services required by contract and other provisions amount to €78m, an increase of €25m compared with 2018 (€53m), essentially reflecting the increased contribution from the Abertis group.

Net other financial expenses of €1,426m are up €752m compared with 2018 (€674m), essentially reflecting a combination of the following:

- the increased financial expenses contributed by the Abertis group and Abertis HoldCo (totalling €730m), including financial expenses on the acquisition financing used to fund the acquisition of control of Abertis Infraestructuras;
- an increase in the cost of derivative financial instruments (€108m) at Atlantia and Autostrade per l'Italia, primarily due to the recognition of differentials on derivative financial instruments and the reclassification of fair value losses from the cash flow hedge reserve to profit or loss, given that the related hedges no longer relate to a highly probable forecast transaction, represented by the bond issue planned for 2020;
- recognition in 2019 of dividends declared by Hochtief, totalling €63m;
- a reduction in interest expense (€43m) following repayment, in November 2018, of retail bonds issued by Atlantia and repayment, in February 2019, of bonds issued by Autostrade per l'Italia in 2012.

The share of (profit)/loss of investees accounted for using the equity method amounts to a profit of €21m, an improvement of €18m compared with 2018 (a profit of €3m), essentially due to recognition of the Group's share of the profit reported by the investee, Getlink, in 2019.

Total income tax expense amounts to €107m, a reduction of €293m compared with 2018 (€400m) and broadly in line with the reduction in "Profit before tax from continuing operations". The item includes €480m relating to the recognition of deferred tax assets on the above provisions made in relation to the undertaking given by Autostrade per l'Italia with the aim of resolving the dispute with the MIT. In addition, introduction of the 3.5% IRES surtax by art. 1, paragraphs 716-718 of Law 160/2019 (the 2020 Budget Law), applicable to the earnings of motorway and airport operators, has increased current income tax expense in the consolidated financial statements for 2019 by €46m.

Profit for the period attributable to owners of the parent, amounting to €136m, is down €639m compared with 2018 (€775m). This reflects increased provisions made during the year, only partially offset by the increased contribution from the Abertis group.

Operating cash flow for 2019 amounts to €4,969m, an increase of €1,985m. This primarily reflects the increased contribution from the Abertis group, amounting to €2,204m, and an increase in the cash outflow due to changes in operating capital in 2019.

As at 31 December 2019, equity attributable to owners of the parent, totalling €7,408m, is down €983m compared with 31 December 2018 (€8,391m). This essentially reflects a combination of the following:

- dividends declared by Atlantia for 2018 (€736m);
- the comprehensive loss for the period (€278m).

The Group's net debt as at 31 December 2019 totals €36,722m (€38,791m as at 31 December 2018). As at 31 December 2019, the Atlantia Group has cash reserves of €15,655m, consisting of:

- €5,232 million in cash and cash equivalents, including €551m attributable to Atlantia;
- €10,423 million in undrawn committed lines of credit (including €3,250m attributable to Atlantia), having an average residual term of approximately four years and nine months and a weighted average residual drawdown period of approximately four years and two months. These lines of credit include €1,300m consisting of two lines of credit obtained by Autostrade per l'Italia from Cassa Depositi e Prestiti, which is currently processing an application for the drawdown of funds with a view to excluding any reason that would prevent the bank from disbursing the requested amount.

Financial review for Atlantia SpA

Atlantia SpA's profit for 2019 amounts to €427m (€695m in 2018).

The Company's equity amounts to €10,809m, down €394m compared with 31 December 2018 (€11,203m). This reflects a combination of the following:

- the declaration of dividends for 2018 (€736m), including distribution of a portion of the distributable reserve, "Retailed earnings";
- comprehensive income for the year (€341m) which, with respect to profit for the year of €427m, reflects fair value losses on derivatives and on the investment in Hochtief.

Events after 31 December 2019

Rating downgrades

In response to the uncertainty resulting from the approval of Law Decree 162 of 30 December 2019 (the *Milleproroghe* legislation), later converted into Law 8 of 28 February 2020, Atlantia's ratings were downgraded by the leading rating agencies (Moody's: Ba3 Outlook Negative, Fitch: BB Rating Watch Negative and Standard & Poor's: BB- Credit Watch Negative). This was accompanied by downgrades of the subsidiary, Autostrade per l'Italia (Moody's: Ba3 Outlook Negative, Fitch: BB+ Rating Watch Negative and Standard & Poor's: BB- Credit Watch Negative), Aeroporti di Roma (Moody's: Baa3 Outlook Negative, Fitch: BBB- Rating Watch Negative and Standard & Poor's: BB+ Credit Watch Negative) and Abertis Infraestructuras (Fitch: BBB Outlook Negative and Standard & Poor's: BBB- Outlook Negative).

The terms and conditions applicable to Atlantia SpA's borrowings do not provide for early repayment in the event of a rating downgrade, whilst the downgrade of Autostrade per l'Italia's rating to below investment grade could result in early repayment of loans from the EIB and CDP totalling €2.1bn, including €1.7bn guaranteed by Atlantia. At the date of preparation of the Annual Report for 2019, the subsidiary has not received any request for early repayment from either of the two financial institutions.

Law Decree 162 of 30 December 2019 (the so-called *Milleproroghe* legislation)

In response to art. 13 of Law Decree 162 of 30 December 2019 (the so-called *Milleproroghe* legislation), converted into law on 28 February 2020, Autostrade per l'Italia has duly raised the issues relating to the fact that the article is in breach of EU and constitutional law in legal action brought before Lazio Regional Administrative Court, which has challenged the implementing provisions of the legislation.

With regard to art. 35 of the *Milleproroghe* Decree, the Company has asked Lazio Regional Administrative Court to verify the validity and effectiveness of articles 8, 9 and 9-*bis* of the Concession Arrangement.

Based on (i) discussions with the MIT, the Ministry of the Economy and Finance and the Cabinet Office, and (ii) the legislative and/or regulatory framework, including with regard to the outcome of the challenges lodged against the legislation contained in the *Milleproroghe* Decree, Autostrade per l'Italia will in any event have the right to take advantage of all the safeguards provided for in the Concession Arrangement, as confirmed by the opinions provided by the company's legal advisors.

