



Annual Report 2012



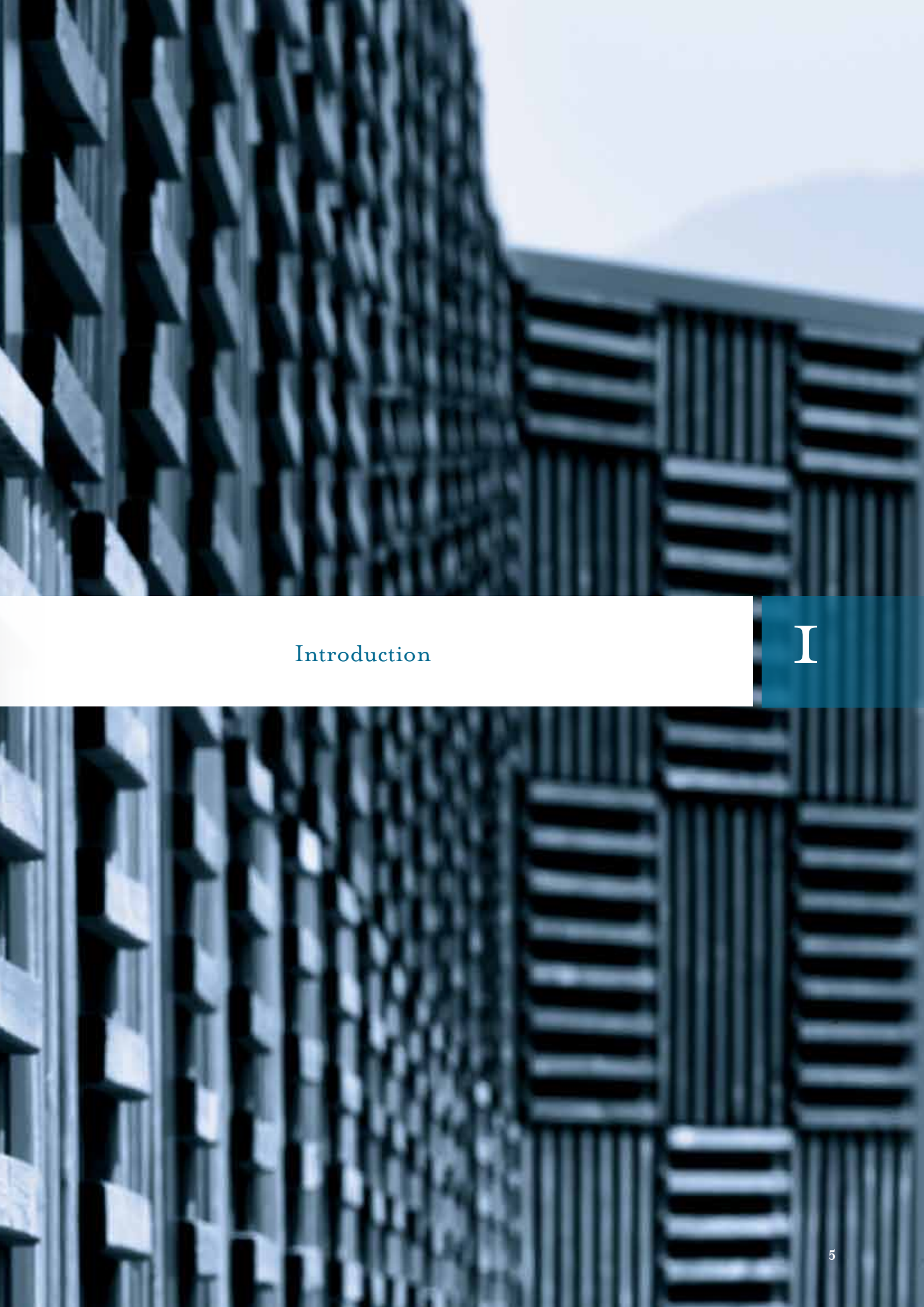


Annual Report 2012

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Introduction

I

Highlights

Infrastructure, technologies e innovation



Europe's biggest private investor,
with over €20bn currently being invested



A technological leader, world number one in electronic
tolling systems and traffic information services



Turnover of €4bn, EBITDA of €2.4bn
and annual capital expenditure of €1.6bn

5,000 km of toll motorways in Italy, Brazil, Chile,
Poland and India, used by more than 5 million
customers a day

60 years at the forefront

1924/25

First motorway

Construction of world's first ever toll motorway (A8 Milan-Varese)



1958/64

Autostrada del Sole

Construction and opening of the 800 km long Autostrada del Sole motorway (A1 Milan-Naples)



1963

Eurobond

First Eurobond issue in the history of the capital markets



1990

Telepass

The world's first free-flow tolling system



1995

USA

The first ever privately-owned toll motorway in the USA, the Dulles Greenway, Virginia



2003

UK

Opening of the M6 Toll, the UK's first ever toll motorway



2004

Austria

The world's first free-flow tolling system on over 2,000 km of motorway network



2005

Tutor

The world's first system for monitoring average speeds



2007

Patented method of tunnel widening

The world's first system of excavation without interrupting traffic flow (A1 Nazzano Tunnel)



2010

World's biggest tunneling machine

Start-up of mechanised excavation of tunnels on the Variante di Valico stretch of motorway (A1 Milan-Naples) using the world's biggest tunneling machine (15.6m in diameter)



2011

France

The Group is chosen to provide a satellite-based tolling system for heavy vehicles on 15,000 km of publicly owned road network in France



2012

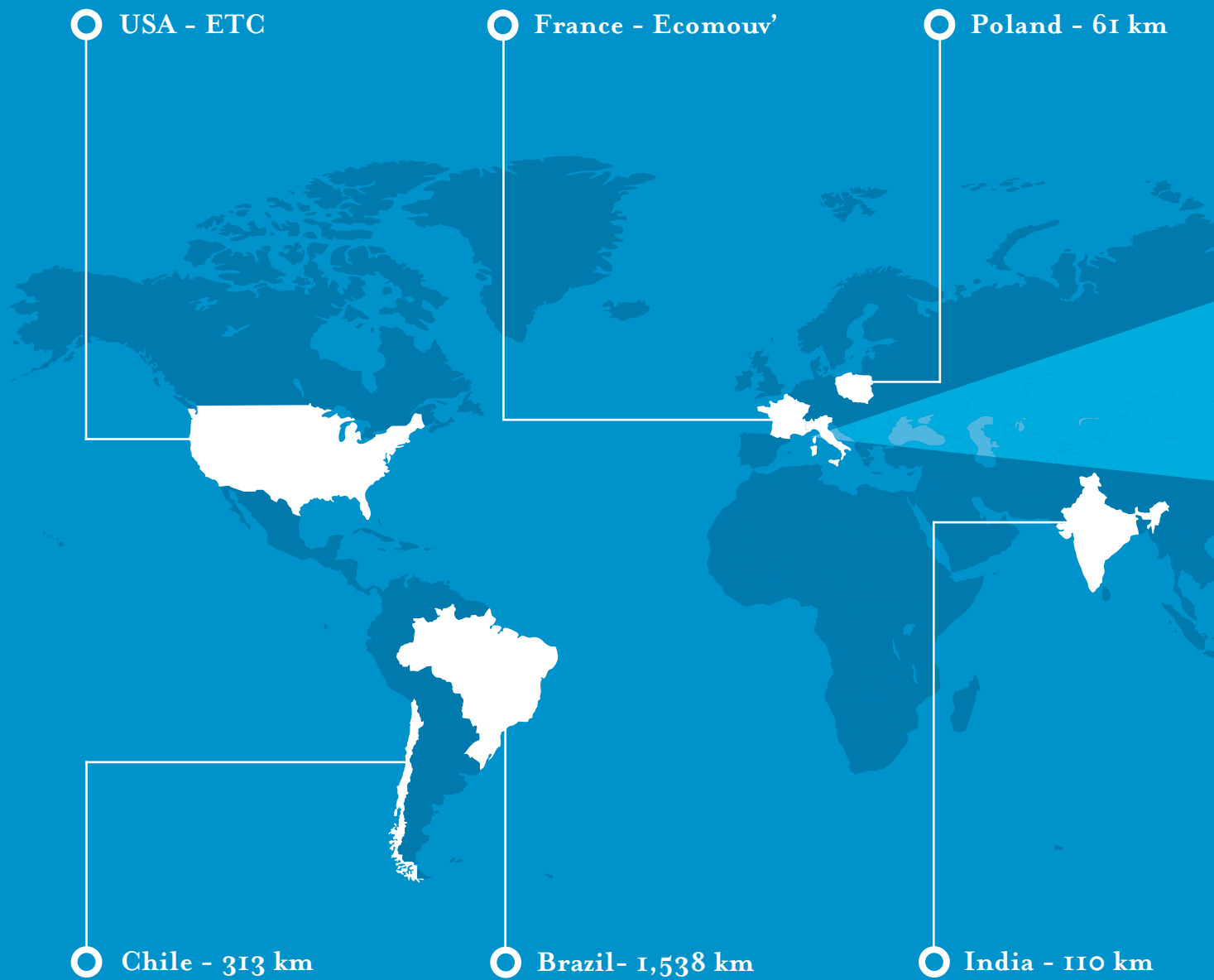
Brazil
Chile

Brazilian joint venture with the Bertin group to create a group operating a network of over 1,500 km

Atlantia strengthens its foothold in Chile



Global presence





○ Italy - 2,965 km

NETWORKS UNDER CONCESSION	GROUP INTEREST (%)	KM	CONCESSION EXPIRY
Italy			
Autostrade per l'Italia	100.00	2,855	2038
Società Italiana per il Traforo del Monte Bianco	51.00	6	2050
Raccordo Autostradale Valle d'Aosta	58.00	32	2032
Tangenziale di Napoli	100.00	20	2037
Società Autostrade Meridionali	58.98	52	2012 ^(a)
Chile			
Grupo Costanera	50.01		
Costanera Norte	100.00	43	2033
Acceso Vial Aeropuerto AMB	100.00	10	2048
Litoral Central	100.00	81	2031
Nororiente	100.00	22	2044
Vespucio Sur	100.00	24	2032
Los Lagos	100.00	135	2023
Brazil			
Atlantia Bertin Concessões	50.00		
Rodovias das Colinas	100.00	307	2028
Rodovia MG 050 (Nascentes das Gerais)	100.00	372	2032
Triângulo do Sol	100.00	442	2021
Atlantia Bertin Participações	50.00		
Tietê	50.00	417	2039
India			
Pune-Solapur Expressways	50.00	110	2030
Poland			
Stalexport Autostrady	61.20	61	2027
ELECTRONIC TOLLING SYSTEMS			
	GROUP INTEREST (%)	KM	CONCESSION EXPIRY
Telepass (Italy)	100.00	5,800	
Electronic Transaction Cons. (USA)	61.41	1,000	
ROAD TAX COLLECTION SYSTEM FOR HEAVY VEHICLES			
	GROUP INTEREST (%)	KM	CONCESSION EXPIRY
Ecomouv (France)	70.00	15,000	2025

(a) The concession held by Autostrade Meridionali expired on 31 December 2012. As requested by the Grantor, from 1 January 2013 the company has continued to be responsible for ordinary operation of the motorway, whilst awaiting the transfer of the concession to the new operator.

Consolidated financial highlights

(€M)	2012 ⁽¹⁾	2011 ^{(1) (2)}
Total revenue	4,034	3,902
Net toll revenue	3,392	3,271
Other operating income	642	631
Gross operating profit (EBITDA)	2,398	2,355
EBITDA margin	59.4%	60.4%
Adjusted gross operating profit (EBITDA) ⁽³⁾	2,463	2,375
Operating profit (EBIT)	1,644	1,749
EBIT margin	40.7%	44.8%
Profit/(Loss) from continuing operations	818	769
Profit margin from continuing operations	20.3%	19.7%
Profit for the period (including non-controlling interests)	830	907
Adjusted profit for the period (including non-controlling interests) ⁽³⁾	841	911
Profit for the period attributable to owners of the parent	808	899
Operating cash flow ⁽⁴⁾	1,508	1,692
Adjusted operating cash flow ⁽³⁾	1,523	1,697
Capital expenditure	1,630	1,619

(€M)	2012 ⁽¹⁾	2011 ^{(1) (2)}
Equity	5,448	4,031
Net debt	10,064	8,970
Adjusted net debt ⁽³⁾	11,606	9,542

(1) The figures for the comparative periods reflect the accounting effects of certain changes in the basis of consolidation, as described more fully in the section "Consolidated financial review".

(2) Certain amounts for 2011 have been restated with respect to the published Annual Report for 2011, reflecting completion of the process of identifying the fair value of the assets and liabilities of Triangulo do Sol at the acquisition date (1 July 2011) and the different presentation of Autostrada Torino-Savona's results in accordance with IFRS 5 (reflecting the sale of this investment in 2012).

(3) Adjusted amounts have been presented with the aim of enabling analysts and the rating agencies to assess the Group's results of operations and financial position using the basis of presentation normally adopted by them. Information on the nature of the adjustments and on differences between the reported and adjusted amounts is provided in the specific section "Consolidated financial review".

(4) Operating cash flow is calculated as profit + amortisation/depreciation +/- provisions/releases of provisions + financial expenses from discounting of provisions +/- impairments/reversals of impairments of assets +/- share of profit/(loss) of investments accounted for using equity method +/- (losses)/gains on sale of assets +/- other non-cash items +/- portion of net deferred tax assets/liabilities recognised in the income statement.

Group's principal social and environmental indicators

	2012	2011 ⁽⁴⁾
Fatal accident rate (deaths per 100 million km travelled) ⁽¹⁾	0.35	0.28
% of the network surfaced with draining pavement ⁽¹⁾	82.3%	81.2%
% of the network covered by the Safety Tutor system ⁽¹⁾	40.0%	39.0%
Total hours lost due to congestion (Total Delay) (m) ⁽²⁾	3.1	4.6
Customer satisfaction index ⁽²⁾	6.96	6.93
Total workforce (at year end) ⁽³⁾	11,992	10,510
% of workforce who are women ⁽³⁾	25.0%	21.0%
Horizontal mobility (movements from one position to another of the same category) ⁽³⁾	699	1,284
Vertical mobility (promotions) ⁽³⁾	195	285
CO ₂ saved (in tonnes) through use of renewable sources and energy efficiency initiatives ⁽²⁾	15,430	7,988
Energy consumption (MWheq) ⁽³⁾	456,304	455,556
% of total waste recycled ⁽³⁾	59.0%	63.0%
Km of noise barriers along the network ⁽¹⁾	269	235

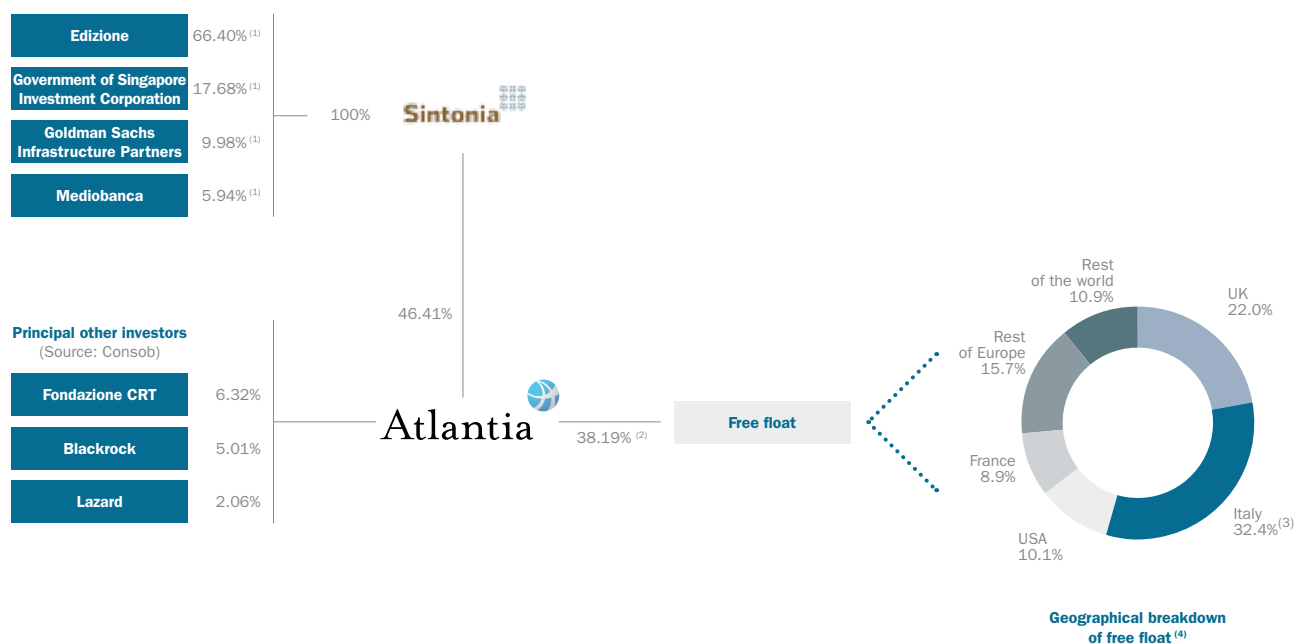
(1) Figure for Autostrade per l'Italia SpA and direct and indirect subsidiaries in Italy.

(2) Figure for Autostrade per l'Italia SpA.

(3) Figure for Autostrade per l'Italia SpA and direct and indirect subsidiaries.

(4) 2011 figures were subject to review and adjustments to deconsolidate Autostrada Torino-Savona from the perimeter, following the company's transfer in 2012.

Ownership structure



(1) Percentage interest on a fully diluted basis, assuming that capital subscribed by Sintonia's shareholders is fully paid up.

(2) Excludes treasury shares held by Atlantia SpA.

(3) Includes retail investors.

(4) Source: Thomson Reuters (figures at 31 December 2012).

Key market data for Atlantia

KEY MARKET DATA			KEY MARKET DATA		
	2012	2011 ⁽¹⁾		2012	2011 ⁽¹⁾
Issued capital (at 31 December) (€)	661,827,592	630,311,992	Dividend yield ⁽²⁾	5.5%	6.0%
Number of shares	661,827,592	630,311,992	Year-end price (€)	13.67	11.78
Market capitalisation (€m) ⁽²⁾	9.047	7.797	High (€)	13.95	15.33
Earnings per share (€)	1.25	1.39	Low (€)	9.14	8.92
Operating cash flow per share (€)	2.33	2.61	Share price/Earnings per share (P/E) ⁽²⁾	10.9	8.48
Dividend per share (€)	0.746	0.746	Share price/Cash flow per share ⁽²⁾	5.9	4.5
Interim	0.355	0.355	Market to book value ⁽²⁾	1.7	1.9
Final	0.391	0.391	Atlantia as % of FTSE Italia All Share index ⁽²⁾	1.84%	1.86%
Payout ratio (%)	32%	29%	Atlantia as % of FTSE/MIB index ⁽²⁾	2.22%	2.24%

GROUP'S RATINGS		
Standard & Poor's	BBB+ (negative outlook) ⁽³⁾	A- (negative outlook)
Moody's	Baa1 (negative outlook) ⁽⁴⁾	A3 (stable outlook)
Fitch Ratings	A- (stable outlook)	A- (stable outlook)

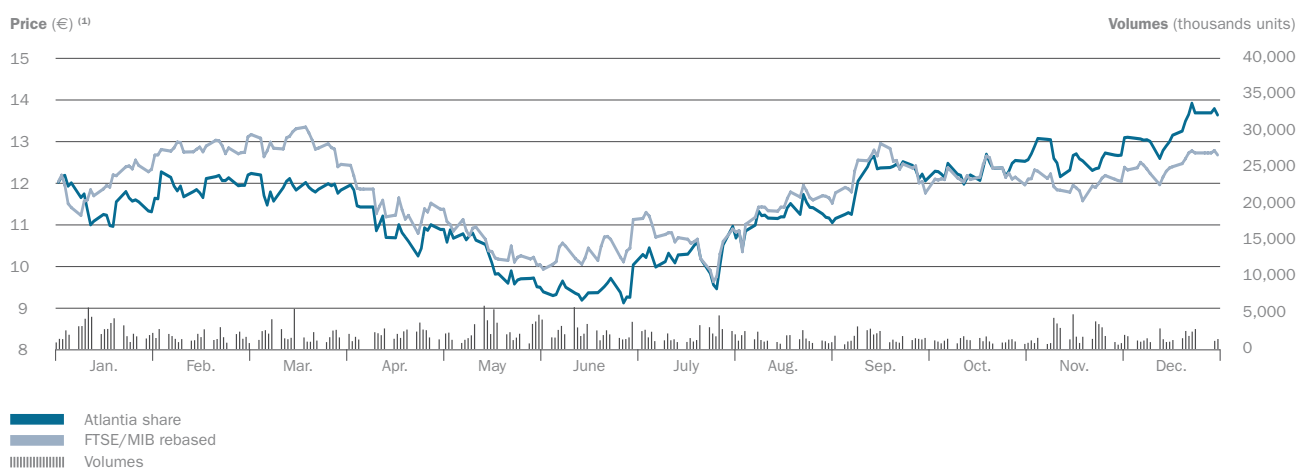
(1) The bonus issue approved by the Extraordinary General Meeting of 24 April 2012 was completed on 4 June 2012 via the issue of one new share for every 20 held. Compared with the information previously provided in the annual report for the year ended 31 December 2011, per share data for 2011 has thus been adjusted to take account of the bonus issue.