Use of revolving credit facilities

On 14 January 2020, Atlantia drew down the full amount available, amounting to €3,250m, under the Revolving Credit Facility agreed in July 2018, totalling €1,250m, and the Revolving Back Stop Facility agreed in October 2018, totalling €2,000m.

Letter of financial support issued by Atlantia for the benefit of Autostrade per l'Italia

On 24 April 2020, Atlantia provided Autostrade per l'Italia with a letter of support worth up to €900m, in order to cover the subsidiary's financial needs in the period 2020-2021. Atlantia's financial support through this intra-group line of credit is contingent and subject to the subsidiary's failure to secure alternative sources of funding and to the disbursement conditions set out in the letter.

Covid-19

Since the end of February 2020, the restrictions on movement, imposed by many governments in response to the global spread of the Covid-19 pandemic, have had an impact on the volumes of traffic using the motorways and airports operated under concession by the Group. This situation remains ongoing at the date of preparation of the Annual Report.

Group companies have adopted the preventive measures required by the authorities in the various countries to protect the health of their employees, where it has not been possible to adopt alternative arrangements in order to continue to provide services.

The effects have varied from country to country, primarily reflecting differences in the extent and timing of the travel restrictions introduced by governments.

Initial analysis shows that the most significant effects on the infrastructure operated under concession by the Group have been seen in Europe (Italy, Spain and France), more than in South America (Brazil and Chile). In terms of sector of operation, airports have been hit worse than motorways.

The following table shows weekly traffic figures from the beginning of 2020, compared with the matching period of 2019, for the main sectors and geographical areas in which the infrastructure operated under concession by the Group is located.

	Motorways					Airports	
Provisional data Changes in ADT versus same week in 2019	**Italy** (ASPI)	**Spain** (Abertis)	**France** (Abertis)	**Brazil** (Atlantia + Abertis)	**Chile** (Atlantia + Abertis)	**ADR** (FCO+CIA)	**NCE**
	ADT	*ADT*	*ADT*	*ADT*	*ADT*	*pax*	*pax*
week 2	2.9%	-0.8%	4.4%	2.1%	-8.0%	3.5%	5.0%
week 3	0.9%	2.5%	5.9%	2.9%	-7.5%	-1.3%	3.5%
week 4	2.9%	1.0%	10.2%	1.4%	-5.3%	-0.6%	3.8%
week 5	6.5%	8.1%	9.0%	2.2%	-9.2%	-3.0%	8.0%
week 6	-0.2%	3.2%	-1.4%	1.1%	-6.4%	-8.5%	-5.5%
week 7	-0.5%	2.9%	0.6%	4.5%	-6.5%	-8.4%	4.9%
week 8	0.0%	5.0%	3.6%	14.3%	-5.6%	-7.3%	2.1%
week 9	-17.3%	2.1%	-1.3%	-4.2%	-5.5%	-32.6%	-0.2%
week 10	-23.6%	-3.0%	-10.1%	-2.8%	-9.5%	-55.6%	-19.2%
week 11	-59.9%	-22.0%	-11.4%	4.1%	-10.2%	-81.1%	-48.8%
week 12	-75.1%	-66.9%	-58.8%	-16.1%	-36.7%	-93.7%	-80.8%
week 13	-80.9%	-73.4%	-79.6%	-47.0%	-57.2%	-94.9%	-97.6%
week 14	-77.0%	-79.5%	-81.3%	-42.4%	-59.3%	-97.2%	-99.2%
week 15	-75.5%	-84.8%	-82.2%	-41.1%	-62.6%	-98.6%	-99.5%
week 16	-79.7%	-81.8%	-83.5%	-43.3%	-52.6%	-98.7%	-99.5%
Progressive as at 19 April 2020	**-32.2%**	**-26.9%**	**-26.1%**	**-10.1%**	**-21.6%**	**-46.7%**	**-39.7%**

Free share scheme

On 24 April 2020, Atlantia's Board of Directors approved a free share scheme for the over 12,000 workers employed by the Group's Italian companies. Under the scheme, each employee will receive 75 shares in Atlantia, worth approximately €1,000 based on the current share price. The scheme will involve up to 975,000 shares, equal to 12% of the treasury shares currently held by the Company. The scheme will be submitted for approval by the Annual General Meeting of shareholders to be held on 29 May and the shares will be granted to employees by the end of this year. The shares will be deposited free of charge in a securities escrow account for a period of three years, at the end of which the employee will have full title. The scheme aims to further strengthen the bond between the Atlantia Group and its Italian workforce, during a period of major difficulty for the entire country. During the meeting, the Chairman, Fabio Cerchiai, and the Chief Executive Officer, Carlo Bertazzo, also informed the Board of their decision to cut their fixed pay for 2020 by 25% between May and the end of the year. The money saved, together with the funds raised by the appeal launched by the Group's management, will be handed over to the Municipality of Genoa to finance the distribution of food vouchers for members of the Genoese community and to support initiatives for the families of the Group's employees. Finally, in view of the serious economic difficulties faced by the country, there will be no short- and long-term management incentive plans launched in 2020.

Dividends payable by Abertis HoldCo

On 21 April 2020, the annual general meeting of Abertis HoldCo's shareholders approved payment of a dividend of €875m, with 50% to be paid on 28 April 2020 and the remaining 50% at the end of 2020 following assessment of the impact of Covid-19.

Outlook

At the date of preparation of this release, there are certain significant uncertainties, primarily surrounding the concession arrangement and regulatory framework of the subsidiary, Autostrade per l'Italia, and the Group's potential exposure to liquidity and financial risk, resulting in part from the spread of the Covid-19 pandemic, with the potential to have a material impact on Group companies.

Since the end of February 2020, the restrictions on movement, imposed by many governments in response to the global spread of the Covid-19 pandemic, have had an impact on the volumes of traffic using the motorways and airports operated under concession by the Group. This situation remains ongoing at the date of preparation of the Annual Report.

Group companies have adopted the preventive measures required by the authorities in the various countries to protect the health of their employees, where it has not been possible to adopt alternative arrangements in order to continue to provide services.

The decline in traffic is have a serious impact on the ability of Group companies to generate sufficient cash to fund planned investment and to service their debt, and on their ability to comply with certain covenants attached to their borrowings.

The Group has responded rapidly to the impact of the decline in traffic, taking steps to implement cost-efficiencies and cost-savings and review its investment programmes, whilst at the same time guaranteeing works linked to the safety of infrastructure. We are also assessing all the various forms of aid being provided by governments and regulators in the various countries.

It is not at the moment possible to predict how the situation will develop or how long it will take to return to pre-existing levels of traffic and of activity.

The overall impact on traffic will depend on how the virus develops, on the extent and duration of the restrictions on movement introduced by the various governments and on the impact the measures will have on the economy, specifically on consumer spending and demand for motorway and airport services.

Considering the traffic figures up to this point and assuming a relaxation of the existing travel restrictions and a gradual recovery from the second half of 2020 onwards, a preliminary sensitivity analysis results in an estimated average annual decline in the Group's motorway traffic of approximately 30% and in airport traffic of approximately 50%. This would result in a potential reduction in the Group's revenue of around €3bn compared with the figure for 2019. It would also lead to a potential reduction in operating cash flow after capital expenditure of €2bn, again when compared with the figures for 2019.

The assumptions underlying such a sensitivity analysis are, however, subject to change depending on events and on a number of risk factors and uncertainties. As a result, the impacts may differ, perhaps significantly, from the above figures. The above impacts should be considered as forecasts of a purely indicative nature and based on the above assumptions. They are subject to revision based on future traffic projections as the situation evolves and, as such, do not constitute the outlook for the Group or future performance targets.
The Board of Directors is closely monitoring developments and continues to assess the need for further efficiencies and changes to subsidiaries' investment programmes. The Board is also looking at the possibility of taking advantage of government initiatives introduced in the various countries in which the Group operates, with the aim of mitigating the effects on corporate earnings and finances.

With regard to Autostrade per l'Italia, in the coming months the subsidiary intends to continue to engage with the MIT with a view to identifying agreed solutions that would lead to a resolution of the dispute, and that would at the same time ensure the financial sustainability of the proposed development and investment plan. The subsidiary will also continue to monitor its financial position, partly in relation to the effects of the government restrictions on movement introduced as a result of the Covid-19 pandemic. It will also assess potential liquidity support options, including those offered by the measures designed to provide liquidity support for businesses introduced by Law Decree 23 of 8 April 2020.

Finally, it should be noted that the results for the second half of 2020 are expected to include the contribution of the Mexican group, Red de Carreteras de Occidente (RCO), whose consolidation by Abertis Infraestructuras is expected to increase the Group's revenue and EBITDA and further diversify the geographical footprint of the motorways operated under concession.

Call of the Annual General Meeting

The Board of Directors intends to propose that the Annual General Meeting ("AGM") of Atlantia's shareholders, to be held on 29 May 2020, approve Atlantia's separate financial statements as at and for the year ended 31 December 2019 and the plan to appropriate profit for the year, amounting to €426,613,505, to the distributable "Retained earnings" reserve.

The Board will also propose that the AGM:

- approve the engagement of the Independent Auditor for the nine-year period 2021-2029;
- approve the proposed election of two Directors, previously co-opted during the year;
- revoke the resolution approved by the AGM of 18 April 2019 insofar as it regards the authority to purchase treasury shares, without affecting the authority to dispose of the treasury shares contained in such resolution;
- approve the proposal for a free share scheme for employees for the year 2020;

Finally, the AGM will be asked to hold a binding vote on the first section of the Report on the Remuneration Policy for 2020 and on Remuneration Paid in 2019, in accordance with art. 123-*ter* of Legislative Decree 58 of 24 February 1998, and a non-binding vote on the second section of the Report on the Remuneration Policy for 2020 and on Remuneration Paid in 2019, in accordance with art. 123-*ter* of Legislative Decree 58 of 24 February 1998.

In accordance with the related statutory requirements, the documentation relating to agenda items for the AGM will be made available for consultation within the deadline required by law.

Explanatory notes

Alternative performance indicators

In application of the CONSOB Ruling of 3 December 2015, governing implementation in Italy of the guidelines for alternative performance indicators ("APIs") issued by the European Securities and Markets Authority (ESMA), the basis used in preparing the APIs published by the Atlantia Group (the "Group") is described below.
The APIs shown in this release are deemed relevant to an assessment of the operating performance based on the overall results of the Group as a whole and the results of its operating segments and of individual consolidated companies. In addition, the APIs provide an improved basis for comparison of the results over time, even if they are not a replacement for or an alternative to the results determined applying the IFRS applied by the Atlantia Group and described in the Annual Report.
With regard to the APIs, Atlantia presents the following financial statements as attachments to this release: the reclassified income statement, the reclassified statement of financial position and the statement of cash flows. In addition to amounts from the income statement and statement of financial position prepared under IFRS, these reclassified financial statements thus present a number of indicators and items derived from them, even when they are not required by the above standards and are, therefore, identifiable as APIs.

Compared with the APIs used in the previous Annual Report for 2018, the Annual Report for 2019 does not show "Adjusted EBITDA" or "Adjusted operating cash flow", calculated by stripping out the impact of application of the "financial model", introduced by IFRIC 12, by certain of the Atlantia Group's operators. This is because these indicators are no longer deemed significant in an analysis of the Group's operating and financial performance, partly in view of changes affecting the Group. A new alternative performance indicator, "Financial debt", is, on the other hand, presented and is described below.
A list of the principal APIs presented in this release, together with a brief description of the related composition and the reconciliation with reported amounts, is provided below:

- "Operating revenue" includes toll revenue, aviation revenue and other operating income, and differs from revenue in the statutory consolidated income statement in that revenue from construction services, recognised on the basis of the cost of materials and external services, service costs, staff costs, other operating costs and financial expenses relating to construction services incurred, is presented in the reclassified income statement as a reduction in the respective items under operating costs and financial expenses;
- "Gross operating profit (EBITDA)" is the synthetic indicator of gross profit from operations, calculated by deducting operating costs, with the exception of amortisation, depreciation, impairment losses and reversals of impairment losses, provisions for the renewal of assets held under concession and other adjustments, from operating revenue;
- "Operating profit (EBIT)" is the indicator that measures the operating return on the capital invested in the business, calculated by deducting amortisation, depreciation, impairment losses and reversals of impairment losses, provisions for the renewal of assets held under concession and other adjustments from EBITDA. Like EBITDA, EBIT does not include the capitalised component of financial expenses relating to construction services, which is shown in a specific item under financial income and expenses in the reclassified statement. This component is, however, included in revenue in the statutory consolidated income statement, thereby representing the sole difference with respect to operating profit;
- "Net invested capital", showing the total value of non-financial assets, after deducting non-financial liabilities;
- "Net financial debt" is a synthetic indicator of the financial structure and is based on the nominal redemption value of bond issues, medium/long-term and short-term borrowings, including bank overdrafts repayable on demand, and after deducting cash;
- "Net debt", being the indicator of the portion of net invested capital funded by net financial liabilities, which consist of "Current and non-current financial liabilities" after deducting "Current and non-current financial assets" and "cash and cash equivalents";
- "Capital expenditure", being the indicator of the total amount invested in development of the Group's businesses, calculated as the sum of cash used in investment in property, plant and equipment, in assets held under concession and in other intangible assets, not including investments in investees;
- "Operating cash flow", being the indicator of cash generated by or used in operating activities. Operating cash flow is calculated as profit for the period + amortisation/depreciation +/- impairments/reversals of

impairments of assets +/- provisions/releases of provisions in excess of requirements and uses of provisions + other adjustments + financial expenses from discounting of provisions + dividends received from investees accounted for using equity method +/- the share of profit/(loss) of investees accounted for using equity method in profit or loss +/- (losses)/gains on sale of assets +/- other non-cash items +/- deferred tax assets/liabilities recognised in profit or loss.

Pro forma reclassified consolidated income statement and like-for-like changes

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

As described in the section, "Alternative performance indicators", the following table shows the reconciliation of pro forma like-for-like consolidated amounts for operating revenue and gross operating profit (EBITDA), and the corresponding amounts presented in the reclassified consolidated income statement.
The term "pro forma like-for-like basis", used in describing changes in certain consolidated financial indicators, indicates that amounts for 2018 have been restated in order to provide a consistent basis for comparison with consolidated amounts for 2019.
The following table shows the comparison, on a consistent basis across the two comparative periods, of operating revenue and gross operating profit (EBITDA), based on the assumption that the acquisition of the Abertis group was effective from 1 January 2018.
In addition, the statement and a description of the assumptions relating to restatement of the pro forma consolidated results for 2018 are provided below, together with the statement showing like-for-like changes.

€M	ATLANTIA 2019 (LIKE-FOR-LIKE)	ATLANTIA PRO FORMA 2018 (LIKE-FOR-LIKE)	INCREASE/ (DECREASE)	
			ABSOLUTE	%
Total operating revenue	11.572	11.130	442	4%
Gross operating profit (EBITDA)	7.203	7.147	56	1%

"Operating revenue" for 2019 amounts to €11,572m, an increase of €442m (4%) compared with 2018 (€11,130m). This primarily reflects the increase in toll revenue (€436m) contributed by the Abertis group (€304m), overseas motorway operators (€88m) and Italian motorway operators (€44m).

"Gross operating profit" (EBITDA) of €7,203m is up €56m compared with 2018 (€7,147m). This essentially due to the above increase in operating revenue, partially offset by the greater volume of maintenance work carried out (€132m) and increased provisions (€194m) relating to a revised estimate of the repair work to be carried out on the network by Autostrade per l'Italia, as well as an increase in staff costs (€48m).

Below is the reconciliation of the pro forma disclosure, provided in order to present the material effects of the acquisition of the Abertis group on the Atlantia Group's reclassified consolidated income statement down to "Gross operating profit" (EBITDA), had the transaction been effective from 1 January 2018, rather than from the end of October 2018. The assumptions used in preparation of the pro forma data are the same as those used and described in the Annual Report for 2018.

€M	CONSOLIDATED FINANCIAL STATEMENTS 2018 ATLANTIA GROUP (A)	CONTRIBUTION OF ABERTIS GROUP (LAST 2 MONTHS OF 2018) (B)	ATLANTIA 2018 (C) = (A) - (B)	ABERTIS 2018 (D)	ATLANTIA PRO FORMA 2018 (E) = (D) + (C)
Total operating revenue	6.916	827	6.089	5.239	11.328
Total net operating costs	-3.148	-277	-2.871	-1.690	-4.561
Gross operating profit (EBITDA)	3.768	550	3.218	3.549	6.767

To facilitate a correct interpretation of the information provided in the pro forma consolidated results for 2018, the following should be taken into account:

- given that the pro forma income statement presents a hypothetical situation, had the acquisition actually been consummated at the date to which the pro forma consolidated results refer, the resulting impact on the accounts would not necessarily have been identical to the pro forma data presented below;

- the pro forma adjustments shown represent material effects on the results linked directly to the acquisition;
- the pro forma information has been prepared solely for the purposes of presenting the objectively measurable effects of the acquisition and, therefore, does not take account of the potential effects resulting from changes in management strategy and operational decisions resulting from implementation of that strategy;
- at the date to which the pro forma consolidated income statement refers, there were no direct relationships of control or affiliation between the companies participating in the acquisition, nor were they under common control as defined by IFRS 3;
- the amounts calculated in order to compute the "Pro forma adjustments" are consistent with the accounting presentation of the transaction presented in detail in note 6.2 in section 3, "Consolidated financial statements as at and for the year ended 31 December 2019: financial statements and notes";
- the accounting information for Abertis group companies, used in the preparation of this pro forma disclosure, has been extracted from the financial information published by the Abertis group and prepared applying the same accounting standards and policies applied by the Atlantia Group. This follows the decision to standardise the basis of accounting and presentation used for financial reporting purposes following completion of the acquisition.

The above statement presents:

- the consolidated results for 2018, based on the financial information published by the Atlantia Group, in the column headed "Consolidated financial statements 2018 Atlantia Group";
- amounts representing the Abertis group's contribution for the last two months of 2018 in the column headed "Contribution of Abertis group";
- the Atlantia Group's results for 2018, after stripping out the Abertis group's contribution, in the column headed "Atlantia 2018";
- the Abertis group's results for 2018, based on the financial information published by the Abertis group, after restatement as above, in the column headed "Abertis";
- the sum of the consolidated results of the Atlantia Group and the Abertis group for 2018 in the column headed "Atlantia pro forma 2018".