(2) The figures have been calculated on the basis of the year-end price.

(3) The rating was downgraded by Standard&Poor's from A- to BBB+ on 23 February 2012.

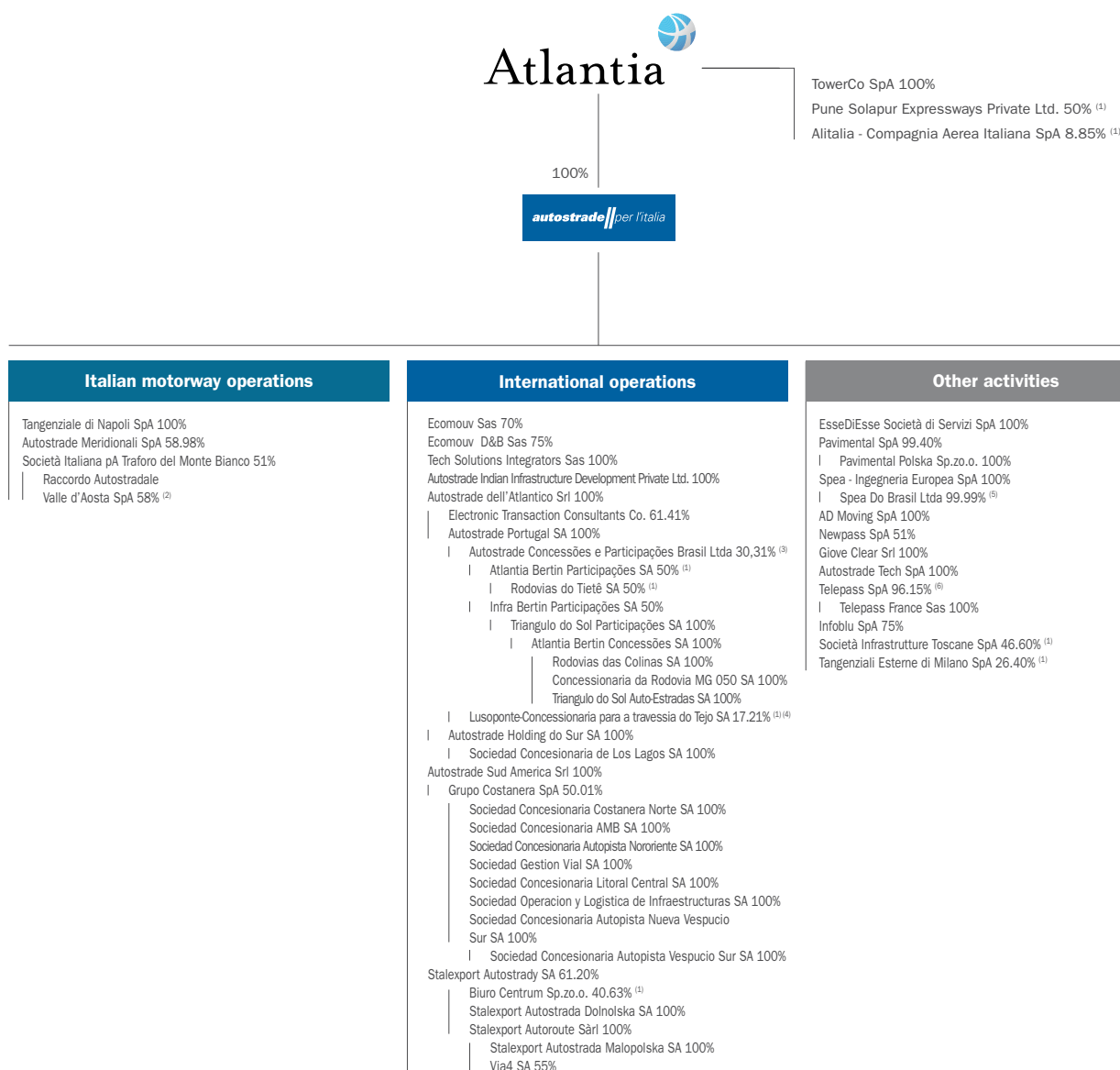
(4) The rating was downgraded by Moody's from A3 to Baa1 on 16 July 2012.

Share price performance - 2012



(1) Prices per share adjusted to take account of bonus issue carried out on 4 June 2012.

Group structure (*)



(*) As at 31 December 2012.

(1) Unconsolidated company.

(2) The percentage refers to ordinary shares representing the issued capital.

(3) The remaining shares are held by Autostrade dell'Atlantico Srl (47.91%) and Autostrade Holding do Sur SA (21.78%).

(4) Company held for sale.

(5) The remaining 0.01% is held by Autostrade Concessões e Participações Brasil Ltda.

(6) The remaining 3.85% is held by Autostrade Tech SpA.

Statement to Shareholders

Shareholders,

The global economy has yet to overcome the consequences of the crisis that began in 2007 and is only slowly returning to growth, in spite of ongoing risks and uncertainties.

Evidence of growth can certainly be seen in the emerging countries of Asia and Latin America, whilst the signs are less apparent in the USA, weighed down by the cost of reducing the public deficit. Economic activity in the European Union weakened in 2012, partly due to recessionary pressures in countries most exposed to austerity measures designed to cut public debt. Only thanks to increasingly significant action by the European Central Bank was it possible to shore up the single currency.

In Italy, the government's efforts to rapidly reduce the deficit and boost confidence among international investors in the strength of the public finances had a negative impact on consumption and output.

The weakness of the Italian economy led to a substantial fall in traffic on the Group's Italian network. Despite this, the steps taken to improve operating efficiency and maintain a high degree of financial flexibility enabled the Group to continue to deliver its planned upgrade of the Italian network and expand its international footprint, without impacting on the results for the year.

Investment in the upgrade of the Italian motorway network amounted to €1.3 billion in 2012. The value of the works carried out to date totals more than €8 billion, out of a total of over €20 billion the Group plans to invest in work on almost 900 km of motorway network.

The Group's efforts in recent years are already making a difference to customers' perceptions, following the opening to traffic of 355 km of upgraded motorway on the busiest routes, with benefits for road users in terms of safety, traffic flow and reduced pollution.

Despite the general credit squeeze, the Group has had no difficulty in obtaining the finance necessary to continue with its programme of major works, raising funds on both the Italian and overseas markets through the issue of bonds and recourse to alternative sources of financing at competitive costs. At the end of 2012 the Group has cash reserves of approximately €6.5 billion for use to fund investment and refinancing. This was achieved partly thanks to the Group's first ever bond issue for Italian retail investors. In view of the strong demand, moreover, the value of the offering was increased from €750 million to €1 billion and closure of the offer period was brought forward.

In 2012 the Group consolidated its overseas expansion strategy, targeting growth in economies with the highest potential and exploiting the know-how acquired in the development of innovative technologies, such as automated tolling, a sector in which the Group leads the world.

Work continued on implementation of a satellite-based tolling system for heavy vehicles using over 15,000 km of road network in France. The system is due to enter service in 2013.

In Brazil Atlantia and the Bertin group delivered on their agreements to create a group of companies responsible for more than 1,500 km of motorway operated under concession in the São Paulo area, becoming the second largest operator in the country.

In Chile Atlantia has consolidated control of its investee companies and reached agreement with the Canada Pension Plan Investment Board, a leading Canadian pension fund, which has purchased 49.99% of Grupo Costanera, in which the Group owns the remaining 50.01%. Atlantia operates 178 km of motorway, in part concentrated in the Santiago metropolitan area. In addition, the Group owns 100% of the Chilean operator, Los Lagos, which holds the concession for 135 km of toll motorway between Rio Bueno and Puerto Montt.

In India the first 85 km of upgraded motorway between Pune and Solapur, out of a total of 110 km, entered service in February 2013.

Our technological know-how and success have, in recent years, enabled Atlantia to consolidate its international leadership, providing increasingly rapid, safe and sustainable mobility, and demonstrating our ability to manage the most complex projects in the world, thanks to our unique technological expertise.

Along the same lines, at the beginning of 2013 the Group has laid the foundations for further progress. On 8 March 2013 the Board of Directors of Gemina and Atlantia approved Gemina's merger with and into Atlantia. The combination of the two holding companies aims to create a world leader in the management of transport infrastructure, from motorways to airports, capable of competing at global level with the most important players in the sector. The transaction has to be submitted for approval by extraordinary general meetings of the two companies' shareholders.

Given our achievements so far and aware of the challenges that lie ahead, we are confident of our ability to create sustainable value for all our stakeholders in the years to come, whilst contributing to the economic and social development of the countries in which we operate.

Fabio Cerchiai
Chairman

Giovanni Castellucci
Chief Executive Officer

Corporate bodies

Board of Directors in office for 2010-2012

Chairman
Chief Executive Officer
Directors

Fabio Cerchiai
Giovanni Castellucci
Gilberto Benetton
Alessandro Bertani
Alberto Bombassei (*independent*)
Stefano Cao
Roberto Cera
Alberto Clô (*independent*)
Antonio Fassone
Giuliano Mari (*independent*)
Gianni Mion
Monica Mondardini (*independent*)
Giuseppe Piaggio
Antonino Turicchi (*independent*)
Paolo Zannoni
Andrea Grillo

Secretary

Internal Control, Risk and Corporate Governance Committee

Chairman
Members

Giuseppe Piaggio
Giuliano Mari (*independent*)
Antonino Turicchi (*independent*)

Committee of Independent Directors with responsibility for Related Party Transactions

Chairman
Members

Giuliano Mari (*independent*)
Alberto Clô (*independent*)
Monica Mondardini (*independent*)

Human Resources and Remuneration Committee	Chairman	Alberto Clô (<i>independent</i>)
	Members	Stefano Cao
		Monica Mondardini (<i>independent</i>)
		Giuseppe Piaggio
		Paolo Zannoni
Supervisory Board	Chairman	Renato Granata
	Members	Simone Bontempo
		Pietro Fratta
Ethics Officer	Coordinator	Giuseppe Langer
	Members	Giulio Barrel
		Enzo Spoletini
Board of Statutory Auditors for three-year period 2012-2014	Chairman Auditors	Corrado Gatti
		Tommaso Di Tanno
		Raffaello Lupi
		Milena Teresa Motta
		Alessandro Trotter
	Alternate Auditors	Giuseppe Maria Cipolla
		Fabrizio Riccardo Di Giusto
Independent Auditors for the period 2012-2020	Deloitte & Touche SpA	





Report on operations

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Consolidated financial review

Introduction

The financial review contained in this section includes and analyses the reclassified consolidated income statement, the statement of comprehensive income, the statement of changes in equity and the statement of changes in net debt and statement of cash flows for the year ended 31 December 2012, in which amounts are compared with those of the previous year. The review also includes and analyses the reclassified statement of financial position as at 31 December 2012, compared with comparative amounts as at 31 December 2011, and the reconciliation of Atlantia's equity and profit for 2012 with the corresponding consolidated figures. The accounting standards applied during preparation of this document are consistent with those adopted for the consolidated financial statements as at and for the year ended 31 December 2011, given that no new accounting standards, new interpretations or revisions of standards already in force, having a material impact on the Atlantia Group's consolidated financial statements, came into effect during 2012.

Amounts in the income statements, statements of financial position and statements of cash flows for comparative periods reflect the impact of the following changes in the basis of consolidation:

- a) Autostrade Sud America (in which the Group previously held a 45.765% stake), Grupo Costanera and the Chilean companies this company controls were consolidated from 1 April 2012

Full control of Autostrade Sud America, the holding company in which the Group held a 45.765% interest as at 31 December 2011, was acquired under an agreement with SIAS and Mediobanca signed on 25 February 2012. Transaction closing was on 28 June 2012 but, under agreements between the former shareholders in force in the second quarter of 2012, the Group consolidated these companies from 1 April 2012. In addition, following implementation of the agreement with the Canada Pension Plan Investment Board (CPPIB), a leading Canadian pension fund, in August 2012, CPPIB holds 49.99% of Grupo Costanera as at 31 December 2012, with the Group's remaining interest amounting to 50.01%.

- b) the holding company, Atlantia Bertin Concessões, and its subsidiaries, Rodovias das Colinas and Concessionaria da Rodovia MG 050, Brazilian toll motorway operators, were consolidated from 30 June 2012

Atlantia Bertin Concessões, and the above Brazilian toll motorway operators were contributed to the Group in accordance with agreements with the Bertin group. As at 31 December 2012 the Group owns 50% plus one share of the Infra Bertin Participações (which owns Atlantia Bertin Concessões), exercises control under the related partnership and governance agreements and, therefore, consolidates this company and its wholly owned motorway operators on a line-by-line basis. Based on the fact that the transaction closed at the end of June 2012, the operating results of the new Brazilian companies were consolidated on a line-by-line basis from 1 July 2012.

- c) Triangulo do Sol, a Brazilian motorway operator, was consolidated from 1 July 2011

Amounts in the income statement, statement of changes in net debt and statement of cash flows for 2012 benefit from the contribution from the Brazilian motorway operator, Triangulo do Sol, over the full year, whilst amounts for the comparative reporting period only include this company's contribution for the second half of 2011.

Moreover, as more fully described in note 6.1 to the consolidated financial statements, regarding completion of the process of identifying the fair values of the company's assets and liabilities at the acquisition date, compared with the previously published accounts:

- 1) assets and liabilities as at 31 December 2011 have been remeasured;
- 2) in addition to the impact on the income statement of the assets and liabilities remeasured as at 1 July 2012, the following have been recognised in 2011: a financial gain from remeasurement of the fair value of the existing 50% interest in the acquiree, totalling €75.1 million, compared with the originally estimated €36.5 million provisionally accounted for, and a gain resulting from the acquisition of the 20% interest, assessed in accordance with IFRS 3, totalling €15.5 million, calculated using the average exchange rate for the year.

- d) Autostrada Torino-Savona, which was deconsolidated from the fourth quarter of 2012

On 28 September 2012 SIAS exercised its call option granted under the agreement signed on 25 February 2012 and, in November 2012, following fulfilment of the related conditions precedent, the Group's shareholding in Autostrada Torino-Savona (equal to a 99.98% interest) was transferred. "Profit/(Loss) from discontinued operations" therefore includes this company's contribution to the consolidated income statements for both comparative periods (in 2012 until the date of deconsolidation and including the minor accounting effects of the deconsolidation itself).

- e) Strada dei Parchi, deconsolidated from the second quarter of 2011
f) Autostrada Tirrenica, deconsolidated from 31 December 2011

With regard to points e) and f), in addition to the results of Strada dei Parchi and Autostrada Tirrenica until the dates of their respective deconsolidation, "Profit/(Loss) from discontinued operations" for 2011 includes the after-tax gains on the sales.

The term "like-for-like basis", used in the following analysis of the results of operations, indicates that amounts for the comparative periods have been determined by eliminating:

- a) from the figures for 2012:
 - 1) the contributions of Autostrade Sud America and the newly consolidated Chilean and Brazilian companies;
 - 2) the financial gain on the existing investment in Autostrade Sud America prior to its consolidation and the impact on the income statement of recycling the related foreign currency translation reserve through profit or loss and of the result of measurement using the equity method in the first quarter of 2012;
 - 3) Triangulo do Sol's contribution to the income statement for the first half of 2012;
 - 4) the impact on the income statement of the deconsolidation of Autostrada Torino-Savona;
- b) from the figures for 2011:
 - 1) the contributions to the income statement of Strada dei Parchi and Autostrada Tirrenica and the after-tax gains from the respective sales;
 - 2) the financial gain resulting from fair value measurement of the remaining investment in Autostrada Tirrenica;
 - 3) the results of measurement of Triangulo do Sol and Autostrade Sud America (consolidated for 12 and 9 months of 2012, respectively) using the equity method;

- 4) the financial gain resulting from the acquisition of control of Triangulo do Sol.

The Group did not enter into material transactions with an effect on the consolidated income statement, except for the financial gain on the existing investment in Autostrade Sud America, either with third or related parties, of a non-recurring, atypical or unusual nature during 2012.

The reclassified financial statements analysed below have not been audited.

Consolidated financial review

"Revenue" for 2012 amounts to €4,034.4 million, marking an increase of €132.3 million (3.4%) on 2011 (€3,902.1 million).

On a like-for-like basis, total revenue is down €154.0 million (3.9%).

"Toll revenue" of €3,392.1 million is up €121.0 million (3.7%) overall compared with 2011 (€3,271.1 million), essentially due to the different period of consolidation of Triangulo do Sol (€64.2 million) and the first-time consolidation of the Chilean (€105.2 million) and Brazilian (€93.0 million) operators, partially offset by the decline in traffic registered by the Italian operators. On a like-for-like basis, toll revenue is down €141.4 million (4.3%) due to a combination of the following:

- a) the estimated 6.8% decline in traffic on the Italian network, essentially due to the ongoing economic downturn, resulting in a reduction of €187.5 million, partially offset by the leap year effect in February 2012 (accounting for an increase of 0.2% in traffic in 2012, and adding €6.7 million to toll revenue), but exacerbated by the impact of exceptionally bad weather in the first two months of 2012 and the lorry drivers' strike at the end of January 2012 (accounting for an estimated reduction of 0.9% of €25.9 million);
- b) the reduced contribution of toll increases matching the increased concession fees payable by Italian operators ⁽¹⁾, resulting in a decrease of €29.1 million (7.8%) compared with 2011, with a reduction linked to the fall in traffic;
- c) application of annual toll increases by the Group's Italian operators from 1 January 2012 (a rise of 3.51% in Autostrade per l'Italia's case), boosting toll revenue by an estimated €83.6 million.

"Contract revenue" of €30.8 million is down €20.5 million on 2011 (€51.3 million), primarily reflecting a reduction in work carried out by Pavimental for external customers.

(1) From 1 January 2011 the additional concession fees payable to ANAS, pursuant to Laws 102/2009 and 122/2010, calculated on the basis of the number of kilometres travelled, amount to 6 thousandths of a euro per kilometre for toll classes A and B and 18 thousandths of a euro per kilometre for classes 3, 4 and 5.

Reclassified consolidated income statement

(€M)			INCREASE/DECREASE		% OF REVENUE	
	2012	2011	TOTAL	%	2012	2011
Toll revenue	3,392.1	3,271.1	121.0	3.7	84.1	83.8
Contract revenue	30.8	51.3	-20.5	-40.0	0.8	1.3
Other operating income	611.5	579.7	31.8	5.5	15.1	14.9
Total revenue ⁽¹⁾	4,034.4	3,902.1	132.3	3.4	100.0	100.0
Cost of materials and external services ⁽²⁾	-616.9	-545.8	-71.1	13.0	-15.3	-13.9
Concession fees	-430.8	-457.3	26.5	-5.8	-10.7	-11.7
Staff costs	-680.0	-631.6	-48.4	7.7	-16.9	-16.2
Capitalised staff costs	90.9	87.6	3.3	3.8	2.3	2.2
Total net operating costs	-1,636.8	-1,547.1	-89.7	5.8	-40.6	-39.6
Gross operating profit (EBITDA) ⁽³⁾	2,397.6	2,355.0	42.6	1.8	59.4	60.4
Amortisation, depreciation, impairment losses and reversals of impairment losses	-672.5	-544.9	-127.6	23.4	-16.7	-14.0
Provisions and other adjustments	-81.5	-61.2	-20.3	33.2	-2.0	-1.6
Operating profit (EBIT) ⁽⁴⁾	1,643.6	1,748.9	-105.3	-6.0	40.7	44.8
Financial income/(expenses)	-389.6	-435.1	45.5	-10.5	-9.7	-11.1
Financial expenses from discounting of provisions for construction services required by contract and other provisions	-147.1	-178.0	30.9	-17.4	-3.6	-4.5
Capitalised financial expenses	36.5	16.0	20.5	n.a.	0.9	0.4
Share of profit/(loss) of associates and joint ventures accounted for using the equity method	2.9	21.4	-18.5	-86.4	0.1	0.5
Profit/(Loss) before tax from continuing operations	1,146.3	1,173.2	-26.9	-2.3	28.4	30.1
Income tax (expense)/benefit	-328.3	-404.6	76.3	-18.9	-8.1	-10.4
Profit/(Loss) from continuing operations	818.0	768.6	49.4	6.4	20.3	19.7
Profit/(Loss) from discontinued operations	11.6	138.5	-126.9	-91.6	0.3	3.5
Profit/(Loss) for the year	829.6	907.1	-77.5	-8.5	20.6	23.2
(Profit)/Loss attributable to non-controlling interests	-21.5	-8.6	-12.9	n.a.	-0.5	-0.2
Profit/(Loss) for the year attributable to owners of the parent	808.1	898.5	-90.4	-10.1	20.1	23.0

(1) Operating income in this statement is different from revenue shown in the income statement in the consolidated financial statements, as revenue from construction services, recognised on the basis of the services costs, staff costs and capitalised financial expenses incurred on services provided under concession, are presented in this statement as a reduction in the respective operating costs and financial expenses.

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

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

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

(€M)	2012	2011	INCREASE/DECREASE
Basic earnings per share attributable to owners of the parent (€)	1.25	1.39	-0.14
of which:			
- continuing operations	1.23	1.18	0.05
- discontinued operations	0.02	0.21	-0.19
Diluted earnings per share attributable to owners of the parent (€)	1.25	1.39	-0.14
of which:			
- continuing operations	1.23	1.18	0.05
- discontinued operations	0.02	0.21	-0.19
Operating cash flow (€m)	1,508.0	1,692.0	-184.0
of which:			
- continuing operations	1,493.1	1,657.9	-164.8
- discontinued operations	14.9	34.1	-19.2
Operating cash flow per share (€)	2.33	2.61	-0.28
of which:			
- continuing operations	2.31	2.56	-0.25
- discontinued operations	0.02	0.05	-0.03

“Other operating income” of €611.5 million is up €31.8 million (5.5%) on 2011 (€579.7 million), with €23.7 million of the difference reflecting the above changes in the basis of consolidation. The improvement also reflects:

- a) an increase in commercial revenue from payment systems (up €6.3 million), reflecting an increase in Telepass customers (around 207,000 new devices in circulation and approximately 146,000 new subscribers to the Premium options);
- b) a decrease of €20.4 million in royalties from service areas;
- c) a rise in other income (up €22.2 million), primarily attributable to Autostrade per l'Italia, consisting above all in increased income from the in-house production of electricity, non-recurring income and contingent assets, penalties received and insurance payouts, offset by reduced income from service area operators and increased income from Giove Clear following expansion of its operations.

“Net operating costs” of €1,636.8 million are up €89.7 million (5.8%) on 2011 (€1,547.1 million). On a like-for-like basis, net operating costs are down €19.5 million (1.3%).

The “Cost of materials and external services” amounts to €616.9 million, marking an increase of €71.1 million on 2011 (€545.8 million). On a like-for-like basis the cost of materials and external services is down €10.1 million (1.9%), reflecting a combination of the following:

- a) a reduction in maintenance costs (down €20.3 million), primarily at Autostrade per l'Italia, linked to substantial completion of the upgrade of concrete safety barriers and differing infrastructure maintenance requirements in the two comparative periods;
- b) an increase in the cost of winter operations following the exceptional snowfall seen on the Italian network during the first two months of 2012 (up €24.2 million);
- c) a reduction in other costs (down €14.0 million) due to improved operating efficiency, a reduction in work carried out by Pavimental for external customers and lower business development costs, partially offset by the lower margins on activities carried out by the Group's own technical units and an increase in the cost of corporate communication.

“Concession fees”, totalling €430.8 million, are down €26.5 million (5.8%) compared with 2011 (€457.3 million), essentially reflecting the reduction in additional concession fees collected via the tolls charged by Italian operators (down €29.1 million), due to the above-mentioned decline in traffic, partially offset by the concession fees payable by the newly consolidated companies.

“Staff costs”, before deducting capitalised expenses, of €680.0 million are up €39.8 million (6.2%) on 2011, after stripping out the release, in 2011 (€8.6 million), of surplus provisions following closure of the three-year management incentive plan for the period 2008-2010.

The increase reflects:

- a) first-time consolidation of the Chilean and Brazilian companies, the consolidation of Triangulo do Sol from 1 July 2011, the deconsolidation of Port Mobility, the expansion of Giove Clear's operations and launch of the Eco-Tax project (accounting for an overall increase of 5.5%);
- b) a decrease of 75 in the average workforce at other Group companies (down 0.7%);
- c) an increase in the average unit cost for other Group companies (up 1.1%), primarily due to contract renewals at the Group's motorway operators and industrial companies, partly offset by a reduction in the use of temporary staff;
- d) an increase in other staff costs (up 0.3%), primarily relating to early retirement incentives and staff incentive plans.

“Capitalised staff costs” are in line with the comparative period (€90.9 million in 2012 and €87.6 million in 2011).

"Gross operating profit" (EBITDA) of €2,397.6 is up €42.6 million (1.8%) compared with 2011 (€2,355.0 million).

On a like-for-like basis, gross operating profit is down €134.5 million (5.7%).

"Operating profit" (EBIT) of €1,643.6 million is down €105.3 million (6.0%) compared with 2011 (€1,748.9 million). On a like-for-like basis, operating profit is down €197.3 million (11.3%) due, in addition to the fall in gross operating profit, to an overall increase of €59.1 million in "Depreciation, amortisation, impairment losses and reversals of impairment losses", consisting of:

- a) a €41.7 million increase in depreciation and amortisation, relating primarily to construction services for which additional economic benefits are received;
- b) a €17.4 million rise in impairment losses, reflecting the estimated value of the amount payable to Autostrade Meridionali in relation to takeover rights.

"Net financial expenses" of €389.6 million are down €45.5 million (10.5%) compared with 2011 (€435.1 million).

The figures for the two comparative periods reflect the accounting effects of changes in the Group's basis of consolidation, including:

- a) recognition of a fair value gain of €171.1 million on the existing 45.765% interest in Autostrade Sud America, following the acquisition of control from 1 April 2012;
- b) the contributions to financial expenses of the newly consolidated Chilean and Brazilian companies (amounting to €10.3 million), including reclassification of the foreign currency translation reserve following the measurement of Autostrade Sud America using the equity method, after this company's first-time consolidation;
- c) Triangolo do Sol's contribution to financial expenses following its consolidation from 1 July 2011 (amounting to €20.6 million);
- d) the gain (€108.3 million) recognised in 2011 following the acquisition of control of Triangolo do Sol, including the impact on the income statement of recycling the related foreign currency translation reserve through profit or loss;
- e) the fair value gain (€13.9 million) recognised in 2011 on the remaining investment in Autostrada Tirrenica, following the sale of the controlling interest.

After stripping out the above, net financial expenses are down €6.9 million (1.2%), primarily due to a combination of the following:

- a) the accounting effects of the management of investments, with a positive overall impact of €96.6 million, including the gain (€61.0 million) realised on the sale of the investment in IGLI and the reduced impairment loss (€23.4 million in 2012, compared with €59.0 million in 2011) on the carrying amount of the investment in Alitalia - Compagnia Aerea Italiana;
- b) financial expenses (€33.3 million) relating to the premium paid on the partial buyback, in 2012, of bonds issued by Atlantia and maturing in 2014;
- c) interest expense and debt servicing costs linked to funding for the acquisition, in June 2011, of 50% of the motorway operators, Vespucio Sur and Litoral Central (up €11.2 million), and funding for the Eco-Taxi project (up €16.7 million);
- d) increased net interest expense in 2012, essentially due to an increase in average net debt and a reduction in the average amount of cash invested. In this regard, the non-recurring transactions relating to the Group's expansion in 2012 resulted in an estimated cost of €16.9 million, essentially reflecting the increase in average net debt linked to these transactions.

“Financial income and expenses” also include the component relating to the discounting to present value of the financial assets deriving from guaranteed minimum revenue attributable to the Chilean companies, amounting to €41.7 million in 2012 (€5.5 million in 2011) and the component regarding the discounting to present value of the financial assets deriving from grants for motorway maintenance received by Los Lagos, totalling €9.0 million in 2012 (€9.2 million in 2011).

“Financial expenses from discounting of provisions for construction services required by contract and other provisions” amount to €147.1 million, marking a reduction of €30.9 million compared with 2011. This primarily reflects a reduction in the interest rates used to discount the provisions at 31 December 2012, compared with 31 December 2011.

“Capitalised financial expenses”, amounting to €36.5 million, are up €20.5 million compared with 2011 as a result of both progress on the Eco-Tax project and the progressive increase in accumulated payments made in relation to investment in construction services for which additional economic benefits are received.

The “Share of the profit/(loss) of associates and joint ventures accounted for using the equity method” has resulted in a profit of €2.9 million, compared with a profit of €21.4 million in 2011, which primarily reflects contributions from Autostrade Sud America and its Chilean subsidiaries (consolidated from 1 April 2012), amounting to €18.9 million, and Triangulo do Sol (consolidated from 1 July 2011), totalling €5.6 million.

“Income tax expense” for 2012 amounts to €328.3 million and is down €76.3 million (18.9%) on 2011 (€404.6 million). This reflects both the recognition of income following a refund for the deduction of IRAP from IRES, amounting to €30.3 million (in accordance with Law Decree 16/2012, converted into Law 44 of 26 April 2012), and lower taxable income, after taking account of the reduction in pre-tax profit and the limited impact for tax purposes of gains on the management of investments and of fair value gains.

“Profit from continuing operations” thus amounts to €818.0 million, marking an increase of €49.4 million (6.4%) compared with 2011 (€768.6 million). On a like-for-like basis this item is down €38.6 million (6.2%).

The “Profit/(Loss) from discontinued operations”, totalling €11.6 million, reflects the profit of €12.9 million for 2012 reported by Autostrada Torino-Savona (partly reflecting the cessation of charges for depreciation and amortisation from the first quarter of 2012, in accordance with the applicable accounting standards). The figure for 2011 (€138.5 million) included gains on the sales of Strada dei Parchi and Autostrada Tirrenica (€96.7 million and €37.9 million, respectively, after tax), in addition to the results of the companies sold through to the date of their respective deconsolidation, partially offset by the impairment loss on the investment in the Portuguese company, Lusoponte (€20.2 million after tax).

“Profit for the year”, amounting to €829.6 million, is thus down €77.5 million (8.5%) on 2011 (€907.1 million).

“Profit for the period attributable to owners of the parent” (€808.1 million) is down €90.4 million (10.1%) on the figure for 2011 (€898.5 million), whilst profit attributable to non-controlling interests amounts to €21.5 million (€8.6 million for 2011). After stripping out the accounting effects of the change in the basis of consolidation, profit attributable to owners of the parent is €597.4 million, down €9.3 million (1.5%).

“Operating cash flow” for 2012, as defined in the section “Consolidated financial highlights”, to which reference should be made, amounts to €1,508.0 million, down €184.0 million (10.9%) compared with 2011. On a like-for-like basis, operating cash flow is down €278.6 million (16.5%) due to a reduced cash inflow from operating activities. This essentially reflects the above reduction in traffic on the Group’s Italian network, the above increase in cash used in financing activities (described in detail above), and the increase in current tax expense, which in 2011 benefitted from confirmation of the deductibility of the various components of the financial statements recognised by Autostrade per l’Italia in application of IFRIC 12. Operating cash flow is entirely absorbed by the Group’s investing activities.

Consolidated statement of comprehensive income

(€M)	2012	2011
Profit for the year (A)	829.6	907.1
Fair value gains/(losses) on cash flow hedges	-93.6	-17.0
Fair value gains/(losses) on net investment hedges	-37.6	-
Gains/(losses) from actuarial valuations of provisions for employee benefits	-23.7	-2.2
Gains/(losses) from translation of transactions in functional currencies other than the euro	-5.3	-39.4
Gains/(losses) from translation of transactions in functional currencies other than the euro concluded by associates and joint ventures accounted for using the equity method	-0.2	-12.2
Other fair value gains/(losses)	-1.5	-0.6
Other comprehensive income for the year, after related taxation	-161.9	-71.4
<i>of which: discontinued operations</i>	-	-1.0
Reclassifications of other comprehensive income to profit/(loss)	-20.8	-17.1
Total other comprehensive income for the year, after related taxation and reclassifications to profit/(loss) for the year (B)	-182.7	-88.5
Comprehensive income for the year (A + B)	646.9	818.6
<i>of which</i>		
- attributable to owners of the parent	631.3	824.7
- attributable to non-controlling interests	15.6	-6.1

The loss, after the related taxation, of €182.7 million (a loss of €88.5 million for 2011) resulting from other components of comprehensive income essentially reflects:

- a loss on the fair value measurement of cash flow hedges, totalling €93.6 million (a loss of €17.0 million for 2011), essentially reflecting differing interest rate trends in the two comparative periods;
- a loss on the fair value measurement of net investment hedges, totalling €37.6 million, reflecting the settlement of differentials linked to a number of derivative contracts entered into to hedge the exposure to currency risk of the assets of certain companies operating in Chile;
- a loss on actuarial valuations of provisions for employee benefits, totalling €23.7 million (a loss of €2.2 million in 2011), essentially reflecting the reduced discount rate used for the valuation as at 31 December 2012 compared with 31 December 2011 (the impact of the change in discount rate was less significant in 2011);
- reclassification to profit or loss, with recognition in financial income, of the foreign currency translation reserve following the measurement using the equity method of Autostrade Sud America, after this company's first-time consolidation, and of IGLI, following this company's sale, totalling €22.2 million (in 2011 this reserve decreased by €17.7 million, primarily due to consolidation of Triangulo do Sol in the third quarter of 2011).

Consolidated financial position

As at 31 December 2012 "Non-current non-financial assets" of €23,262.7 million are up €3,475.5 million on the figure for 31 December 2011 (€19,787.2 million).

"Property, plant and equipment", amounting to €233.8 million, has not undergone significant changes during the year.

"Intangible assets" total €20,996.8 million (€17,344.6 million as at 31 December 2011). In addition to the goodwill (€4,382.7 million) recognised at 31 December 2003, following acquisition of the majority shareholding in the former Autostrade - Concessioni e Costruzioni Autostrade SpA, these assets include the Group's concession rights, amounting to €16,572.7 million (€12,916.2 million as at 31 December 2011).

The increase in intangible assets, amounting to €3,652.2 million, is essentially due to the following:

- a) recognition of the concession rights of the newly consolidated Chilean and Brazilian companies (up €3,362.0 million), primarily consisting of the fair value of concession rights resulting from provisional allocation of the purchase price;
- b) investment in construction services for which additional economic benefits are received (up €746.9 million);
- c) adjustment of the present value on completion of investment in construction services for which no additional benefits are received (up €430.0 million);
- d) amortisation for the year (down €584.0 million);
- e) deconsolidation of the intangible assets of Autostrada Torino-Savona (down €258.1 million).

Reclassified consolidated statement of financial position

(€M)	31.12.2012	31.12.2011	INCREASE/DECREASE
NON-CURRENT NON-FINANCIAL ASSETS			
Property, plant and equipment	233.8	230.1	3.7
Intangible assets	20,996.8	17,344.6	3,652.2
Investments	119.4	318.7	-199.3
Deferred tax assets less deferred tax liabilities eligible for offset	1,910.6	1,891.4	19.2
Other assets	2.1	2.4	-0.3
Total non-current non-financial assets (A)	23,262.7	19,787.2	3,475.5
WORKING CAPITAL ⁽¹⁾			
Trading assets	1,153.2	1,018.2	135.0
Current tax assets	131.1	28.6	102.5
Other current assets	132.5	89.3	43.2
Non-financial assets held for sale and related to discontinued operations ⁽²⁾	15.8	308.3	-292.5
Current portion of provisions for construction services required by contract	-489.8	-551.6	61.8
Current provisions	-189.9	-171.6	-18.3
Trading liabilities	-1,428.0	-1,490.5	62.5
Current tax liabilities	-20.7	-117.0	96.3
Other current liabilities	-449.7	-493.7	44.0
Non-financial liabilities related to discontinued operations	-	-0.3	0.3
Total working capital (B)	-1,145.5	-1,380.3	234.8
Invested capital less current liabilities (C = A + B)	22,117.2	18,406.9	3,710.3
NON-CURRENT NON-FINANCIAL LIABILITIES			
Non-current portion of provisions for construction services required by contract	-4,321.4	-4,135.0	-186.4
Non-current provisions	-1,150.4	-1,030.8	-119.6
Deferred tax liabilities not eligible for offset	-1,026.8	-174.1	-852.7
Other non-current liabilities	-106.3	-66.2	-40.1
Total non-current non-financial liabilities (D)	-6,604.9	-5,406.1	-1,198.8
NET INVESTED CAPITAL (E = C + D)	15,512.3	13,000.8	2,511.5

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

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

2. Report on operations

(€M)	31.12.2012	31.12.2011	INCREASE/DECREASE
EQUITY			
Equity attributable to owners of the parent	3,801.0	3,566.0	235.0
Equity attributable to non-controlling interests	1,647.2	464.6	1,182.6
Total equity (F)	5,448.2	4,030.6	1,417.6
NET DEBT			
Non-current net debt			
Non-current financial liabilities	14,391.1	10,347.2	4,043.9
Bond issues	10,166.2	7,507.1	2,659.1
Medium/long-term borrowings	3,858.7	2,590.0	1,268.7
Derivative liabilities	366.2	250.1	116.1
Other non-current financial assets	-1,934.0	-1,200.3	-733.7
Non-current financial assets deriving from concession rights	-1,037.7	-452.3	-585.4
Non-current financial assets deriving from government grants	-237.0	-238.7	1.7
Non-current term deposits convertible	-307.7	-290.3	-17.4
Derivative assets	-	-27.7	27.7
Other non-current financial assets	-351.6	-191.3	-160.3
Non-current net debt (G)	12,457.1	9,146.9	3,310.2
Current net debt			
Current financial liabilities	1,359.3	666.8	692.5
Bank overdrafts	0.1	10.2	-10.1
Short-term borrowings	-	161.2	-161.2
Derivative liabilities	0.1	-	0.1
Intercompany current account payables due to unconsolidated Group companies	24.8	41.4	-16.6
Current portion of medium/long-term borrowings	1,293.3	449.6	843.7
Other current financial liabilities	41.0	4.4	36.6
Cash and cash equivalents	-2,811.2	-619.9	-2,191.3
Cash in hand and at bank and post offices	-470.0	-338.1	-131.9
Cash equivalents	-2,341.2	-281.7	-2,059.5
Cash and cash equivalents related to discontinued operations ⁽²⁾	-	-0.1	0.1
Other current financial assets	-941.1	-223.6	-717.5
Current financial assets deriving from concessions	-386.5	-7.3	-379.2
Current financial assets deriving from government grants	-23.8	-51.0	27.2
Current term deposits convertible	-355.0	-76.6	-278.4
Current portion of medium/long-term financial assets	-133.0	-32.8	-100.2
Other current financial assets	-41.2	-54.2	13.0
Financial assets held for sale or related to discontinued operations ⁽²⁾	-1.6	-1.7	0.1
Current net debt (H)	-2,393.0	-176.7	-2,216.3
Net debt (I = G + H) ⁽³⁾	10,064.1	8,970.2	1,093.9
NET DEBT AND EQUITY (L = F + I)	15,512.3	13,000.8	2,511.5

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

(3) Net debt includes non-current financial assets, unlike the "Analysis of consolidated net debt" in the notes to the consolidated financial statements that is prepared as required by the ESMA (formerly CESR) recommendation of 10 February 2005, which does not permit non-current financial assets to be deducted from debt.