Pro forma like-for-like changes

Adjustments for non like-for-like items in the two comparative periods are shown below:

€M	Note	2019		2018	
		OPERATING REVENUE	GROSS OPERATING PROFIT (EBITDA)	PRO FORMA OPERATING REVENUE	GROSS OPERATING PROFIT (PRO FORMA EBITDA)
Aggregate pro forma amounts (A)		11.630	5.727	11.328	6.767
Adjustments for non like-for-like items					
Change in scope and other concession arrangements	(1)	127	77	187	104
Exchange rate movements and impact of hyperinflation	(2)	-88	-40	18	7
Change in discount rate applied to provisions	(3)	-	-21	-	22
Impact connected with collapse of section of Polcevera road bridge	(4)	19	-1.508	-7	-513
New accounting policies	(5)	-	16	-	-
Sub-total (B)		58	-1.476	198	-380
Like-for-like pro forma amounts (C) = (A) - (B)		11.572	7.203	11.130	7.147

Notes:

- for 2019, the contributions of the Brazilian operator, Via Paulista, which began operating in January 2019, and of the Spanish operator, Trados-45, consolidated during 2019; for 2018, the contribution of the Brazilian operator, Vianorte, which terminated its concession arrangement in May 2018, in addition to the adjustment to revenue to take account of the amounts due to the motorway operators in Argentina following the agreement reached with the grantor. For both comparative periods, the operating costs incurred by Atlantia in order to complete the acquisition of the Abertis group and to establish the special purposes vehicles used in the acquisition;

- the difference between foreign currency amounts for 2019 for companies with functional currencies other than the euro, converted at average exchange rates for the period, and the matching amounts converted using average exchange rates for 2018, and the impact of application of accounting standard IAS 29 – Financial Reporting in Hyperinflationary Economies in response to inflation in Argentina;
- from consolidated amounts for both comparative periods, the impact of the difference in the discount rates applied to the provisions accounted for among the Atlantia Group's liabilities;
- for both comparative periods, the reduction in toll revenue, insurance proceeds and expenses in relation to the collapse of a section of the Polcevera road bridge. For 2019 alone, the provisions made by Autostrade per l'Italia in relation to the undertaking given in order to resolve its dispute with the MIT;
- for 2019 alone, the operating costs linked to the accrued amount payable for the period under a profit-sharing mechanism and that the Polish operator, Stalexport Autostrada Malopolska, must hand over to the Grantor under specific agreements in the concession arrangement, in addition to the after-tax impact on operating costs, depreciation and financial expenses of first-time adoption of the new accounting standard IFRS 16 - Leases.

Composition of the Group's operating segments

The Atlantia Group's operating segments are identified based on the information provided to and analysed by Atlantia's Board of Directors, which represents the Group's chief operating decision maker, when taking decisions regarding the allocation of resources and assessing performance. In particular, the Board of Directors assesses the performance of the business in terms of business, geographical area of operation and the organisational structure of the various areas of business.
There are no changes in the structure of operating segments as at 31 December 2019 with respect to the situation presented in the Annual Report for 2018. As a result, the composition of operating segments is as follows:

- Italian motorways: this includes the Italian motorway operators (Autostrade per l'Italia, Autostrade Meridionali, Tangenziale di Napoli, Società Italiana per Azioni per il Traforo del Monte Bianco, Raccordo Autostradale Valle d'Aosta and Autostrada Tirrenica), whose core business consists of the management, maintenance, construction and widening of the related motorways operated under concession. This operating segment also includes companies (AD Moving, Giove Clear, Infoblu, Essediesse and Autostrade Tech) that provide support for the Italian motorway operators mentioned above and that are subsidiaries of Autostrade per l'Italia;
- Overseas motorways: this includes the activities of the holders of motorway concessions in Brazil, Chile, India and Poland, and the companies that provide operational support for these operators and the related foreign-registered holding companies. In addition, this segment includes the Italian holding company, Autostrade dell'Atlantico, which primarily holds investments in South America;
- Abertis group: this includes the Spanish, French, Chilean, Brazilian, Argentine, Puerto Rican and Indian motorway operators and the companies that produce and operate tolling systems controlled by Abertis Infraestructuras, and the vehicle companies used in its acquisition: Abertis Participaciones and Abertis HoldCo;
- Italian airports: this includes the airports business of Aeroporti di Roma, which holds the concession to operate and expand the airports of Rome Fiumicino and Rome Ciampino, and its subsidiaries;
- Overseas airports: this includes the airport operations of the companies controlled by Aéroports de la Côte d'Azur (ACA), the company that (directly or through its subsidiaries) operates the airports of Nice, Cannes-Mandelieu and Saint-Tropez and the international network of ground handlers, Sky Valet, in addition to Azzurra Aeroporti (the parent of ACA);
- Atlantia and other activities: this segment essentially includes:
  - the Parent Company, Atlantia, which operates as a holding company for its subsidiaries and associates whose business is the construction and operation of motorways, airports and transport infrastructure, parking areas and intermodal systems, or who engage in activities related to the management of motorway or airport traffic;
  - Telepass and Electronic Transaction Consultants, the companies that produce and operate free-flow

tolling systems, traffic management systems, mobility solutions and electronic payment systems;

- the companies whose business is the design, construction and maintenance of infrastructure, essentially carried out by Spea Engineering and Pavimental;
- Aereo I Global & International Sarl, the Luxembourg-registered investment vehicle that holds a 15.49% interest in Getlink.

* * *

The manager responsible for financial reporting, Tiziano Ceccarani, declares, pursuant to section 2 of article 154 bis of the Consolidated Finance Act, that the accounting information contained in this release is consistent with the underlying accounting records.

In addition to the conventional financial indicators required by IFRS contained in this press release, certain alternative performance indicators have been included (e.g., EBITDA) in order to permit a better appraisal of the company's results and financial position. These indicators have been calculated in accordance with market practices.

The Group's net debt, measured in accordance with the European Securities and Market Authority – ESMA Recommendation of 20 March 2013 (which does not entail the deduction of non-current financial assets from debt), amounts to €41,506 as at 31 December 2019, compared with €43,495 as at 31 December 2018.

The reclassified income statements, statements of financial position, statements of comprehensive income and statements of cash flows of the Atlantia Group and Atlantia SpA as at and for the year ended 31 December 2019 are attached hereinafter.