As at 31 December 2012 "Investments", totalling €119.4 million (€318.7 million as at 31 December 2011), are down €199.3 million, primarily reflecting the following:

- a) the line-by-line consolidation of Autostrade Sud America. As at 31 December 2011 the Group held a 45.765% interest with a carrying amount of €170.6 million;
- b) the sale of the entire investment in IGLI (equal to 33.3% as at 31 December 2011 and accounted for at a carrying amount of €26.6 million), resulting in a gain of €61.0 million in the consolidated financial statements;
- c) an impairment loss of €23.4 million in respect of the carrying amount of the investment in Alitalia - Compagnia Aerea Italiana;
- d) the acquisition of 50% less one share of the Brazilian holding company, Atlantia Bertin Participações, accounted for at a value of €25.7 million.

"Deferred tax assets, after offsetting against deferred tax liabilities", amount to €1,910.6 million, substantially in line with the €1,891.4 million of 31 December 2011.

As at 31 December 2012 consolidated working capital reports a negative balance of €1,145.5 million, compared with the negative balance of €1,380.3 million of 31 December 2011. This marks an improvement of €234.8 million.

The improvement substantially reflects:

- a) an increase in net current tax assets of €198.8 million, essentially reflecting the fact that payments on account of IRES and IRAP are in excess of the related tax expense for the year, recognition of an asset relating to the above refund for the deduction of IRAP from IRES, and a reduction in current tax liabilities as at 31 December 2011 (reflecting reduced payments on account paid during the year, based on the income tax effectively paid in 2010 on the basis of the components of assets and liabilities accounted for by Autostrade per l'Italia in application of IFRIC 12);
- b) an increase of €135.0 million trading assets, essentially reflecting the contribution of the newly consolidated companies (€129.5 million);
- c) a reduction of €62.5 million in trading liabilities due to reduced capital expenditure at Autostrade per l'Italia;
- d) a reduction in provisions for construction services required by contract, totalling €61.8 million, primarily reflecting an expected decrease in investment by Autostrade per l'Italia in construction services for which no additional economic benefits are received in the coming year;
- e) a reduction of €44.0 million in other current liabilities, primarily following the payment of concession fees by Italian operators;
- f) a reduction of €292.5 million in assets held for sale, the balance of which as at 31 December 2011 included the value of the investment in Nueva Inversiones (€290.2 million), consolidated from 1 April 2012 as a result of consolidation of the Autostrade Sud America group and subsequently, in the third quarter of 2012, merged with and into Grupo Costanera.

"Non-current non-financial liabilities", totalling €6,604.9 million, are up €1,198.8 million compared with 31 December 2011 (€5,406.1 million). This essentially reflects the following:

- a) deferred tax liabilities not eligible for offsetting of €893.8 million recognised, in accordance with the acquisition method, in relation to the Chilean and Brazilian operations;
- b) the increase in provisions for construction services required by contract, totalling €186.4 million, reflecting the adjustment, linked to the decline in current and future interest rates, of the present value on completion of investment in construction services (€430.0 million) and discounting to present value (€99.3 million), partially offset by reclassification of the current portion (a reduction of €382.5 million);
- c) an increase in non-current provisions, totalling €119.6 million, due to provisions for the year (€458.6 million) and discounting to present value (€47.6 million), partially offset by reclassification of the current portion (a reduction of €423.8 million).

As a result, "Net invested capital", totalling €15,512.3 million as at 31 December 2012, is up €2,511.5 million on the figure for 31 December 2011 (€13,000.8 million).

"Equity attributable to owners of the parent and non-controlling interests" totals €5,448.2 million (€4,030.6 million as at 31 December 2011). "Equity attributable to owners of the parent", totalling €3,801.0 million, is up €235.0 million, essentially reflecting a combination of:

- a) profit for the year (up €808.1 million);
- b) payment of the final dividend for 2011 (down €241.5 million) and of the interim dividend for 2012 (down €230.2 million);
- c) the negative balance of other components of comprehensive income, totalling €176.8 million, as described above.

"Equity attributable to non-controlling interests" of €1,647.2 million is up €1,182.6 million on the figure for 31 December 2011 (€464.6 million), essentially due to the non-controlling interests in the newly consolidated Chilean and Brazilian companies.

The following statement shows the reconciliation of Atlantia's equity and profit for the year with the corresponding consolidated amounts.

Reconciliation of Atlantia's equity and profit for the year and the corresponding consolidated amounts

(€M)	EQUITY AS AT 31.12.2012	PROFIT FOR 2012
Amounts in financial statements of Atlantia SpA	6,536.6	532.6
Recognition in consolidated financial statements of equity and profit/(loss) for the year of investments less non-controlling interests	6,803.7	862.6
Elimination of carrying amount of consolidated investments	-10,247.2	-
Elimination of impairment losses on consolidated investments less reversals	58.2	10.8
Elimination of intercompany dividends	-	-771.0
Elimination of after-tax intercompany profits	-4,186.8	-
Recognition of goodwill less non-controlling interests	4,380.7	-
Measurement of investments at fair value and using the equity method less dividends received	11.1	4.8
Other consolidation adjustments (*)	444.7	168.3
Consolidated carrying amounts (attributable to owners of the parent)	3,801.0	808.1
Consolidated carrying amounts (attributable to non-controlling interests)	1,647.2	21.5
Carrying amounts in consolidated financial statements	5,448.2	829.6

(*) Other consolidation adjustments essentially include the different amounts, in the consolidated financial statements, for gains and/or losses on the sale of investments with respect to the corresponding amounts included in the reporting packages of consolidated companies, and the effects of remeasurement at fair value, solely for the purposes of consolidation, of previously held interests following the acquisition of control of the related companies.

The Group's net debt at 31 December 2012 amounts to €10,064.1 million, up €1,093.9 million on the figure for 31 December 2011 (€8,970.2 million).

"Non-current net debt", amounting to €12,457.1 million is up €3,310.2 million on 31 December 2011 (€9,146.9 million), primarily due to the following:

- a) bond issues and redemptions, consisting of:
 - 1) bond issues restricted to institutional investors as part of Atlantia's €10 billion Medium Term Note Programme, which in 2012 included the issue of bonds with par values of €1,000 million (paying coupon interest of 4.5% and maturing in 2019), €750.0 million (paying coupon interest of 4.375% and maturing in 2020) and €35.0 million (paying coupon interest of 4.8% and maturing in 2032), and a Zero Coupon Note with a par value of €48.6 million (with a rate of 5.242% and maturing in 2032);
 - 2) the new issue for retail investors with a par value of €1,000.0 million (paying coupon interest of 3.625% and maturing in 2018);
 - 3) the partial buyback of €655.8 million of bonds ahead of their maturity in 2014;

- b) use of the remaining €500.0 million tranche of the fixed-rate loan, maturing in 2036 and paying interest at 4.596%, agreed by Autostrade per l'Italia and the European Investment Bank (EIB) in 2008, signature of a new loan agreement with a par value of €250.0 million by Autostrade per l'Italia and the EIB (maturing in 2034 and paying a fixed rate of 3.771%) and use of a €100.0 million tranche of the floating rate loan from Cassa Depositi e Prestiti and SACE (maturing in 2024), partially offset by the reclassification of borrowings maturing in the next 12 months to current liabilities (€444.8 million);
- c) the assumption of debt attributable to the new Chilean companies, essentially consisting of: Project Bonds issued by Costanera Norte, maturing through 2016 and 2024, and Vespucio Sur, maturing through 2028, and totalling €530.3 million; Project Loans issued by Litoral Central, maturing through 2025, Nororiente, maturing through 2031, and Vespucio Sur, maturing through 2028, and totalling €357.3 million; and bank borrowings assumed by Grupo Costanera (€172.7 million);
- d) an increase in medium/long-term debt (up €205.4 million) at Ecomouv, reflecting the progressive drawdown of the company's project financing;
- e) an increase in financial assets deriving from concession rights (up €585.4 million), essentially reflecting the present value of concession rights deriving from guaranteed minimum revenue contributed by the new Chilean companies (up €628.5 million), and concession rights deriving from investment by Ecomouv (up €296.6 million), which is engaged in the production of a satellite-based tolling system for heavy vehicles in France, partially offset by reclassification of the current portion of the takeover right (€346.2 million as at 31 December 2011) attributable to Autostrade Meridionali, whose concession expired on 31 December 2012;
- f) an increase (€160.3 million) in other non-current financial assets, primarily due to the medium/long-term receivable represented by convertible bonds (€241.0 million) issued by Infra Bertin Empreendimentos, which controls the project company, SPMAR, in order to fund construction and operation of the orbital motorway to the south east of São Paulo, the medium/long-term receivable due to Vespucio Sur (€52.3 million) from Chile's Ministry of Public Works, recognised following the delay in the start-up of the concession, partially offset by reclassification of the current portion of medium/long-term loans granted by Autostrade per l'Italia to Autostrada Tirrenica (a face value of €110.0 million), maturing in December 2013.

As at 31 December 2012 current net funds amount to €2,393.0 million (€176.7 million as at 31 December 2011). The increase of €2,216.3 million essentially reflects:

- a) an increase in cash (up €2,191.3 million), primarily due to the liquidity acquired as a result of Atlantia's recent bond issues and of the loans granted by the EIB to Autostrade per l'Italia, and to operating cash flow, partially offset by funding requirements relating to capital expenditure;
- b) an increase in other current financial assets (up €717.5 million), reflecting the rise in the current portion of term deposits (€278.4 million, due primarily to the project accounts linked to financing for the Chilean operators and the establishment of a deposit to be used for the loan that Atlantia Bertin Concessões is to disburse to Infra Bertin Empreendimentos by the end of 2013), reclassification of the current portion of the estimated value of the amount payable to Autostrade Meridionali in relation to takeover rights (€357.8 million as at 31 December 2012) and medium/long-term loans (€110.0 million) granted by Autostrade per l'Italia to Autostrada Tirrenica, maturing in December 2013;
- c) an increase in current financial liabilities (up €692.5 million), reflecting:
 - 1) new floating rate bonds issued by the Brazilian companies, Rodovias das Colinas (€318.1 million) and Triangulo do Sol (€231.4 million), maturing on 23 October 2013;
 - 2) reclassification of the current portions of medium/long-term borrowings maturing in the next 12 months (€444.8 million);
 - 3) an increase in accrued and as yet unpaid interest on medium/long-term financial liabilities (€113.4 million);
 - 4) repayments of borrowings during the year (€398.1 million).

Statement of changes in consolidated equity

(€M)	EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		
	ISSUED CAPITAL	CASH FLOW HEDGE RESERVE	NET INVESTMENT HEDGE RESERVE
Balance as at 31 December 2010	600.3	53.4	-
Comprehensive income for the year	-	-12.3	-
Owner transactions and other changes			
Bonus issue	30.0	-	-
Final dividend approved	-	-	-
Retained earnings for previous year	-	-	-
Interim dividend	-	-	-
Changes in the basis of consolidation, capital contributions, reclassifications and other changes	-	-	-
Balance as at 31 December 2011	630.3	41.1	-
Comprehensive income for the year	-	-87.6	-37.6
Owner transactions and other changes			
Bonus issue	31.5	-	-
Final dividend approved	-	-	-
Retained earnings for previous year	-	-	-
Interim dividend	-	-	-
Changes in the basis of consolidation, capital contributions, reclassifications and other changes	-	-0.1	-
Balance as at 31 December 2012	661.8	-46.6	-37.6

The Group's ordinary operating and financing activities expose it to market risks, primarily regarding interest rate and currency risks linked to the financial assets acquired and the financial liabilities assumed, in addition to liquidity and credit risks.

The Group's financial risk management strategy is consistent with the objectives set by Atlantia's Board of Directors. The strategy aims to both manage and control such risks, wherever possible mitigating interest rate and currency risks and minimising borrowing costs, whilst taking account of the interests of stakeholders, as defined in the Group's Financial Policy.

The components of the Group's derivatives portfolio as at 31 December 2012 are classified, in application of IAS 39, on the basis of the specific risk being hedged.

In December 2012 Autostrade per l'Italia entered into new Interest Rate Swaps, classified as cash flow hedges, linked to the current and future uses of the loan granted by Cassa Depositi e Prestiti and SACE.

Based on the positive outcome of tests of effectiveness of cash flow hedges as at 31 December 2012, changes in fair value have been recognised in full in comprehensive income, with no recognition of any ineffective portion in profit or loss.

In March 2012 the Group entered into new derivative contracts known as "Non-Deliverable Forwards" and classified as net investment hedges in accordance with IAS 39. These transactions relate to the forward sale of Chilean pesos with the aim of hedging the foreign currency translation risk linked to certain assets and investments in Chile. Changes in fair value during 2012 have been recognised in full in the comprehensive income.

RESERVE FOR TRANSLATION DIFFERENCES ON TRANSACTIONS IN FUNCTIONAL CURRENCIES OTHER THAN THE EURO	EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT					TOTAL	EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT AND NON-CONTROLLING INTERESTS
	RESERVE FOR ASSOCIATES AND JOINT VENTURES ACCOUNTED FOR USING THE EQUITY METHOD	OTHER RESERVES AND RETAINED EARNINGS	TREASURY SHARES	PROFIT/(LOSS) FOR PERIOD				
15.7	53.9	2,201.6	-215.6	474.1	3,183.4	403.5	3,586.9	
-29.4	-29.9	-2.2	-	898.5	824.7	-6.1	818.6	
-	-	-30.0	-	-	-	-	-	
-	-	-	-	-230.0	-230.0	-10.7	-240.7	
-	-	244.1	-	-244.1	-	-	-	
-	-	-	-	-219.3	-219.3	-0.3	-219.6	
4.3	-3.4	6.3	-	-	7.2	78.2	85.4	
-9.4	20.6	2,419.8	-215.6	679.2	3,566.0	464.6	4,030.6	
-5.1	-22.4	-24.1	-	808.1	631.3	15.6	646.9	
-	-	-31.5	-	-	-	-	-	
-	-	-	-	-241.5	-241.5	-13.4	-254.9	
-	-	437.7	-	-437.7	-	-	-	
-	-	-	-	-230.2	-230.2	-0.2	-230.4	
6.6	-1.0	69.9	-	-	75.4	1,180.6	1,256.0	
-7.9	-2.8	2,871.8	-215.6	577.9	3,801.0	1,647.2	5,448.2	

The residual weighted average term to maturity of the Group's interest bearing debt is approximately 7 years as at 31 December 2012.

93% of the Group's debt is fixed rate.

20% of the Group's medium/long-term debt is denominated in currencies other than the euro. Taking account of foreign exchange hedges and the proportion of debt denominated in the local currency of the country in which the relevant Group company operates (around 13%), the Group is not exposed to currency risk on translation into euros.

The average cost of the Group's medium/long-term borrowings in 2012 was approximately 5.2% (4.8% without taking account of the debt of the Chilean and Brazilian companies).

As at 31 December project debt allocated to individual companies amounts to €1,918 million. At the same date the Group has cash reserves of €6,547 million, consisting of:

- a) €2,811 million in cash and/or investments maturing within 120 days;
- b) €663 million in term deposits allocated primarily to part finance the execution of specific construction services and to service the debt of the Chilean companies;
- c) €3,073 million in undrawn committed lines of credit with a weighted average residual term to maturity of approximately 9 years and a weighted average residual drawdown period of approximately 3 years:
 - i) €300 million representing the unused portion of the €300 million loan obtained from the European Investment Bank in December 2010, to be drawn down until December 2014;

- 2) €900 million representing the unused portion of the €1,000 million loan granted by Cassa Depositi e Prestiti and SACE, to be drawn down until September 2014 and maturing in 2024;
- 3) €500 million representing the unused portion of the new loan granted by Cassa Depositi e Prestiti on 21 December 2012, to be drawn down by November 2016 and maturing in 2027;
- 4) €1,000 million available under a committed Revolving Credit Facility with Mediocredito acting as Agent Bank, unused as at 31 December 2012 and maturing in June 2015;
- 5) €373 million of the Project Loan obtained to finance the Eco-Tax project being carried out by Ecomouv (to be drawn down primarily by October 2013 and maturing in December 2024).

The Group's net debt, as defined according to the European Securities and Markets Authority - ESMA (formerly CESR) recommendation of 10 February 2005 (which does not permit the deduction of non-current financial assets from debt), amounts to €11,998.1 million as at 31 December 2012, compared with net debt of €10,170.5 million as at 31 December 2011.

Consolidated cash flow

Net debt increased by €1,093.9 million in 2012, reflecting consolidation of the new companies (approximately €545 million, including net cash outflows to acquire the related controlling interests) and the performance of working capital (a net cash outflow of approximately €410 million in 2012), which in 2012 was influenced by increased income tax expense (a consequence of the benefits recognised in 2011 following confirmation of the deductibility of the various components of the financial statements recognised by Autostrade per l'Italia in application of IFRIC 12) and a decrease in trading liabilities, reflecting reduced capital expenditure by Autostrade per l'Italia.

In contrast, net debt decreased by €687.1 million in 2011, essentially due to the changes resulting from the deconsolidation of Strada dei Parchi and Autostrada Tirrenica, including net debt transferred.

Operating activities generated cash flows of €1,117.3 million in 2012, down €760.5 million on the figure for 2011 (€1,877.8 million). This primarily reflects differing contributions from operating capital in the two comparative periods (due mainly to both the decrease in trading liabilities, reflecting reduced capital expenditure by Autostrade per l'Italia, and the higher amount of tax paid with respect to income tax payable on profit for 2012), and from other non-financial assets and liabilities (primarily due to the fact that payments on account for income tax are in excess of the related tax expense for 2012, and to the reduced tax expense paid by Autostrade per l'Italia in 2011, following recognition of the deductibility of the carrying amounts recorded in application of IFRIC 12).

Cash used for investment in non-financial assets amounts to €1,863.3 million, compared with €713.4 million in 2011.

Cash flow for 2012 essentially reflects:

- a) the overall impact of transactions relating to consolidated companies (an outflow of €668.3 million), reflecting investments, consisting almost entirely of the acquisition of the new Chilean and Brazilian companies, including net debt assumed (totalling €1,370.6 million), after gains on the sale of the 30% interest in Grupo Costanera held by Autostrade Sud America (€477.6 million) and of the investment in Autostrada Torino-Savona, including net debt transferred (€221.6 million);
- b) investment in motorway infrastructure operated under concession, after the related government grants and the increases in takeover rights and in other financial assets resulting from capital expenditure (totalling €1,178.0 million);
- c) the gain on the sale of the investment in IGLI (€87.6 million).

The corresponding cash flow for 2011 essentially reflected investment in motorway infrastructure, after the related government grants, and the purchase of investments by the Chilean company, Inversiones Autostrade Holding do Sur, which acquired a 50% interest in Nueva Inversiones, partially offset by the proceeds from deconsolidation of Strada dei Parchi and Autostrada Tirrenica, including net debt transferred.

The cash outflow resulting from changes in equity amounts to €176.1 million in 2012 (€456.8 million in 2011), essentially due to the dividends approved by Atlantia and other Group companies and payable to non-controlling shareholders, partially offset by the capital contribution to Grupo Costanera by the previously mentioned Canadian pension fund (€349.2 million).

The overall impact of the above cash flows was to increase net debt by €922.1 million during 2012, compared with a reduction of €707.6 million in 2011.

Finally, in 2012 net debt was increased €184.0 million by changes in the fair value of financial instruments recognised in comprehensive income, compared with an increase of €20.5 million in 2011.

Statement of changes in consolidated net debt ⁽¹⁾

(€M)	2012	2011
Profit for the year	829.6	907.1
Amortisation and depreciation	641.8	541.8
Provisions	84.7	57.5
Financial expenses from discounting of provisions for construction services required by contract and other provisions	148.1	179.1
Impairments/(Reversal of impairment losses) on non-current financial assets and investments accounted for at cost or fair value	-125.0	-45.6
Share of (profit)/loss of associates and joint ventures accounted for using the equity method	-2.9	-21.4
Impairment losses/(Reversal of impairment losses) and adjustments of other non-current assets	8.6	13.2
(Gain)/Loss on sale of non-current assets	-58.0	-132.6
Net change in deferred tax (assets)/liabilities	27.3	202.8
Other non-cash costs (income)	-42.0	-24.2
Change in working capital	-107.1	155.2
Other changes in non-financial assets and liabilities	-287.8	44.9
Net cash from operating activities (A) ⁽²⁾	1,117.3	1,877.8
Investment in motorway infrastructure	-1,548.6	-1,524.8
Government grants related to motorway infrastructure	39.7	69.6
Increase in financial assets deriving from concession rights (related to investment in motorway infrastructure)	330.9	82.7
Purchases of property, plant and equipment	-56.5	-63.6
Purchases of other intangible assets	-25.2	-30.2
Purchase of investments, net of unpaid called-up issued capital	-26.0	-323.4
Dividends received from investee companies accounted for using the equity method	-	2.6
Purchase of new consolidated investments, after net debt assumed	-1,370.6	-144.3
Proceeds from sales of property, plant and equipment, intangible assets and unconsolidated investments	89.8	2.7
Proceeds from sale of consolidated investments, after net debt transferred	702.3	1,212.3
Change in other non-current assets	0.9	3.0
Net cash from/(used in) investment in non-financial assets (B) ⁽³⁾	-1,863.3	-713.4
Dividends declared by Group companies	-485.3	-460.3
Net change in currency translation reserve and other reserves, impact of debt-related translation differences and other changes	-42.6	-3.8
Contributions from non-controlling shareholders	351.8	7.3
Net equity cash outflows (C) ⁽⁴⁾	-176.1	-456.8
Increase/(Decrease) in cash and cash equivalents (A + B + C)	-922.1	707.6
Change in fair value and extinguishment of financial instruments recognised in the statement of comprehensive income (D) ⁽⁵⁾	-184.0	-20.5
Non-cash financial income on convertible bonds related to loan to SPMAR (E) ⁽⁶⁾	12.2	-
Decrease/(Increase) in net debt for period (A + B + C + D)	-1,093.9	687.1
Net debt at beginning of year	-8,970.2	-9,657.3
Net debt at end of year	-10,064.1	-8,970.2

(1) This statement differs from the statement of cash flows in the consolidated financial statements insofar as it presents the impact of cash flows generated or used during the period on consolidated net debt, as defined above, rather than on net cash and cash equivalents.

(2) This shows, within the scope of the change in working capital presented in the statement of cash flows, the change in operating capital, consisting of trade-related items directly linked to the ordinary activities of the business concerned.

(3) This does not include movements in current and non-current financial assets. Moreover, the statement shows investments in newly consolidated companies and proceeds from the sale of previously consolidated companies after deducting the net debt on the books of these companies, whilst in the statement of cash flows in the consolidated financial statements these figures are reported less any net cash on the books of the newly consolidated or recently sold companies.

(4) This differs from cash generated from/(used in) financing activities in the statement of cash flows in the consolidated financial statements, as it does not include movements in current and non-current financial liabilities. Moreover, the dividends reported are those approved during the reporting period, whilst the statement of cash flows reports dividends paid in the reporting period.

(5) Changes in the fair value of financial instruments recognised in the statement of comprehensive income are reported in the "Statement of changes in consolidated net debt", whilst they are not reported in the statement of cash flows in the consolidated financial statements, as they have no impact on net cash.

(6) This financial income is capitalised on the medium/long-term receivable represented by convertible bonds issued by Infra Bertin Empreendimentos, which controls the project company, SPMAR, which holds the concession for the construction and operation of the orbital motorway serving the south east of São Paulo.

Adjusted results of operations and financial position and reconciliation with reported amounts

The following section shows adjusted gross operating profit (EBITDA), profit for the period, operating cash flow and debt, adjusted by stripping out the impact of financial items recognised by the Group's motorway operators in application of IFRIC 12 when, under its concession arrangement, an operator has an unconditional right to receive contractually guaranteed cash payments for construction services rendered, regardless of the extent to which the public uses the service. This right is accounted for, regardless of its specific nature, in "Financial assets deriving from concession rights" in the statement of financial position.

The adjusted amounts, which are not IFRS compliant and have not been audited by the independent auditors, are presented with the aim of enabling analysts and the rating agencies to assess the Group's results of operations and financial position using the basis of presentation normally adopted by them.

In particular, the adjustments applied to the reported amounts regard:

- a) an increase in toll revenue to take account of the reduction in financial assets deriving from guaranteed minimum revenue, presented in the reclassified income statement as an adjustment to revenue;
- b) an increase in other operating income, corresponding to the portion of government grants collected in relation to motorway maintenance and accounted for as a reduction in financial assets;
- c) an increase in other operating income, corresponding to the portion of government grants in relation to investment in motorway infrastructure, which are accounted for as a reduction in financial assets and which were collected in full in previous years;
- d) the reversal of financial income deriving from the discounting to present value of financial assets deriving from guaranteed minimum revenue and government grants for motorway maintenance;
- e) the elimination of financial assets recognised in application of IFRIC 12 (takeover rights, guaranteed minimum revenue, other financial assets deriving from concession rights).

Reconciliation of reported and adjusted amounts

(€M)	2012			2011		
	EBITDA	PROFIT/(LOSS) ⁽¹⁾	OPERATING CASH FLOW	EBITDA	PROFIT/(LOSS) ⁽¹⁾	OPERATING CASH FLOW
Reported amounts	2,397.6	829.6	1,508.0	2,355.0	907.1	1,692.0
Increase in revenue for guaranteed minimum revenue:						
- Los Lagos	8.0	8.0	8.0	8.4	8.4	8.4
- Costanera Norte ⁽²⁾	27.2	27.2	27.2	-	-	-
- Litoral Central ⁽²⁾	5.8	5.8	5.8	-	-	-
- Nororienté ⁽²⁾	10.2	10.2	10.2	-	-	-
Adjustment (before tax)	51.2	51.2	51.2	8.4	8.4	8.4
Grants for motorway maintenance:						
- Los Lagos	13.3	13.3	13.3	11.3	11.3	11.3
Adjustment (before tax)	13.3	13.3	13.3	11.3	11.3	11.3
Grants for investment in motorway infrastructure:						
- Litoral Central ⁽²⁾	1.0	1.0	1.0	-	-	-
Adjustment (before tax)	1.0	1.0	1.0	-	-	-
Reversal of financial income deriving from the discounting to present value of financial assets deriving from guaranteed minimum revenue:						
- Los Lagos		-5.9	-5.9		-5.5	-5.5
- Costanera Norte ⁽²⁾		-19.5	-19.5		-	-
- Litoral Central ⁽²⁾		-6.4	-6.4		-	-
- Nororienté ⁽²⁾		-9.9	-9.9		-	-
Adjustment (before tax)		-41.7	-41.7		-5.5	-5.5
Reversal of financial income deriving from the discounting to present value of financial assets deriving from grants for motorway maintenance:						
- Los Lagos		-9.0	-9.0		-9.2	-9.2
Adjustment (before tax)		-9.0	-9.0		-9.2	-9.2
Deferred taxes		-3.0			-1.0	
Total adjustment	65.5	11.8	14.8	19.7	4.0	5.0
Adjusted amounts	2,463.1	841.4	1,522.8	2,374.7	911.1	1,697.0

(€M)	NET DEBT AS AT 31.12.2012	NET DEBT AS AT 31.12.2011
Reported amounts	10,064.1	8,970.2
Reversal of financial assets deriving from takeover rights:		
- Autostrade Meridionali	357.8	346.2
Adjustment	357.8	346.2
Reversal of financial assets deriving from guarantee minimum revenue:		
- Los Lagos	77.0	72.6
- Costanera Norte ⁽¹⁾	354.2	-
- Litoral Central ⁽¹⁾	113.3	-
- Nororienté ⁽¹⁾	181.3	-
Adjustment	725.8	72.6
Reversal of other financial assets deriving from concession rights:		
- Ecomouv	340.6	40.9
Adjustment	340.6	40.9
Reversal of financial assets deriving from grants for motorway maintenance:		
- Los Lagos	117.3	111.6
Adjustment	117.3	111.6
Total adjustment	1,541.5	571.3
Adjusted amounts	11,605.6	9,541.5

(1) Adjusted profit does not take account of amortisation, net of the related taxation, of intangible assets deriving from concession rights that would, in theory, have been recognised by the Group's operators had they not adopted the financial model, in accordance with IFRIC 12, for the purposes of their reported results.

(2) The Chilean companies, Costanera Norte, Litoral Central and Nororienté, were consolidated from 1 April 2012.

Financial review for Atlantia SpA

Introduction

The financial review for Atlantia SpA includes and analyses the Parent Company's reclassified income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 December 2012, in which amounts are compared with those of the previous year. The review also includes and analyses the reclassified statement of financial position as at 31 December 2012, compared with comparative amounts as at 31 December 2011.

These financial statements have been prepared under the international financial reporting standards (IFRS) issued by the International Accounting Standards Board, endorsed by the European Commission, and in force at 31 December 2012. The accounting standards and policies used in preparing this document are consistent with those applied in the financial statements as at and for the year ended 31 December 2011 and comply with the requirements contained in the "Conceptual Framework for Financial Reporting".

Results of operations

Reclassified income statement of Atlantia SpA

(€M)	2012	2011	INCREASE/(DECREASE)
Operating income	0.8	0.9	-0.1
Total revenue	0.8	0.9	-0.1
Cost of materials and external services	-7.3	-9.3	2.0
Staff costs	-2.5	-1.8	-0.7
Total net operating costs	-9.8	-11.1	1.3
Gross operating loss (EBITDA) ⁽¹⁾	-9.0	-10.2	1.2
Amortisation, depreciation, impairment losses and reversals of impairment losses	-0.4	-0.4	-
Operating loss (EBIT) ⁽²⁾	-9.4	-10.6	1.2
Financial income/(expenses)	573.9	561.4	12.5
Impairment losses on investments	-23.4	-59.0	35.6
Profit before tax from continuing operations	541.1	491.8	49.3
Income tax (expense)/benefit	-8.5	-7.3	-1.2
Profit from continuing operations	532.6	484.5	48.1
Profit/(loss) from discontinued operations/assets held for sale	-	-	-
Profit for the year	532.6	484.5	48.1

(1) EBITDA is calculated by deducting all operating costs, with the exception of amortisation, depreciation, impairment losses on assets and reversals of impairment losses from operating income.

(2) EBIT is calculated by deducting amortisation, depreciation, impairment losses on assets and reversals of impairment losses from EBITDA.

	2012	2011	INCREASE/(DECREASE)
Basic earnings per share (€)	0.82	0.75	0.07
from:			
continuing operations	0.82	0.75	0.07
discontinued operations	-	-	-
Diluted earnings per share (€)	0.82	0.75	0.07
from:			
continuing operations	0.82	0.75	0.07
discontinued operations	-	-	-

“Operating income” in 2012 was €0.8 million, in line with the figure for 2011 (€0.9 million) and primarily consisting of rental income from subsidiaries.

The “Cost of materials and external services” totals €7.3 million, marking a decrease of €2.0 million on 2011 (€9.3 million). This primarily reflects a rise in the cost of professional services and consultants’ fees linked mainly to financial services.

“Staff costs” of €2.5 million in 2012 are up €0.7 million on the figure for 2011 (€1.8 million), primarily due to recognition, in 2011, of surplus provisions on expiry of the incentive plan for the Group’s management for the period 2008–2010.

The “Gross operating loss” (negative EBITDA) amounts to €9.0 million (€10.2 million in 2011), whilst the “Operating loss” (negative EBIT) amounts to €9.4 million (€10.6 million in 2011), after depreciation and amortisation, impairment losses and reversals of impairments losses totalling €0.4 million.

Net “Financial income” of €573.9 million is up €12.5 million on 2011 (€561.4 million), primarily reflecting an increase in dividends received from Autostrade per l’Italia SpA (up €12.4 million). This item also includes non-recurring financial expenses (€33.3 million) and income (€37.1 million) generated, respectively, by the partial buyback of bonds maturing on 9 June 2014 and partial repayment of the matching loan granted to the subsidiary, Autostrade per l’Italia.

Impairment losses on investments, totalling €23.4 million, regard the impairment of the carrying amount of the investment in Alitalia – Compagnia Aerea Italiana, based on the Company’s pro-rata interest in equity, given that there is insufficient information on which to base a reliable calculation of fair value. The impairment reflects the fact that the airline continues to be loss-making.

“Income tax expense” of €8.5 million is up €1.2 million on the previous year (€7.3 million), reflecting the increase in taxable income, taking account of the marginal impact on taxation of the increase in dividends received and excluding the impairment losses on investments.

“Profit for the year”, totalling €532.6 million, is thus up €48.1 million on 2011 (€484.5 million).

Statement of comprehensive income of Atlantia SpA

(€M)	2012	2011
Profit for the year (A)	532.6	484.5
Fair value gains/(losses) on cash flow hedges	-10.3	33.8
Other comprehensive income for the period, after related taxation (B)	-10.3	33.8
Comprehensive income for the year (A + B)	522.3	518.3

The statement of comprehensive income reports comprehensive income of €522.3 million (€518.3 million in 2011), after the negative impact of fair value losses on cash flow hedges, after the related taxation (a loss of €10.3 million). The measurement of cash flow hedges in 2011 resulted in a fair value gain of €33.8 million.

Financial position

"Non-current non-financial assets" of €6,026.1 million are down €21.3 million on the figure for 31 December 2011 (€6,047.4 million).

These assets consist almost entirely of "Investments" amounting to €6,018.1 million. The decrease of €21.6 million compared with 2011 (€6,039.7 million) essentially reflects the above impairment loss of €23.4 million in respect of the carrying amount of the investment in Alitalia - Compagnia Aerea Italiana and the sale of the investment in Autostrade for Russia GmbH (down €0.8 million), partially offset by an increase in the carrying amount of the investment in Autostrade per l'Italia, reflecting share incentive plans for the management of this company and a number of its subsidiaries (up €2.6 million).

Negative "Working capital" of €6.5 million (a positive €2.0 million as at 31 December 2011) has been reduced by €8.5 million, essentially due to reductions in net current tax assets and in other current assets, and an increase in trading liabilities.

"Non-current non-financial liabilities" amount to €39.6 million (€44.7 million as at 31 December 2011) and almost entirely regard deferred tax liabilities (after offsetting against deferred tax assets), essentially recognised as a result of fair value gains on cash flow hedges.

"Net invested capital" of €5,980.0 million is down €24.7 million on the figure for 31 December 2011 (€6,004.7 million).

Reclassified statement of financial position of Atlantia SpA

(€M)	31.12.2012	31.12.2011	INCREASE/(DECREASE)
Non-current non-financial assets			
Property, plant and equipment	7.8	7.5	0.3
Intangible assets	0.2	0.2	-
Investments	6,018.1	6,039.7	-21.6
Total non-current non-financial assets (A)	6,026.1	6,047.4	-21.3
Working capital			
Trading assets	1.5	1.0	0.5
Current tax assets	92.0	114.1	-22.1
Other current assets	0.7	2.3	-1.6
Trading liabilities	-7.6	-4.2	-3.4
Current tax liabilities	-90.2	-108.8	18.6
Other current liabilities	-2.9	-2.4	-0.5
Total working capital (B)	-6.5	2.0	-8.5
Invested capital less current liabilities (C = A + B)	6,019.6	6,049.4	-29.8
Non-current non-financial liabilities			
Provisions	-0.3	-0.3	-
Deferred tax liabilities	-39.3	-44.4	5.1
Total non-current non-financial liabilities (D)	-39.6	-44.7	5.1
NET CAPITAL EMPLOYED (E = C + D)	5,980.0	6,004.7	-24.7
Equity (F)	6,536.6	6,483.3	53.3
Net debt			
Non-current net debt			
Non-current financial liabilities	9,908.7	7,739.9	2,168.8
Derivative liabilities	239.0	188.1	50.9
Bond issues	9,669.7	7,551.8	2,117.9
Other non-current financial assets	-10,086.9	-7,914.8	-2,172.1
Derivative assets	-245.3	-219.3	-26.0
Other financial assets	-9,841.6	-7,695.5	-2,146.1
Non-current net debt (G)	-178.2	-174.9	-3.3
Current net debt			
Current financial liabilities	266.7	228.3	38.4
Current portion of medium/long-term borrowings	266.6	228.2	38.4
Other financial liabilities	0.1	0.1	-
Cash and cash equivalents	-362.5	-293.1	-69.4
Other current financial assets	-282.6	-238.9	-43.7
Current portion of medium/long-term financial assets	-277.2	-235.4	-41.8
Other financial assets	-5.4	-3.5	-1.9
Current net debt (H)	-378.4	-303.7	-74.7
Net debt (I = G + H)	-556.6	-478.6	-78.0
NET DEBT AND EQUITY (L = F + I)	5,980.0	6,004.7	-24.7

"Equity" totals €6,536.6 million (€6,483.3 million as at 31 December 2011) and is up €53.3 million compared with the end of the previous year due to:

- a) comprehensive income for the year of €522.3 million;
- b) payment of the final dividend for 2011 (down €241.5 million) and of the interim dividend for 2012 (down €230.2 million);
- c) provisions for share-based incentive plans for the Group's management (€2.7 million).

The Extraordinary General Meeting of 24 April 2012 approved a bonus issue with a value of €31,515,600 by releasing the matching amount from the extraordinary reserve. In implementation of this resolution, the resulting bonus shares were allocated to shareholders on the basis of one new share for every twenty held. The number of treasury shares held by the Company has thus increased by 632,648, rising from 12,652,968 to 13,285,616. As at 31 December 2012 the Company's fully subscribed and paid-in issued capital thus amounts to €661,827,592, represented by 661,827,592 ordinary shares with a par value of €1.00 each (including 13,285,616 treasury shares with a carrying amount of €215.6 million).

Statement of changes in equity of Atlantia SpA

(€M)	ISSUED CAPITAL	RESERVES AND RETAINED EARNINGS	TREASURY SHARES	PROFIT/(LOSS) FOR YEAR	TOTAL EQUITY
Balance as at 31 December 2010	600.3	5,727.3	-215.6	301.0	6,413.0
Total comprehensive income	-	33.8	-	484.5	518.3
Owner transactions and other changes					
Appropriation of result for previous year	-	71.0	-	-71.0	-
Final dividend approved	-	-	-	-230.0	-230.0
Bonus issue	30.0	-30.0	-	-	-
Interim dividend	-	-	-	-219.3	-219.3
Share-based incentive plans	-	1.3	-	-	1.3
Balance as at 31 December 2011	630.3	5,803.4	-215.6	265.2	6,483.3
Total comprehensive income	-	-10.3	-	532.6	522.3
Owner transactions and other changes					
Appropriation of result for previous year	-	23.7	-	-23.7	-
Final dividend approved	-	-	-	-241.5	-241.5
Bonus issue	31.5	-31.5	-	-	-
Interim dividend	-	-	-	-230.2	-230.2
Share-based incentive plans	-	2.7	-	-	2.7
Balance as at 31 December 2012	661.8	5,788.0	-215.6	302.4	6,536.6

At the end of 2012 the Company has net funds of €556.6 million (€478.6 million as at 31 December 2011), consisting of a non-current portion of €178.2 million (€174.9 million as at 31 December 2011) and a current portion of €378.4 million (€303.7 million as at 31 December 2011).