It should be noted that, to date, the audit of Atlantia's separate and consolidated financial statements for the year ended 31 December 2019 has yet to be completed.

Reclassified consolidated income statement

€M	2019	2018 (restated)	INCREASE/ (DECREASE) ABSOLUTE	%
Toll revenue	9.256	4.992	4.264	85%
Aviation revenue	826	834	-8	-1%
Other operating income	1.548	1.090	458	42%
Total operating revenue	**11.630**	**6.916**	**4.714**	**68%**
Cost of materials and external services	-2.386	-1.206	-1.180	98%
Concession fees	-609	-532	-77	14%
Net staff costs	-1.482	-973	-509	52%
Operating change in provisions	-1.426	-437	-989	n.s.
Total net operating costs	**-5.903**	**-3.148**	**-2.755**	**88%**
Gross operating profit (EBITDA)	**5.727**	**3.768**	**1.959**	**52%**
Amortisation, depreciation, impairment losses and reversals of impairment losses	-3.957	-1.615	-2.342	n.s.
Provisions for renewal work and other adjustments	-104	-168	64	-38%
Operating profit (EBIT)	**1.666**	**1.985**	**-319**	**-16%**
Financial income accounted for as an increase in financial assets deriving from concession rights and government grants	259	110	149	n.s.
Financial expenses from discounting of provisions for construction services required by contract and other provisions	-78	-53	-25	47%
Other financial expenses, net	-1.426	-674	-752	n.s.
Capitalised financial expenses on intangible assets deriving from concession rights	29	9	20	n.s.
Share of profit/(loss) of investees accounted for using the equity method	21	3	18	n.s.
Profit/(Loss) before tax from continuing operations	**471**	**1.380**	**-909**	**-66%**
Income tax expense	-107	-400	293	-73%
Profit/(Loss) from continuing operations	**364**	**980**	**-616**	**-63%**
Profit/(Loss) from discontinued operations	-7	4	-11	n.s.
Profit for the year	**357**	**984**	**-627**	**-64%**
(Profit)/Loss attributable to non-controlling interests	221	209	12	6%
(Profit)/Loss attributable to owners of the parent	**136**	**775**	**-639**	**-82%**

	2019	2018 (restated)	INCREASE/ (DECREASE)
Basic earnings per share attributable to the owners of the parent (€)	**0,17**	**0,95**	**-0,78**
of which:			
- from continuing operations	0,17	0,95	-0,78
- from discontinued operations	-	-	-
Diluted earnings per share attributable to the owners of the parent (€)	**0,17**	**0,95**	**-0,78**
of which:			
- from continuing operations	0,17	0,95	-0,78
- from discontinued operations	-	-	-

Consolidated statement of comprehensive income

€M		2019	2018 (restated)
Profit for the year	**(A)**	357	**984**
Fair value gains/(losses) on cash flow hedges		-507	-119
Fair value gains/(losses) on net investment hedges		-25	13
Gains/(Losses) from translation of assets and liabilities of consolidated companies denominated in functional currencies other than the euro		-325	-383
Other comprehensive income of investments accounted for using the equity method		-84	-1
Other fair value gains/(losses)		-4	-
Tax effect		129	28
Other comprehensive income/(loss) for the year reclassifiable to profit or loss	**(B)**	-816	**-462**
Gains/(Losses) from actuarial valuations of provisions for employee benefits		-7	1
(Losses)/Gains on fair value measurement of investments		-67	-427
Gains/(Losses) on fair value measurement of fair value hedges		101	-
Tax effect		4	4
Other comprehensive income/(loss) for the year not reclassifiable to profit or loss	**(C)**	31	**-422**
Reclassifications of other comprehensive income to profit or loss for the year	**(D)**	80	**3**
Tax effect of reclassifications of other comprehensive income to profit or loss for the year	**(E)**	-9	**-2**
Total other comprehensive income/(loss) for the year	**(F=B+C+D+E)**	-714	**-883**
of which relating to discontinued operations		6	-
Comprehensive income for the year	**(A+F)**	-357	**101**
Of which attributable to owners of the parent		*-278*	*129*
Of which attributable to non-controlling interests		*-79*	*-28*

Reclassified consolidated statement of financial position

€M	31 December 2019	31 December 2018 (restated)	INCREASE/ (DECREASE)
Non-current non-financial assets			
Property, plant and equipment	820	696	124
Intangible assets	59.472	62.360	-2.888
Investments	3.662	3.888	-226
Deferred tax assets	2.113	1.772	341
Other non-current assets	77	129	-52
Total non-current non-financial assets (A)	66.144	68.845	-2.701
Working capital			
Trading assets	2.575	2.387	188
Current tax assets	1.006	899	107
Other current assets	565	603	-38
Non-financial assets held for sale or related to discontinued operations	4	1.582	-1.578
Current portion of provisions for construction services required by contract	-571	-428	-143
Current provisions	-2.650	-1.324	-1.326
Trading liabilities	-2.243	-2.140	-103
Current tax liabilities	-283	-233	-50
Other current liabilities	-1.117	-1.239	122
Non-financial liabilities related to discontinued operations	-	-223	223
Total working capital (B)	-2.714	-116	-2.598
Gross invested capital (C=A+B)	63.430	68.729	-5.299
Non-current non-financial liabilities			
Non-current portion of provisions for construction services required by contract	-2.473	-2.787	314
Non-current provisions	-2.694	-2.658	-36
Deferred tax liabilities	-6.280	-7.091	811
Other non-current liabilities	-358	-534	176
Total non-current non-financial liabilities (D)	-11.805	-13.070	1.265
NET INVESTED CAPITAL (E=C+D)	51.625	55.659	-4.034