Non-current net funds of €178.2 million are substantially in line with the figure for 31 December 2011 (€174.9 million).

Changes in this item include:

- a) the issue, on 9 February 2012, of new bonds with a par value of €1,000 million, maturing in 2019 and paying coupon interest of 4.50%. This was accompanied by the grant of a new medium/long-term loan of the same amount and with the same term to maturity to the subsidiary, Autostrade per l'Italia. This enabled the Company to buy back a portion of the bonds maturing in 2014, accompanied by early repayment of the matching medium/long-term loan granted to Autostrade per l'Italia, totalling €655.8 million;

- b) the Company's issue, on 2 April 2012, of a zero coupon bond with a par value on maturity of €135.0 million (a carrying amount of €48.6 million), maturing in 2032 and yielding 5.242%, at the same time granting a matching medium/long-term intercompany loan to the subsidiary, Autostrade per l'Italia;
- c) the issue, on 11 June 2012, of bonds with a par value of €35.0 million, maturing in 2032 and paying fixed annual coupon interest of 4.80%; at the same time the Company granted a matching loan to the subsidiary, Autostrade per l'Italia;
- d) the issue, on 14 September 2012, of bonds with a par value of €750 million, a term to maturity of 7.5 years and paying a fixed coupon of 4.375% payable in March of each year; at the same time the Company granted a matching loan to the subsidiary, Autostrade per l'Italia;
- e) the issue, on 30 November 2012, of bonds for retail investors with a par value of €1,000 million, having a term to maturity of 6 years, paying fixed coupon interest of 3.625% and with an effective gross annual yield of 3.703%; at the same time a medium/long-term loan of the same amount and term to maturity, and paying interest at a rate of 3.932%, was granted to the subsidiary, Autostrade per l'Italia.

The increase in current net funds as at 31 December 2012 (up €74.7 million compared with 31 December 2011) is primarily due to movements in cash and cash equivalents (€69.4 million) deriving from the greater value of dividends collected from investee companies compared with those paid out to shareholders in 2012.

The Company's ordinary operating and financial activities expose it to market risks, primarily regarding interest rate and currency risks linked to the financial assets acquired and the financial liabilities assumed. Atlantia's financial risk management strategy is consistent with the business goals set by the Company's Board of Directors in the various strategic plans that have been approved over time. The strategy aims to both manage and control such risks, wherever possible mitigating interest rate and currency risks and minimising borrowing costs, as defined in the Financial Policy approved by the Board of Directors.

The medium/long-term loans provided to the subsidiary, Autostrade per l'Italia, are granted on the same terms as the Company's borrowings in the market, plus a margin to take account of operating costs, including those incurred for hedges using derivative financial instruments. In line with the Group's financial strategy, these hedges are entered into to mitigate the exposure to cash flow risk of the underlying instruments as a result of interest rate movements. Based on the positive outcome of tests of effectiveness, these derivatives are classified as cash flow hedges. As a result, any change in the cash flows generated by the underlying transaction is offset by a matching change in the cash flows deriving from the derivative instrument.

The fair value of these instruments is based on expected cash flows that are discounted at rates derived from the market yield curve at the measurement date. Amounts in currencies other than the euro are translated at closing exchange rates provided by the European Central Bank. All hedging derivatives fall within the category of financial instruments measured at fair value.

The residual weighted average term to maturity of the Company's interest bearing debt is approximately 6 years as at 31 December 2012. 100% of the Company's debt is fixed rate.

9% of the Company's medium/long-term debt is denominated in currencies other than the euro. Taking account of foreign exchange hedges, the percentage of foreign currency debt exposed to currency risk on translation into euros is zero.

The average cost of medium/long-term borrowings in 2012 was approximately 4.9%.

Cash flow

Cash and cash equivalents increased by €69.4 million in 2012, compared with the increase of €95.5 million reported in 2011.

"Cash generated from operating activities" amounts to €565.8 million, marking an increase of €22.3 million on 2011. This primarily reflects the increase in dividends received from Autostrade per l'Italia and the differing contributions of working capital in the two comparative periods.

"Cash used in investing activities", totalling €2,202.8 million, primarily reflects loans granted to the subsidiary, Autostrade per l'Italia. These have a total par value of €2,833.6 million and replicate, at intercompany level, the new bonds issues. The impact of these transactions was partially offset by cash generated (€655.8 million) by partial repayment, by Autostrade per l'Italia, of the loan replicating, at intercompany level, the bonds maturing in 2014.

In contrast, cash generated from investing activities in 2011, totalling €1,991.4 million, essentially reflected repayment of the loan to Autostrade per l'Italia with a par value of €2,000 million, which replicated, at intercompany level, the bonds maturing on 9 June 2011.

"Cash generated from financing activities", totalling €1,706.4 million, resulted from the issue of the above bonds with a total par value of €2,833.6 million. This was partially offset by the partial buyback (an outflow of €655.8 million) of bonds issued on 9 June 2004, by payment of the final dividend for the previous year (an outflow of €241.5 million) and by payment of the interim dividend for 2012 (an outflow of €230.2 million).

In contrast, cash used in financing activities in 2011, totalling €2,439.4 million, essentially reflected redemption of bonds with a par value of €2,000 million and the payment of dividends in the previous year (€449.3 million).

Statement of cash flows of Atlantia SpA

(€M)	2012	2011
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Profit for the year	532.6	484.5
Adjusted by:		
Depreciation and amortisation	0.4	0.4
Impairment losses/(Reversal of impairment losses) on non-current financial assets, including investments accounted for at cost or fair value	23.4	59.0
(Gain)/Loss on sale and adjustments of non-current assets	0.8	-
Net change in deferred tax (assets)/liabilities	-	0.6
Other non-cash items	0.2	-0.1
Change in working capital and other changes	8.4	-0.9
Net cash generated from/(used in) operating activities (A)	565.8	543.5
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Purchases of property, plant and equipment	-0.7	-0.2
Purchases of investments, net of unpaid called-up issued capital	-0.1	-7.8
Change in current and non-current financial assets not held for trading purposes	-2,202.0	1,999.4
Net cash generated from/(used in) investing activities (B)	-2,202.8	1,991.4
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Dividends paid	-471.7	-449.3
Issuance of bonds	2,780.5	-
Redemption of bonds	-655.8	-2,000.0
Net change in other current and non-current financial liabilities	53.4	9.9
Net cash generated from/(used in) financing activities (C)	1,706.4	-2,439.4
Increase/(Decrease) in cash and cash equivalents (A + B + C)	69.4	95.5
Net cash and cash equivalents at beginning of year	293.1	197.6
Net cash and cash equivalents at end of year	362.5	293.1

Additional information on the statement of cash flows

	2012	2011
Income tax paid	241.9	7.6
Tax rebates from tax consolidation arrangement	-236.9	-
Interest income and other financial income collected	493.3	514.0
Interest expense and other financial expenses paid	489.8	516.5
Dividends received	566.4	554.2
Foreign exchange gains collected	0.3	0.2
Foreign exchange losses incurred	0.3	0.6

Key performance indicators for the Group ^(*)

(€M)	REVENUE		INCREASE/(DECREASE)	
	2012	2011	TOTAL	%
Italian operators				
Autostrade per l'Italia	3,180.4	3,329.0	-148.6	-4.5
Società Italiana per il Traforo del Monte Bianco	56.3	57.3	-1.0	-1.8
Raccordo Autostradale Valle d'Aosta	16.3	14.9	1.4	9.4
Tangenziale di Napoli	70.1	70.5	-0.4	-0.6
Società Autostrade Meridionali	88.2	91.2	-3.0	-3.3
Overseas operators				
Stalexport Autostrady	45.0	44.8	0.2	0.4
Triangulo do Sol ^(**)	139.5	71.6	67.9	94.8
Rodovias das Colinas ^(***)	78.9	n.c.	n.a.	n.a.
Rodovia MG 050 (Nascentes das Geraís) ^(***)	16.7	n.c.	n.a.	n.a.
Sociedad Concesionaria de Los Lagos	19.6	15.2	4.4	28.9
Costanera Norte ^(****)	56.9	n.c.	n.a.	n.a.
Autopista Nororiente ^(****)	3.2	n.c.	n.a.	n.a.
Vespucio Sur ^(****)	52.9	n.c.	n.a.	n.a.
Litoral Central ^(****)	1.7	n.c.	n.a.	n.a.
AMB ^(****)	0.9	n.c.	n.a.	n.a.
Other subsidiaries				
Pavimental	511.4	655.7	-144.3	-22.0
Spea Ingegneria Europea	116.7	147.5	-30.8	-20.9
EsseDiEsse Società di Servizi	27.4	28.9	-1.5	-5.2
Infoblu	5.2	5.2	-	-
TowerCo	19.6	19.0	0.6	3.2
AD Moving	9.5	13.0	-3.5	-26.9
Telepass	136.1	130.8	5.3	4.1
Newpass	0.7	0.6	0.1	16.7
Giove Clear	8.8	2.1	6.7	n.s.
Autostrade Tech	77.2	56.8	20.4	35.9
Ecomouv	0.4	0.1	0.3	n.a.
ETC	46.1	41.1	5.0	12.2

(*) Figures calculated under IFRS and, in particular, in compliance with the standards and policies adopted by Atlantia, and extracted from specific reporting packages prepared by each subsidiary for the purpose of preparing the Atlantia Group's consolidated financial statements.

The amounts shown are those specific to each Group company and therefore include the impact on the income statement and financial position of intercompany transactions eliminated during preparation of the consolidated financial statements.

(**) Amounts refer solely to the period of consolidation: 1 July 2011-31 December 2012.

(***) Amounts refer solely to the period of consolidation: 1 July-31 December 2012.

(****) Amounts refer solely to the period of consolidation: 1 April-31 December 2012.

EBITDA				NET FUNDS/(NET DEBT)			
		INCREASE/(DECREASE)				INCREASE/(DECREASE)	
2012	2011	TOTAL	%	2012	2011	TOTAL	%
1,879.4	2,002.3	-122.9	-6.1	-10,801.7	-9,249.9	-1,551.8	16.8
37.2	38.3	-1.1	-2.9	73.4	61.0	12.4	20.3
3.8	-	3.8	n.a.	73.3	66.7	6.6	9.9
22.3	20.1	2.2	10.9	-59.1	-60.0	0.9	1.5
31.4	36.7	-5.3	-14.4	131.9	157.6	-25.7	-16.3
33.2	32.0	1.2	3.8	-11.6	-12.2	0.6	4.9
101.7	51.8	49.9	96.3	3.1	-20.8	23.9	n.a.
49.3	n.c.	n.a.	n.a.	-65.6	n.c.	n.a.	n.a.
11.6	n.c.	n.a.	n.a.	-34.4	n.c.	n.a.	n.a.
9.3	8.0	1.3	16.3	214.9	177.8	37.1	20.9
41.1	n.c.	n.a.	n.a.	-13.1	n.c.	n.a.	n.a.
-0.1	n.c.	n.a.	n.a.	11.0	n.c.	n.a.	n.a.
42.6	n.c.	n.a.	n.a.	-142.7	n.c.	n.a.	n.a.
-0.3	n.c.	n.a.	n.a.	92.5	n.c.	n.a.	n.a.
0.1	n.c.	n.a.	n.a.	-2.2	n.c.	n.a.	n.a.
2.7	20.0	-17.3	-86.5	-41.5	-83.1	41.6	-50.1
40.8	54.5	-13.7	-25.1	0.8	17.2	-16.4	-95.3
1.4	2.7	-1.3	-48.1	8.7	11.3	-2.6	-23.0
1.2	1.1	0.1	9.1	2.6	1.8	0.8	44.4
11.6	11.2	0.4	3.6	10.0	7.9	2.1	26.6
0.9	-	0.9	n.s.	-1.1	-1.7	0.6	35.3
79.9	72.4	7.5	10.4	-198.8	-181.8	-17.0	-9.3
0.3	-	0.3	n.s.	1.8	0.6	1.2	n.s.
1.6	0.7	0.9	n.s.	0.2	0.2	-	-
23.9	12.0	11.9	99.2	14.5	2.0	12.5	n.s.
-	-	n.a.	n.a.	59.7	-14.8	-74.5	n.s.
-3.4	1.3	-4.7	n.a.	-25.1	-0.5	24.6	n.s.

Italy

Traffic

The number of kilometres travelled on the network operated by Autostrade per l'Italia and the Group's other Italian motorway operators in 2012 totals 46,950 million, 41,102 million by vehicles with 2 axles (cars and vans, representing 87.5% of the total) and 5,848 million by vehicles with 3 or more axles (12.5% of the total).

Traffic on the network operated by Autostrade per l'Italia and the Group's other Italian motorway operators in 2012 is down 7.5% in terms of kilometres travelled, compared with 2011. There was a more accentuated decline in heavy vehicles, with those with 3 or more axles falling 7.9%, compared with a reduction of 7.4% in vehicles with 2 axles.

The performance reflects the continuing economic downturn, in addition to the impact of a number of unfavourable events in early 2012: the 5-day lorry drivers' strike at the end of January, and exceptionally bad weather, with heavy snowfall across the country, above all in late January and mid-February. On the other hand, the period benefitted from the extra day in February (2012 is a leap year), which added around an extra 0.2% to total traffic for the year.

After adjusting for the above non-recurring events (the lorry drivers' strike, bad weather and the leap year effect), traffic on the Group's Italian network in 2012 is down 6.8%.

Traffic was down at all the Group's Italian companies and for both categories of vehicle.

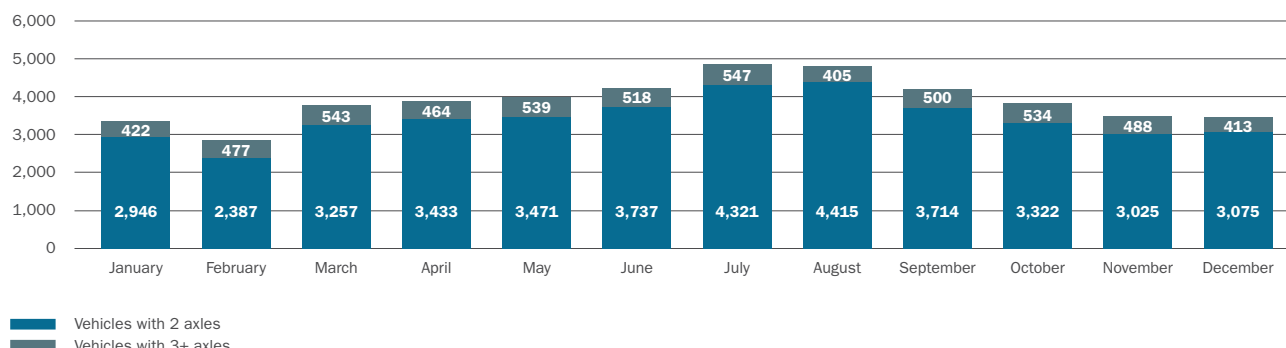
Traffic on Autostrade per l'Italia's network is down 7.6% (vehicles with 2 axles down 7.6% and those with 3 or more axles down 8.0%), whilst the other operators report falls of between 4.3% at Autostrade Meridionali and 6.9% at Raccordo Autostradale Valle d'Aosta.

Traffic on the network operated under concession in Italy in 2012

MOTORWAY	VEHICLES X KM (MILLIONS)			% INCREASE/ (DECREASE) ON 2011	ATVD ^(a) 2012
	VEHICLES WITH 2 AXLES	VEHICLES WITH 3+ AXLES	TOTAL VEHICLES		
Autostrade per l'Italia	38,752	5,718	44,470	-7.6	42,564
Società Italiana per il Traforo del Monte Bianco	7.0	3.0	10.0	-5.2	4,960
Raccordo Autostradale Valle d'Aosta	89.0	20.0	109.0	-6.9	9,176
Tangenziale di Napoli	865.0	78.0	943.0	-4.5	127,547
Società Autostrade Meridionali	1,389.0	29.0	1,418.0	-4.3	75,099
Total Italian operators	41,102	5,848	46,950	-7.5	43,271

(a) ATVD = Average theoretical vehicles per day, equal to number of kilometres travelled/journey length/number of days in the year.

Monthly traffic trends on the network operated under concession in Italy in 2012 (millions of vehicles x km)



Tolls

The following annual toll increases were introduced by Autostrade per l'Italia and the Group's Italian motorway operators from 1 January 2012. The increases were calculated in accordance with the terms and conditions of the respective concession arrangements in force:

ITALIAN MOTORWAY OPERATORS	TOLL INCREASE
Autostrade per l'Italia ⁽¹⁾	3.51%
Società Italiana Traforo del Monte Bianco ⁽³⁾	5.97%
Raccordo Autostradale Valle d'Aosta ⁽²⁾	14.17%
Tangenziale di Napoli ⁽²⁾	3.49%
Società Autostrade Meridionali ⁽²⁾	0.31%

(1) The toll increases applied by Autostrade per l'Italia consist of a 2.04% increase, relating to the X component (1.99% to cover additional capital expenditure inserted into the IV Addendum of 2002) and the K component (0.05% to provide a return on new investment in noise abatement initiatives provided for in the Single Concession Arrangement of 2007), calculated on the basis of the stage of completion of work, and a 1.47% increase equivalent to 70% of the consumer price inflation rate in the period from 1 July 2010 to 30 June 2011.

(2) The operators, Raccordo Autostradale Valle d'Aosta, Tangenziale di Napoli and Autostrade Meridionali, apply a tariff formula that takes into account the target inflation rate, a rebalancing component and a return on investment, in addition to quality.

(3) Traforo del Monte Bianco, which operates under a different concession regime based on bilateral agreements between Italy and France, applied a total increase of 5.97% from 1 January 2012, in accordance with the resolutions approved by the Intergovernmental Committee for the Mont Blanc Tunnel on 20 October and 25 November 2011. This increase is based on the combination of two elements:

- 2.47% representing the average inflation rate in France and Italy for the period from 1 September 2010 to 31 August 2011;
- 3.50% in accordance with the agreement between the Italian and French governments dated 24 February 2009, with use of the proceeds still be decided on by the two governments.

Capital expenditure

Autostrade per l'Italia and the other Italian motorway operators are in the process of implementing a programme of investment in major infrastructure projects worth over €13 billion. The purpose of these investments is to increase the capacity of the existing motorway network on the country's principal arteries, in order to improve road safety and service quality.

In addition to the above programme, Autostrade per l'Italia's new Single Concession Arrangement also envisages further investment totalling €7 billion, via:

- extensions to projects already included in the Agreement of 1997, involving new specific network upgrades worth approximately €2 billion;
- a commitment to develop preliminary designs for the upgrade of certain sections of motorway operated under concession, totalling around 330 km, at a cost of approximately €5 billion.

Works envisaged by the investment programmes of the Group's other motorway operators, and included in their respective financial plans, have the same purpose as those being carried out by Autostrade per l'Italia, involving the expansion of existing roads.

Upgrade and modernisation of the network operated under concession in Italy

In 2012 Autostrade per l'Italia and the Group's other motorway operators invested a total of €1,259.8 million, marking a reduction of €208.5 million (14.2%) compared with 2011.

Capital expenditure in Italy

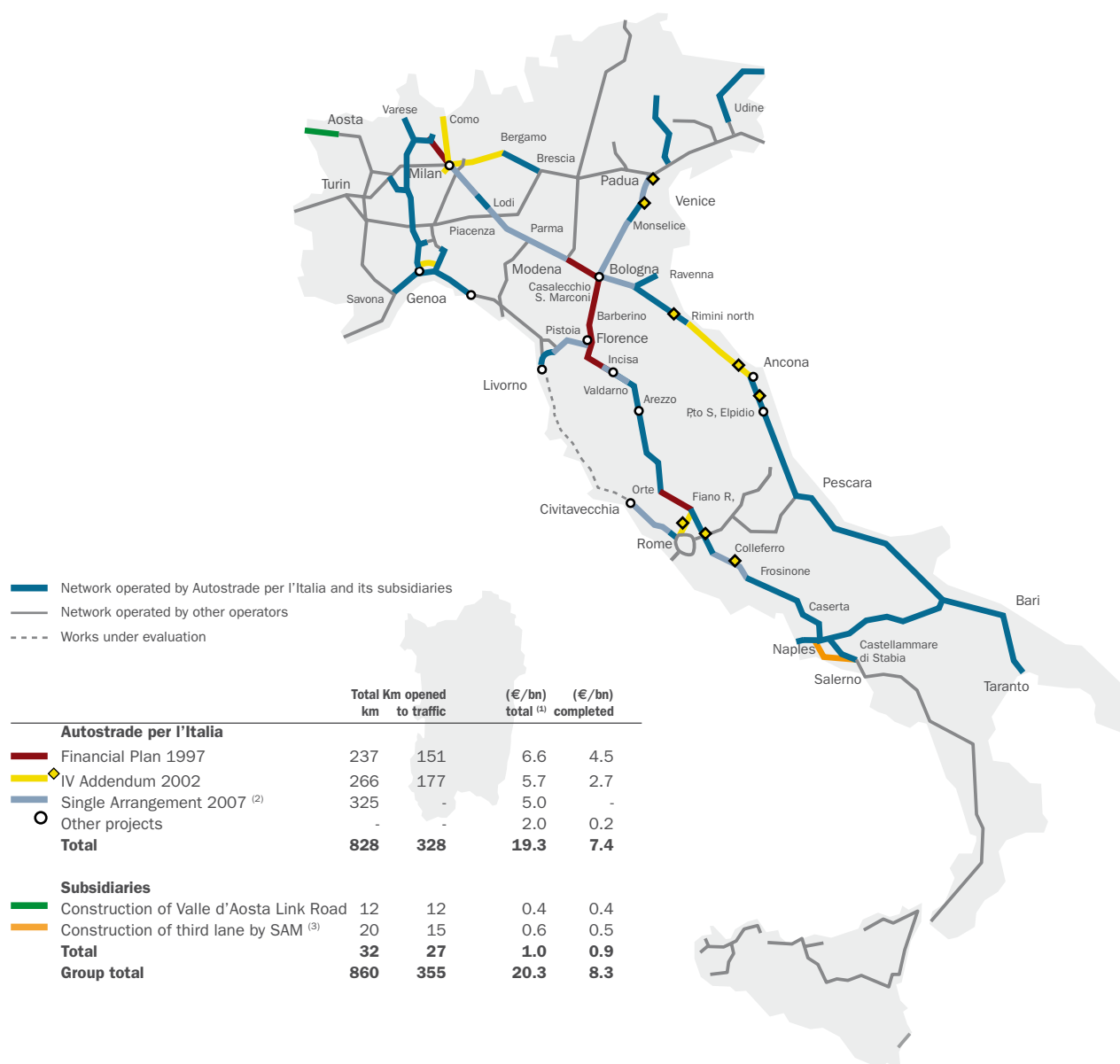
(€M)	2012	2011	% INCREASE/(DECREASE)
Autostrade per l'Italia - projects in Agreement of 1997	380.5	401.5	-5.2%
Autostrade per l'Italia - projects in IV Addendum of 2002	616.2	711.3	-13.4%
Investment in major works by other operators	35.9	43.5	-17.5%
Other capital expenditure and capitalised costs (staff, maintenance and other)	168.0	233.7	-28.1%
Total investment in infrastructure operated under concession	1,200.6	1,390.0	-13.6%
Investment in other intangible assets	16.0	19.6	-18.4%
Investment in property, plant and equipment	43.2	58.7	-26.4%
Total capital expenditure in Italy	1,259.8	1,468.3	-14.2%

(*) Excluding Autostrada Torino-Savona, a company sold in 2012.

The volume of investment in 2012, relating to works envisaged in the Autostrade per l'Italia's Agreement of 1997, is down €21.0 million on 2011, primarily reflecting near-completion of the principal works for the *Variante di Valico* and substantial completion of the widening of the Florence North-Florence South section to three lanes. These reductions in work were only partially offset by increased work on the Barberino-Florence North section.

Investment envisaged under the IV Addendum of 2002 is down €95.1 million on 2011, primarily due to the completion of a number of motorway works, opened to traffic in 2011 and 2012. These include the Fiano-Settebagni section of the A1, the A9 between Lainate and Como and the Fano-Senigallia and Ancona South-Porto Sant'Elpidio sections of the A14. These reductions were only partially offset by increased work on the Rimini North-Cattolica section of the A14 (opened to traffic on 20 December 2012). A total of 55 km of motorway widened to three lanes was opened to traffic on the Italian network in 2012.

Upgrade and modernisation of the network operated under concession in Italy



(1) Total cost of carrying out the works, as assessed as at 31 December 2012, including the base bid price (net of bid or agreed reductions), available funds, recognised reserves and early completion bonuses.

The value of works under the Arrangement of 1997 are net of an amount included in "Other investment".

(2) The Single Arrangement signed by Autostrade per l'Italia on 12 October 2007 provides for further upgrades of the network, totalling around 330 km, at a cost of approximately €5 billion, in addition to new specific projects worth approximately €2 billion.

(3) The concession held by Autostrade Meridionali expired on 31 December 2012. As requested by the Grantor, from 1 January 2013 the company has continued to be responsible for ordinary operation of the motorway, whilst awaiting the transfer of the concession to the new operator.

As requested by the Grantor, the company is engaged in drawing up a plan for safety measures to be implemented on the motorway in 2013, whilst awaiting selection of the new operator, subject to recognition of the related takeover right.

The authorisation process for investment projects

Motorway investment projects in Italy are subject to a complex authorisation process involving various relevant ministries and entities, in addition to the Grantor. The authorisations, primarily having regard to environmental and urban planning requirements, are dependent on numerous entities with decision-making powers. There are, however, significant difficulties in obtaining all necessary permits and the application processes are long and drawn out.

Even when projects have been given approval and agreement has been reached with local communities, relations with the construction companies awarded contracts can prove difficult, in part due to the selection criteria imposed by current regulations, which, in the event of a public tender, require contracts to be awarded on a lowest cost basis. This requirement, which focuses exclusively on the cost of the work, often ignores the technical ability and quality of contractors.

Law Decree 207 of 30 December 2008, converted with amendments into Law 14 of 27 February 2009, introduced new regulations for motorway operators that are not contracting entities, who are now permitted to award contracts to subsidiaries or associates, such as Pavimental in the case of Autostrade per l'Italia, for a portion of the network upgrade works to be carried out, whilst, however, introducing an obligation to award a minimal part of the works to be carried out to third-party contractors.

Recently, Law Decree 1/2012 (converted, with amendments, into Law 27/2012) and Law Decree 83/2012 (the so-called "Development Decree", converted into Law 134/2012) set the minimum percentage of works to be contracted out to third-party contractors at 60% from 1 January 2014.

Over the last three years Autostrade per l'Italia and the Group's other motorway operators have awarded Pavimental contracts worth over €1 billion.

Despite the well-documented difficulties regarding administrative and executive authorisation, Autostrade per l'Italia has succeeded in progressively speeding up the pace of investment since 2008, thanks in part to the direct award of contracts to Pavimental. Overall, this has enabled the subsidiary to complete over 88% of the annual investment envisaged in the Single Concession Arrangement of 2007 during the five-year period 2008-2012.

Stage of completion of works being carried out by Autostrade per l'Italia and the Group's other Italian motorway operators

The following tables show major works to be carried out as part of the upgrade of the network operated under concession, based on the commitments given in the respective concession arrangements.

The estimated value of each project includes the overall cost (before any government grants) of the works, as assessed at the end of December 2012.

The final cost of the works is subject to change based on the effective future stage of completion of the works.

In spite of the Group's determination to push ahead with design work and organisation of the projects, the above complications and problems relating to approvals may well continue to delay completion of works, with the following implications:

- the impossibility of making a reasonable estimate of the date of completion and entry into service of the various works, especially those where the related contracts have yet to be awarded;
- potential cost overruns due to disputes and eventual changes to designs.

In 2009 Autostrade per l'Italia's Board of Directors set up a body known as the "Committee responsible for the Completion of Projects", with the role of monitoring:

- the performance of infrastructure investment plans in terms of state of progress of the works, the related costs and compliance with the commitments given by the company and its subsidiaries in the relevant concession arrangements;
- the process of selecting contractors to carry out the works;
- the organisational and procedural aspects of carrying out the works;
- the state of contract reserves;
- the status of the most important legal disputes.

The Committee met 8 times in 2012 in order to monitor the performance of infrastructure investment programmes and the state of progress of the works, the selection of contractors by tender, the organisational and procedural aspects of carrying out the works, the state of contract reserves and the charges incurred in revising contract terms and conditions.

Planned upgrades and modernisation of the network operated under concession

PROJECT	STATUS AS AT 31.12.2012	KM COVERED BY PROJECT (KM)	VALUE OF PROJECT (€M)	STAGE OF COMPLETION AS AT 31.12.2012 ^(b) (€M)	KM OPENED TO TRAFFIC AS AT 31.12.2012 (KM)
Autostrade per l'Italia: Arrangement of 1997					
A8 3 rd and 4 th lanes Milan-Gallarate	Completed	28.7	65	65	28.7
A1 4 th lane Modena-Bologna	Completed ⁽¹⁾	31.6	178	143	31.6
A14 3 rd lane Bologna Ring Road	Completed ⁽²⁾	13.7	59	59	13.7
A1 3 rd lane Casalecchio-Sasso Marconi	Completed	4.1	82	82	4.1
A1 Variante di Valico	Work in progress/completed ⁽³⁾	62.5	3,818	3,161	19.4
A1 3 rd lane Barberino-Incisa	⁽⁴⁾	58.5	2,174	811	15.2
A1 3 rd lane Orte-Rome North	Completed	37.8	192	191	37.8
Other projects	Work in progress/completed ⁽⁵⁾	-	28	24	-
Total projects under Arrangement of 1997		236.9	6,596	4,536	150.5
Projects included in IV Addendum of 2002 ^(c)					
A9 3 rd lane Lainate-Como Grandate	Work in progress/completed ⁽⁶⁾	23.2	429	287	23.2
A8 Access for New Milan Exhibition Centre	Completed	3.8	86	86	3.8
A4 4 th lane Milan East-Bergamo	Completed	33.6	505	500	33.6
A7/A10/A12 Genoa Bypass ^(d)	Environmental Impact Assessment in progress	34.8	1,800	48	0.0
A14 3 rd lane Rimini North-Porto Sant'Elpidio	Work in progress/completed ⁽⁷⁾	154.7	2,454	1,432	100.7
A1 3 rd lane Fiano R.-Settebagni and Castelnuovo di Porto junction	Completed	15.9	141	124	15.9
Other projects	⁽⁸⁾	-	247	179	-
Total projects under IV Addendum of 2002		266.0	5,662	2,656	177.2
Subsidiaries					
A5 RAV AO-Mont Blanc Tunnel (A5) Morgex- Entrèves	Completed	12.4	430	417	12.4
A3 Autostrade Meridionali NA-Pompeii-SA (A3) Naples-Pompeii ^(e)	Work in progress/completed	20.0	553	475	15.0
Total projects of subsidiaries		32.4	983	892	27.4
Total investment in major works		535.3	13,241	8,084	355.1

(a) Total cost of carrying out the works, as assessed at 31 December 2012, including the base bid price (net of bid or agreed reductions), available funds, recognised reserves and early completion bonuses.

The value of works under the Arrangement of 1997 are net of an amount included in "Other investment".

(b) Excludes capitalised costs (financial expenses and staff costs).

(c) Final approval given in 2004.

(d) A Memorandum of Understanding, giving the go-ahead for the start-up of work, was signed by all the local authorities on 8 February 2010, with the sole exception of Liguria Regional Authority. An initial estimate, based on the preliminary design, indicates that the total investment for the Genoa Bypass will be €3.1 billion. Liguria Regional Authority signed the memorandum on 13 April 2011 thanks to the agreement reached regarding the preliminary design for the Val Fontanabuona tunnel, a work not included in the Single Arrangement signed by ANAS and Autostrade per l'Italia in 2007.

(e) Planned widening on Autostrade Meridionali's network regards 24.5 km, including 4.5 km already open to traffic over duration of Arrangement of 1972-1992. The concession held by Autostrade Meridionali expired on 31 December 2012. As requested by the Grantor, from 1 January 2013 the company has continued to be responsible for ordinary operation of the motorway, whilst awaiting the transfer of the concession to the new operator.

As requested by the Grantor, the company is engaged in drawing up a plan for safety measures to be implemented on the motorway in 2013, whilst awaiting selection of the new operator, subject to recognition of the related takeover right.

(1) Includes construction of the Modena Ring Road, which forms part of the works requested by local authorities and is awaiting approval from the Services Conference. This cannot be closed until a new Arrangement has been agreed by ANAS and the authorities concerned.

(2) Total investments of €247 million, of which €59 million in the Major Works Plan of 1997 and €188 million in "Other investment".

(3) 19.4 km is open to traffic between Sasso Marconi and La Quercia. Work on Lot 12, of which 4.5 km has been completed and will be opened to traffic to coincide with completion of work on the Base Tunnel and Lot 13. Work is in progress on the remaining section of motorway.

(4) Work on Lot 0 on the Barberino-Florence North section is in progress. The final designs for the remaining lots are under approval by the Ministry of Infrastructure and Transport. Section A of the Florence North-Florence South section and 13.5 km of the southbound carriageway between Florence Scandicci and Florence South is open to traffic. Work is in progress on sections B and C. The final design for Lot 1 of the Florence South-Incisa section is under approval by the Ministry of Infrastructure and Transport, whilst the Environmental Impact Assessment for Lot 2 is in progress.

(5) Work on widening the bridge over the Volturno, the Rio Tufano viaduct and the Marano viaduct has been completed. Construction of the Lodi junction and re-routing of the Lodi Vecchio section has been completed (TAV Agreement).

(6) This section is open to traffic.

(7) 10.4 km of the new third lane between Cattolica and Pesaro (Lot 2) and all of Lot 3, including the new Senigallia Station and the new Porto Sant'Elpidio junction included in Lot 6A, are open to traffic. On 30 July 2012 the Montemarciano junction was opened to traffic. On 31 July 2012 3.3 km of Lot 6B and an adjacent 4 km of Lot 6A was opened to traffic. On 20 December 2012 the 29 km section between Rimini North and Cattolica (Lots 1A and 1B) was opened to traffic. Work is about to begin on Lot 5 between Ancona North and Ancona South, whilst work is in progress on the remaining lots.

(8) The Tunnel Safety Plan is in progress. Work on the Villamarzana, Ferentino, Guidonia and Rubicone junctions has been completed. The tender process for the Padua Industrial Park junction and the Maddaloni junction is underway.

Investment in major works by Autostrade per l'Italia - 1997 Agreement

Of the works included in Autostrade per l'Italia SpA's Agreement of 1997, as at 31 December 2012 over 95% of the works have been authorised, more than 79% have been contracted out, and 69% have been completed.

Autostrade per l'Italia: Arrangement of 1997

	KM COVERED BY PROJECT (KM)	VALUE OF PROJECT ^(a) (€M)	KM OPEN TO TRAFFIC AS AT 31.12.2012 (KM)	STAGE OF COMPLETION AS AT 31.12.2012 ^(b) (€M)	STATUS AS AT 31.12.2012
A1 3rd lane Casalecchio-Sasso Marconi	4.1	82	4.1	82	Completed
A1 Variante di Valico	62.5	3,818	19.4	3,161	
Sasso Marconi-La Quercia	19.4	571	19.4	560	Completed
La Quercia-Badia Nuova (Lots: 5A, 5B, 6-7, 8)	21.3	1,278		880	Work in progress ⁽¹⁾
Badia Nuova-Barberino (Lots: Base Tunnel, 12 and Barberino junction, 13)	21.8	1,669	0.0	1,549	Work in progress/completed ⁽²⁾
Landscaping		300		172	Work in progress
A1 3rd lane Barberino-Incisa	58.5	2,174	15.2	811	
Barberino-Florence North	17.5	842		93	⁽³⁾
Florence North-Florence South	21.9	799	15.2	684	Work in progress/completed ⁽⁴⁾
Florence South-Incisa	19.1	503 ⁽⁶⁾		16	⁽⁵⁾
Access roads		30		18	
A14 3rd lane Bologna Ring Road	13.7	59	13.7	59	Completed
A1 4th lane Modena-Bologna	31.6	178	31.6	143	Completed ⁽⁷⁾
A1 3rd lane Orte-Rome North	37.8	192	37.8	191	Completed
A8 3rd and 4th lanes Milan-Gallarate	28.7	65	28.7	65	Completed
Other projects	-	28	-	24	Completed ⁽⁸⁾
Total projects under Arrangement of 1997	236.9	6,596	150.5	4,536	

(a) Total cost of carrying out the works, as assessed at 31 December 2012, including the base bid price (net of bid or agreed reductions), available funds, recognised reserves and early completion bonuses. The value of works under the Arrangement of 1997 are net of an amount included in "Other investment".

(b) Excludes capitalised costs.

(1) Based on information from the Emilia-Romagna Regional Authority, Autostrade per l'Italia decided to proceed with construction of the Badia Nuova junction alone. The project was then included in the tender for the Base Tunnel in order to speed up construction and enable the re-routed 21.8 km section between the new Barberino junction and the new Badia junction to open to traffic.

(2) Work on Lot 12, 4.5 km between Badia Nuova and Barberino has been completed. This section will be opened to traffic to coincide with completion of the Base Tunnel and Lot 13.

(3) Lot 0 is in progress, the final designs for Lots 1 and 2 are under approval by the Ministry of Infrastructure and Transport.

(4) Lots 0-2-3 (Section A) of 6.2 km and Lot 1 (2.2 km) and 13.5 km of southbound carriageway between Florence Scandicci and Florence South are open to traffic, whilst work is in progress on the northbound carriageway.

(5) The final design for Lot 1 is under approval by the Ministry of Infrastructure and Transport and the Environmental Impact Assessment is in progress for Lot 2.

(6) Total investments of €247 million, of which €59 million in the Major Works Plan of 1997 and €188 million in "Other investment".

(7) Except for construction of the Modena Ring Road, which forms part of the works requested by local authorities and is awaiting approval by the Services Conference.

(8) Work on widening the bridge over the Volturno, the Rio Tufano viaduct and the Marano viaduct. Construction of the Lodi junction and re-routing of the Lodi Vecchio section (TAV Agreement).

The 1997 Agreement originally envisaged expenditure of €3,556 million for the above works.

The updated Financial Plan of 2002, which was included in the IV Addendum, entailed revisions to construction schedules and to the estimated total cost of the works, which was increased to €4,500 million, reflecting accumulated delays in obtaining approvals. It was, moreover, ruled that the delays were not the fault of Autostrade per l'Italia, and that the financial benefits arising from the delays in carrying out the works were, in any case, less than the increase in costs to be borne by the company.

The increase in costs above the levels originally set out in the Financial Plan annexed to the Agreement of 1997, are primarily the result of the above delays in the authorisation process, which have led to price increases, and of subsequently issued regulations. Cost increases were also caused by works requested by local authorities involved in the approval and authorisation process. It is not envisaged that Autostrade per l'Italia will be able to claw back past and future cost overruns through increases in tolls.