Reclassified consolidated statement of financial position

€M	31 December 2019	31 December 2018 (restated)	INCREASE/ (DECREASE)
Equity attributable to owners of the parent	7.408	8.391	-983
Equity attributable to non-controlling interests	7.495	8.477	-982
Total equity (F)	14.903	16.868	-1.965
Net debt			
Non-current net debt			
Non-current financial liabilities	43.826	45.178	-1.352
Bond issues	26.628	21.546	5.082
Medium/long-term borrowings	15.204	22.084	-6.880
Non-current derivative liabilities	1.301	921	380
Other non-current financial liabilities	693	627	66
Non-current financial assets	-4.784	-4.704	-80
Non-current financial assets deriving from concession rights	-3.009	-2.991	-18
Non-current financial assets deriving from government grants	-214	-282	68
Non-current term deposits	-321	-350	29
Non-current derivative assets	-245	-144	-101
Other non-current financial assets	-995	-937	-58
Total non-current net debt (G)	39.042	40.474	-1.432
Current net debt			
Current financial liabilities	4.220	4.386	-166
Bank overdrafts repayable on demand	30	-	30
Short-term borrowings	391	294	97
Current derivative liabilities	42	11	31
Current portion of medium/long-term financial liabilities	3.620	3.271	349
Other current financial liabilities	137	495	-358
Financial liabilities related to discontinued operations	-	315	-315
Cash and cash equivalents	-5.232	-5.073	-159
Cash in hand	-4.172	-3.884	-288
Cash equivalents	-1.060	-1.148	88
Cash and cash equivalents related to discontinued operations	-	-41	41
Current financial assets	-1.308	-996	-312
Current financial assets deriving from concession rights	-559	-536	-23
Current financial assets deriving from government grants	-63	-74	11
Current term deposits	-433	-245	-188
Current derivative assets	-	-2	2
Current portion of other medium/long-term financial assets	-136	-109	-27
Other current financial assets	-117	-30	-87
Attività finanziarie destinate alla vendita o connesse ad attività operative cessate	-	-	-
Total current net debt/(funds) (H)	-2.320	-1.683	-637
Total net debt (I=G+H) (1)	36.722	38.791	-2.069
NET DEBT AND EQUITY (L=F+I)	51.625	55.659	-4.034

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

Consolidated statement of cash flows

€M	2019	2018 (restated)
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Profit for the year	357	984
Adjusted by:		
Amortisation and depreciation	3.907	1.623
Operating change in provisions (*)	1.400	599
Financial expenses from discounting of provisions for construction services required by contract and other provisions	78	53
Impairment losses/(Reversals of impairment losses) on financial assets and investments accounted for at fair value	175	-5
Dividends received and share of (profit)/loss of investees accounted for using the equity method	25	29
Impairment losses/(Reversals of impairment losses) and adjustments of current and non-current assets	63	-1
(Gains)/Losses on sale of non-current assets	-1	-
Net change in deferred tax (assets)/liabilities through profit or loss	-904	-118
Other non-cash costs (income)	-131	-180
Change in trading assets and liabilities and other non-financial assets and liabilities	-307	-41
Net cash generated from operating activities [a]	4.662	2.943
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Investment in assets held under concession	-1.479	-962
Purchases of property, plant and equipment	-207	-93
Purchases of other intangible assets	-108	-70
Government grants related to assets held under concession	8	1
Increase in financial assets deriving from concession rights (related to capital expenditure)	84	26
Purchases of investments	-4	-2.438
Acquisitions of additional interests and/or investment in consolidated companies, net of cash acquired	52	-15.099
Proceeds from sales of property, plant and equipment, intangible assets and unconsolidated investments	23	6
Proceeds from sales of consolidated investments, net of cash and cash equivalents transferred	904	-
Net change in other non-current assets	48	-124
Net change in current and non-current financial assets	-542	80
Net cash generated used in investing activities [b]	-1.221	-18.673
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Dividends paid by Atlantia	-736	-532
Dividends paid by Group companies to non-controlling shareholders	-468	-249
Contributions from non-controlling shareholders	-	3.455
Distribution of reserves and returns of capital to non-controlling shareholders	-466	-74
Proceeds from exercise of rights under share-based incentive plans	1	1
Issuance of bonds	7.434	315
Increase in medium/long term borrowings (excluding lease liabilities)	3.583	13.929
Increase in lease liabilities	42	-
Redemption of bonds	-1.990	-1.223
Repayments of medium/long term borrowings (excluding lease liabilities)	-10.530	-349
Repayments of finance lease liabilities	-39	-
Net change in other current and non-current financial liabilities	-119	-50
Net cash generated used in financing activities [c]	-3.288	15.223
Net effect of foreign exchange rate movements on net cash and cash equivalents equivalenti [d]	-24	-33
Increase/(Decrease) in cash and cash equivalents for year [a+b+c+d]	129	-540
NET CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	5.073	5.613
NET CASH AND CASH EQUIVALENTS AT END OF YEAR	5.202	5.073

(*) This item does not include uses of provisions for the renewal of assets held under concession and includes uses of provisions for risks.

Additional information on the statement of cash flows

€M	2019	2018 (restated)
Income taxes paid	1.194	665
Interest and other financial income collected	146	85
Interest and other financial expenses paid	1.425	840
Dividends received	118	36
Foreign exchange gains collected	27	2
Foreign exchange losses incurred	17	5

Reconciliation of net cash and cash equivalents

€M	2019	2018 (restated)
NET CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	5.073	5.613
Cash and cash equivalents	5.032	5.624
Bank overdrafts repayable on demand	-	-18
Cash and cash equivalents related to discontinued operations	41	7
NET CASH AND CASH EQUIVALENTS AT END OF YEAR	5.202	5.073
Cash and cash equivalents	5.232	5.032
Bank overdrafts repayable on demand	-30	-
Cash and cash equivalents related to discontinued operations	-	41

Reclassified income statement of Atlantia S.p.A.

€M	2019	2018	INCREASE/ (DECREASE) ABSOLUTE	%
Operating revenue	3	3	-	n/s
Total operating revenue	**3**	**3**	**-**	**n/s**
Cost of materials and external services	-33	-80	47	-59%
Staff costs	-59	-20	-39	n/s
Total net operating costs	**-92**	**-100**	**8**	**-8%**
Gross operating loss (EBITDA)	**-89**	**-97**	**8**	**-8%**
Amortisation, depreciation, impairment losses and reversals of impairment losses	-1	-	-1	n/s
Operating loss (EBIT)	**-90**	**-97**	**7**	**-7%**
Dividends received from investees	636	861	-225	-26%
(Impairment losses)/Reversals of impairment losses on investments	-44	-	-44	n/s
Other financial income/(expenses), net	-115	-111	-4	4%
Profit before tax from continuing operations	**387**	**653**	**-266**	**-41%**
Income tax (expense)/benefit	40	42	-2	-5%
Profit from continuing operations	**427**	**695**	**-268**	**-39%**
Profit for the year	**427**	**695**	**-268**	**-39%**

Statement of comprehensive income of Atlantia S.p.A.

€M		2019	2018
Profit for the year	**(A)**	**427**	**695**
Fair value gains/(losses) on cash flow hedges		-172	-60
Tax effect of fair value gains/(losses) on cash flow hedges		50	18
Other comprehensive income/(loss) reclassifiable to profit or loss for the year	**(B)**	**-122**	**-42**
Fair value (losses)/gains on investments		-67	-427
Tax effect of fair value (losses)/gains on investments		1	5
Fair value gains/(losses) on fair value hedges		101	-
Tax effect of fair value gains/(losses) on fair value hedges		1	-
Other comprehensive income/(loss) not reclassifiable to profit or loss for the year	**(C)**	**36**	**-422**
Reclassifications of other comprehensive income to profit or loss for the year	**(D)**	**-**	**-**
Total other comprehensive income/(loss) for the year	**(E=B+C+D)**	**-86**	**-464**
Comprehensive income for the year	**(A+E)**	**341**	**231**

Reclassified statement of financial position of Atlantia S.p.A.

€M	31 December 2019	31 December 2018	INCREASE/ (DECREASE)
Non-current non-financial assets			
Property, plant and equipment	20	6	14
Investments	15.521	16.095	-574
Deferred tax assets, net	60	9	51
Total non-current non-financial assets (A)	**15.601**	**16.110**	**-509**
Working capital			
Trading assets	9	14	-5
Current tax assets	88	117	-29
Other current assets	18	1	17
Current provisions	-1	-1	-
Trading liabilities	-16	-24	8
Current tax liabilities	-35	-46	11
Other current liabilities	-33	-26	-7
Total working capital (B)	**30**	**35**	**-5**
Gross invested capital (C=A+B)	**15.631**	**16.145**	**-514**
Non-current non-financial liabilities			
Non-current provisions	-	-1	1
Other non-current liabilities	-21	-2	-19
Total non-current non-financial liabilities (D)	**-21**	**-3**	**-18**
NET INVESTED CAPITAL (E=C+D)	**15.610**	**16.142**	**-532**
Equity			
Issued capital	826	826	-
Reserves and retained earnings	9.722	9.849	-127
Treasury shares	-166	-167	1
Profit for the year	427	695	-268
Total equity (F)	**10.809**	**11.203**	**-394**
Net debt/(net funds)			
Non-current net debt/(net funds)			
Non-current financial liabilities	**5.968**	**5.042**	**926**
Bond issues	1.736	1.734	2
Medium/long-term borrowings	3.986	3.233	753
Non-current derivative liabilities	246	75	171
Non-current financial assets	**-686**	**-604**	**-82**
Non-current derivative assets	-208	-56	-152
Other non-current financial assets	-478	-548	70
Total non-current net debt/(net funds) (G)	**5.282**	**4.438**	**844**
Current (net funds)/net debt			
Current financial liabilities	**135**	**802**	**-667**
Intercompany current account payables due to related parties	6	2	4
Current portion of medium/long-term borrowings	48	718	-670
Current derivative liabilities	1	2	-1
Other current financial liabilities	80	80	-
Cash and cash equivalents	**-597**	**-281**	**-316**
Cash in hand	-551	-218	-333
Intercompany current account receivables due from related parties	-46	-63	17
Current financial assets	**-19**	**-20**	**1**
Current portion of other medium/long-term financial assets	-1	-1	-
Current derivative assets	-1	-2	1
Other current financial assets	-17	-17	-
Total current (net funds)/net debt (H)	**-481**	**501**	**-982**
Total net debt/(net funds) (I=G+H) (1)	**4.801**	**4.939**	**-138**
NET DEBT AND EQUITY (L=F+I)	**15.610**	**16.142**	**-532**

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

Statement of cash flows of Atlantia S.p.A.

€M	2019	2018
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Profit for the year	**427**	**695**
Adjusted by:		
Amortisation and depreciation	1	-
Impairment losses/(Reversals of impairment losses) on investments	44	-
Net change in deferred tax (assets)/liabilities through profit or loss	-	1
Other non-cash costs (income)	-7	-17
Change in working capital and other changes	24	-106
Net cash generated from/(used in) operating activities [a]	**489**	**573**
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Purchases of investments	-	-6.926
Proceeds from distribution of reserves by subsidiaries	462	100
Proceeds from sale of interests in investees	-	2
Change in other non-current assets	-	32
Net change in current and non-current financial assets	21	1.012
Net cash generated from/(used in) investing activities [b]	**483**	**-5.780**
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Dividends paid	-736	-532
Proceeds from exercise of rights under share-based incentive plans	1	1
Increase in medium/long term borrowings (excluding lease liabilities)	732	3.903
Increase in short-term borrowings	1	-
Redemption of bonds	-	-1.000
Repayments of medium/long-term borrowings (excluding lease liabilities)	-675	-
Net change in other current and non-current financial liabilities	17	21
Net cash generated from/(used in) financing activities [c]	**-660**	**2.393**
Increase/(Decrease) in net cash and cash equivalents [a+b+c]	**312**	**-2.814**
Net cash and cash equivalents at beginning of year	**279**	**3.093**
Net cash and cash equivalents at end of year	**591**	**279**

Additional information on the statement of cash flows

€M	2019	2018
Income taxes paid to/(refunded by) the tax authorities	246	400
Income taxes refunded by/(paid to) companies participating in tax consolidation	308	342
Interest and other financial income collected	51	80
Interest and other financial expenses paid	142	138
Dividends received and returns of capital from investees	1.082	797
Foreign exchange gains collected	-	-
Foreign exchange losses incurred	-	-

Reconciliation of net cash and cash equivalents

€M	2019	2018
Net cash and cash equivalents at beginning of year	**279**	**3.093**
Cash and cash equivalents	281	3.093
Intercompany current account payables due to related parties	-2	-
Net cash and cash equivalents at end of year	**591**	**279**
Cash and cash equivalents	597	281
Intercompany current account payables due to related parties	-6	-2