When, moreover, construction schedules were revised and agreed during the drafting of the IV Addendum in mid-2002, the authorisation process for many sections had not yet been completed (for Casalecchio-Sasso Marconi, Lots 5, 6, 7, 8, 13 and 14 of the *Variante di Valico*, Barberino-Florence North, lots 4, 5 and 6 of the Florence North-Florence South section, Florence South-Incisa and the Bologna Ring Road) and it was not possible to estimate when this might occur.

From 2002 to date, all the authorisation procedures have been completed for the upgrade of the AI between Bologna and Florence, even though much later than forecast in 2002, with the exception of Lot 2 (7.5 km) of the Florence South-Incisa section, for which it has not been possible to finalise the agreement between central government and the regional authority, and for which modifications to the earlier design were required. The new design is currently undergoing an Environmental Impact Assessment.

The delays in obtaining approvals, resulting in a reduction in investment between 2002 and 2011 compared with the estimates contained in the plan drawn up in 2002 and the IV Addendum, have been made up for as at 31 December 2012. In accordance with the Single Concession Arrangement, the obligation to take the financial benefits deriving from delayed investment to an undistributable equity reserve has ceased and the operator has asked the Grantor for permission to release the reserve.

At the end of 2012 the final cost of the works (based on contracts in progress and final and executive designs awaiting authorisation) amounts to €6.6 billion. Of this, works with a value of over €4.5 billion have been completed, a figure that is higher than the original estimate in the Agreement of 1997 and in line with the estimated cost of the works set out in the IV Addendum of 2002.

Compared with the initial estimate of €3.6 billion, on the basis of which the company was privatised, the additional expense to be borne by the operator amounts to €3.0 billion.

Investment in major works by Autostrade per l'Italia - IV Addendum 2002

Investment envisaged in the IV Addendum is designed to upgrade the network close to a number of major conurbations (Milan, Genoa and Rome) and along the Adriatic coast. The authorisation process for works covered by the IV Addendum, signed by Autostrade per l'Italia in December 2002, was completed and became effective in June 2004, following a letter from ANAS announcing that the interministerial decree approving the Addendum had been registered with the Italian Court of Auditors. Work on the designs relating to the investment programme envisaged by the IV Addendum could thus only start from this date, after a delay of 21 months with respect to the original programme.

As at 31 December 2012 over 65% of the works have been authorised, approximately 64% have been contracted out and approximately 47% have been completed.

The most important project included in the IV Addendum, from both a technical and financial viewpoint, is the Genoa Interchange. In order to ease the process of satisfying urban planning and environmental requirements, the company opted to subject the design for the Interchange to a public consultation process, the first time this has been done in Italy. This procedure requires not only consultation with local authorities, but also with the public. The process made a significant contribution to establishing the route and the characteristics of the infrastructure, which is currently undergoing an Environmental Impact Assessment, even though it is not possible to exclude the need for further changes to the design.

The investments included in the IV Addendum are associated with specific toll increases linked to validation of the individual works and based on the stage of completion.

Projects included in IV Addendum of 2002 ^(*)

	KM COVERED BY PROJECT (KM)	VALUE OF PROJECT ^(a) (€M)	KM OPEN TO TRAFFIC AS AT 31.12.2012 (KM)	STAGE OF COMPLETION AS AT 31.12.2012 ^(b) (€M)	STATUS AS AT 31.12.2012
A1 3rd lane Fiano R.-Settebagni and Castelnuovo di Porto junction	15.9	141	15.9	124	
A4 4th lane Milan East-Bergamo	33.6	505	33.6	500	Completed
A9 3rd lane Lainate-Como Grandate	23.2	429	23.2	287	Work in progress/completed ⁽⁴⁾
A14 3rd lane Rimini North-Porto Sant'Elpidio:	154.7	2,453	100.7	1,432	
Rimini North-Cattolica - Lot 1A	1.2	83	1.2		Completed ⁽²⁾
Rimini North-Cattolica - Lot 1B	27.8	423	27.8		Work in progress/open to traffic ⁽²⁾
Cattolica-Fano - Lot 2	28.3	549	10.4		Work in progress/completed ⁽³⁾
Fano-Senigallia - Lot 3	21.0	352	21.0		Completed ⁽⁴⁾
Senigallia-Ancona North and Marina di Monte Marciano junction - Lot 4	18.9	396			Work in progress ⁽⁵⁾
Ancona North-Ancona South - Lot 5	17.2	353			Work in progress
Ancona South-Porto Sant'Elpidio - Lot 6A	37.0	146	37.0		Completed
Ancona South-Porto Sant'Elpidio and Porto Sant'Elpidio junction - Lot 6B	3.3	146	3.3		Work in progress/completed ⁽⁶⁾
Porto Sant'Elpidio-Pedaso - Lots 7A-7B		6			Project no longer envisaged in the Single Concession Agreement of 2007 (16.6 km)
A8 Access for New Milan Exhibition Centre	3.8	86	3.8	86	Completed
A7/A10 Genoa Bypass ^(c)	34.8	1,800	-	48	Environmental Impact Assessment in progress
Other projects	-	247	-	179 ⁽⁷⁾	
Total projects under IV Addendum of 2002	266.0	5,662	177.2	2,656	

(*) Final approval given in 2004.

(a) Total cost of carrying out the works, as assessed at 31 December 2012, including the base bid price (net of bid or agreed reductions), available funds, recognised reserves and early completion bonuses.

(b) Excludes capitalised costs (financial expenses and staff costs).

(c) A Memorandum of Understanding, giving the go-ahead for the start-up of work, has been signed by all the local authorities.

An initial estimate, based on the preliminary design, indicates that the total cost will be €3.1 billion.

(1) This section is open to traffic

(2) 29 km of the new third lane between Rimini North and Cattolica (Lots 1A and 1B) was opened to traffic on 20 December 2012.

(3) 10.4 km of the new third lane between Cattolica and Pesaro is open to traffic.

(4) This section is open to traffic (including the new Senigallia Station).

(5) On 30 July 2012 the Montemarciano junction was opened to traffic.

(6) The new Porto Sant'Elpidio junction is open to traffic. On 31 July 2012 3.3 km of Lot 6B and an adjacent 4 km of Lot 6A was opened to traffic.

(7) The Tunnel Safety Plan is in progress. Work on the Villamarzana, Ferentino, Guidonia and Rubicone junctions has been completed. The tender process for the Padua Industrial Park junction and the Maddaloni junction is underway.

Planned investment in major works by the Group's other motorway operators

With regard to investments in new works by Autostrade per l'Italia's subsidiaries (Raccordo Autostradale Valle d'Aosta and Autostrade Meridionali), as at 31 December 2012 100% of the works have been authorised, 100% of the works are being carried out or the related contracts are being awarded, and 91% have been completed. The concession held by Autostrade Meridionali expired on 31 December 2012. As requested by the Grantor, from 1 January 2013 the company has continued to be responsible for ordinary operation of the motorway, whilst awaiting the transfer of the concession to the new operator.

Despite this, work on the planned upgrade and modernisation of the motorway continued in 2012 and as at 31 December over 85% of the upgrade works have been completed.

The uncompleted works at this date regard to the widening to three lanes of the motorway between km 5+690 and km 10+525, between km 12+900 and km 17+085 and between km 17+658 and km 19+269.

As requested by the Grantor, the company is engaged in drawing up a plan for safety measures to be implemented on the motorway in 2013, whilst awaiting selection of the new operator, subject to recognition of the related takeover right.

Subsidiaries

		KM COVERED BY PROJECT (KM)	VALUE OF PROJECT ^(a) (€M)	KM OPEN TO TRAFFIC (KM)	STAGE OF COMPLETION AS AT 31.12.2012 ^(b) (€M)	STATUS AS AT 31.12.2012
A5	RAV AO-Mont Blanc Tunnel (A5) Morgex-Entrèves	12.4	430	12.4	417	Completed
A3	Autostrade Meridionali NA-Pompeii- SA (A3) Naples-Pompeii ^(c)	20.0	553	15.0	475	Work in progress/completed
Total subsidiaries		32.4	983	27.4	892	

(a) Total cost of carrying out the works, as assessed at 31 December 2011, including the base bid price (net of bid or agreed reductions), available funds, recognised reserves and early completion bonuses.

(b) Excludes capitalised costs (financial expenses and staff costs).

(c) Planned widening on Autostrade Meridionali's network regards 24.5 km, including 4.5 km already open to traffic over duration of Arrangement of 1972-1992. The concession held by Autostrade Meridionali expired on 31 December 2012. As requested by the Grantor, from 1 January 2013 the company has continued to be responsible for ordinary operation of the motorway, whilst awaiting the transfer of the concession to the new operator.

As requested by the Grantor, the company is engaged in drawing up a plan for safety measures to be implemented on the motorway in 2013, whilst awaiting selection of the new operator, subject to recognition of the related takeover right.

Contract reserves quantified by contractors

As at 31 December 2012 operators have recognised contract reserves quantified by contractors amounting to €1,600 million (€1,030 million as at 31 December 2011), including €1,000 million (€546 million as at 31 December 2011) regarding works envisaged in Autostrade per l'Italia's Agreement of 1997, the additional cost of which cannot be clawed back via tolls.

New motorway initiatives by investee companies

Autostrade per l'Italia is participating in a number of projects relating to expansion of the Italian motorway network.

Società Infrastrutture Toscane SpA

Società Infrastrutture Toscane is the project company, established on 28 June 2006, that took over the regional concession to carry out the construction and management of the 10-km toll motorway link between Prato and Signa, under a project financing initiative, from the previous temporary consortium. Società Infrastrutture Toscane SpA ("SIT") is 46% owned by Autostrade per l'Italia and 0.6% owned by Spea.

On 17 July 2006 Società Infrastrutture Toscane signed a Concession Arrangement with Tuscany Regional Authority.

On 21 November 2011 the regional council decided to terminate the arrangement due to the fact that it is too costly. This was followed on 21 December 2011 by Regional Authority decree 5892, by which the Authority ordered termination of the concession as too costly. Both decisions were challenged before the Tuscany Regional Administrative Court on 19 January 2012. On 29 February 2012 the Court rejected SIT's application for injunctive relief.

Following the start of arbitration pursuant to and for the purposes of art. 32 of the Concession Arrangement, on 27 September 2012 the Arbitration Panel to rule on the dispute was established. The action brought before the Regional Administrative Court was provisionally removed from the register, in the expectation that the arbitration process would result in a favourable outcome for SIT.

In addition, with regard to Tuscany Regional Authority's enforcement of the guarantee provided by Assicurazioni Generali SpA in relation to the project, the latter decided to challenge the injunction before the Court of Florence requesting suspension of its provisional execution, obtained by the Regional Authority in respect of payment of an amount equal to the grant originally given.

Following suspension of the injunction, with a number of summons served on third parties, notified in February 2013, the construction companies that hold shares in SIT and the Tuscany Regional Authority served a writ on SIT, whilst the Tuscany Regional Authority served writs on SIT's remaining shareholders, including Autostrade per l'Italia.

Tangenziali Esterne di Milano SpA

On 27 March 2009 the project company, Tangenziale Esterna SpA (TE SpA), and Concessioni Autostradali Lombarde SpA (acting as the grantor) signed a draft agreement covering the design, construction and operation of Milan's new outer ring road, planned to be a total of approximately 33 km in length.

TE SpA is 57% owned by Tangenziali Esterne di Milano SpA, in which Autostrade per l'Italia holds a 26.4% interest.

The *CIPE* (the Interministerial Economic Planning Committee) approved the final design, together with the draft Addendum to the Single Concession Arrangement, including a new Financial Plan, in 2011, and in 2012 an Addendum to the Single Concession Arrangement was signed. Following signature of the EPC (Engineering, Procurement and Construction) agreement, work on the project began.

On 26 September 2012 the general meeting of shareholders voted by a majority to raise additional capital of €120 million, with new shares to be subscribed by March 2013. This was followed by signature of a loan agreement of €120 million, financing the design and construction of the new road.

Significant regulatory aspects and litigation

Information on significant regulatory aspects and litigation is provided in note 10.5 to the consolidated financial statements.

Other activities

Pavimental

The company operates as a motorway maintenance provider and carries out major infrastructure works for the Group.

Compared with 2011, revenue of €511.4 million is down €144.3 million (22.0%). This is primarily due to the lower volume of work carried out following the completion of construction work contracted from Autostrade per l'Italia and other customers (Autostrada Tirrenica and Autostrade Centropadane). €44 million of the reduction also reflects adjustment of the discounts by the Ministry of Infrastructure and Transport in 2012, compared with the provisional discounts previously applied to infrastructure contracts with Autostrade per l'Italia and Autostrada Tirrenica carried out in the last three years.

EBITDA is €2.7 million compares with the €20.0 million of the previous year.

Spea Ingegneria Europea

The company supplies engineering services involved in the design, project management and controls connected to the upgrade and extraordinary maintenance of the Group's motorway network.

Revenue of €116.7 million in 2012 is down 20.9% (€30.8 million) on the previous year, primarily due to the lower volume of infrastructure design work carried out (down €32 million), above all in relation to the final designs for the Genoa Interchange on behalf of Autostrade per l'Italia and for the AI2 Livorno-Civitavecchia for Autostrada Tirrenica.

91.5% of the company's revenue during the year has been earned on services provided to the Group. EBITDA is €40.8 million for 2012, down €13.7 million on the previous year, primarily reflecting the above reduction in revenue, offset by reduced use of external consultants (down €12.2 million) and a decrease in staff costs (down €3.4 million).

Telepass

The company is responsible for operating motorway tolling systems providing an alternative to cash payments: the Viacard direct debit card and Telepass devices.

In 2012 the number of Telepass devices in circulation exceeded 8 million (up approximately 207,000 on 31 December 2011), with the number of subscribers of the Premium option totalling 1.6 million (up approximately 146,000 on 31 December 2011).

Revenue of €136.1 million in 2012 was primarily generated by Telepass fees of €90.8 million (up €4.3 million on 2011), Viacard subscription fees of €22.1 million (in line with 2011), and payments for Telepass Premium services of €12.0 million (up €1.6 million on 2011).

In order to provide a like-for-like basis for comparison, it should be noted that Telepass fees reported for 2011 reflect discounts, totalling €1.5 million, applied to Telepass Family customers to take account of the increased amount of VAT payable for motorway use prior to the date on which the increase in VAT from 20% to 21% came into force on 17 September 2011, in compliance with Law 148 of 14 September 2011.

The company's EBITDA for 2012 amounts to €79.9 million, up 10.3% on the €72.4 million of 2011.

Autostrade Tech

Autostrade Tech is a provider of Information Technology Systems, operating in Italy and overseas. It supplies systems used for tolling, traffic management and information, urban access controls, car parks and speed checks.

Revenue of €77.2 million in 2012 is up €20.4 million (35.9%) on 2011, above all due to the sub-contract with Autostrade per l'Italia linked to the contract for the Eco-Taxe Poids Lourds project awarded to the subsidiary, Ecomouv.

EBITDA of €23.9 million for 2012 is up €11.9 million on 2011, primarily due to the above sub-contract linked to the Eco-Taxe Poids Lourds project.

TowerCo

TowerCo is responsible for the construction and management of fully equipped sites located around the motorway network managed under concession and on land owned by other parties (municipal authorities and other motorway operators). These sites host antennae and equipment used by commercial operators (mobile communications companies and TV and radio broadcasters) and public services (police, Isoradio and traffic monitoring systems).

The company reports revenue of €19.6 million for 2012 (€19.0 million in 2011), with EBITDA of €11.6 million (€11.2 million in 2011).

Sale of Autostrada Torino-Savona

On 15 November 2012 Autostrade per l'Italia transferred its entire investment in Autostrada Torino-Savona SpA (equal to a 99.98% interest) to Autostrada dei Fiori SpA (a subsidiary of SIAS SpA) for a total price of €223.0 million.

Sale of IGLI

On 8 March 2012 Autostrade per l'Italia completed the sale of its 33.3% investment in IGLI SpA to Autostrada Torino-Milano SpA for a price of €87.6 million, recognising a consolidated gain of €61.0million.

Alitalia - Compagnia Aerea Italiana

Alitalia has reported a loss of €280 million for 2012, with equity totalling €199 million and net debt €1,028 million.

On 22 February 2013 the general meeting of Alitalia's shareholders voted, at the proposal of the board of directors, to grant the company a shareholder loan of up to €150 million maturing in 2015, to be subscribed by each shareholder based on the percentage interest held.

At the end of the first year of the term of the loan, the shareholders will have the option of converting the loan into shares in the company (convertible). At maturity the part of the loan not yet repaid and/or previously converted will automatically be converted into shares in Alitalia (converting).

Alitalia has announced that it has reached the minimum threshold (€95 million) for subscription of the shareholder loan, including a loan of approximately €13 million from Atlantia.

In view of the fact that the company continues to be loss-making and not having sufficient information on which to base a reliable calculation of fair value, measurement of the investment has been based on the Group's pro-rata interest in equity at the end of the financial reporting period, resulting in recognition of an impairment loss of €23.4 million.

International operations

Chile

The Atlantia Group is one of the leading motorway operators in Chile through the operator, Los Lagos, which holds the concession for a 135 km section between Rio Bueno and Puerto Montt, and Grupo Costanera, the Chilean holding company, which controls five operators responsible for a total of 177 km of motorway, including 98 km in the capital Santiago.

Key performance indicators for the Chilean operators

(€M)	REVENUE			EBITDA			ADJUSTED REVENUE ^(*)				ADJUSTED EBITDA ^(*)				CAPEX		
	2012	2011	% INCREASE/ (DECREASE)	2012	2011	% INCREASE/ (DECREASE)	2012	2011	% INCREASE/ (DECREASE)		2012	2011	% INCREASE/ (DECREASE)		2012	2011	% INCREASE/ (DECREASE)
Los Lagos	19.6	15.2	28.9	9.3	8.0	16.3	40.9	34.9	17.0		30.6	27.8	10.3		0.2	0.4	-38.1
Grupo Costanera ^(**)																	
Costanera Norte	56.9	n.a.	n.a.	41.1	n.a.	n.a.	84.1	n.a.	n.a.		68.3	n.a.	n.a.		0.2	n.a.	n.a.
Nororient	3.2	n.a.	n.a.	-0.1	n.a.	n.a.	13.3	n.a.	n.a.		10.1	n.a.	n.a.		0.0	n.a.	n.a.
Vespucio Sur	52.9	n.a.	n.a.	42.6	n.a.	n.a.	52.9	n.a.	n.a.		42.6	n.a.	n.a.		0.8	n.a.	n.a.
Litoral Central	1.7	n.a.	n.a.	-0.3	n.a.	n.a.	8.5	n.a.	n.a.		6.5	n.a.	n.a.		0.0	n.a.	n.a.
AMB	0.9	n.a.	n.a.	0.1	n.a.	n.a.	0.9	n.a.	n.a.		0.1	n.a.	n.a.		0.6	n.a.	n.a.

(*) Information on the nature of the adjustments made and differences between reported and adjusted amounts is provided in the specific section "Consolidated financial review and adjusted amounts".

(**) The figures only refer to the period of consolidation from 1 April to 31 December 2012.

Traffic on the network operated by the Chilean operators

	TRAFFIC (MILLIONS OF KM TRAVELLED)			TRAFFIC (THOUSANDS OF JOURNEYS)		
	2012	2011	% INCREASE/ (DECREASE)	2012	2011	% INCREASE/ (DECREASE)
Los Lagos	515.9	467.2	10.4	13,413	12,170	10.2
Grupo Costanera						
Costanera Norte	920.1	883.0	4.2	203,863	196,946	3.5
Nororient	55.4	48.8	13.5	4,675	4,140	12.9
Vespucio Sur	724.9	665.9	8.9	236,907	217,543	8.9
Litoral Central	84.2	74.6	12.8	3,358	2,970	13.1
AMB	19.7	17.8	10.5	8,570	7,756	10.5
Total	2,320.2	2,157.3	7.5	470,785	441,526	6.6

Los Lagos

During 2012 the Chilean operator, Los Lagos, registered a 10.4% increase in traffic in terms of kilometres travelled compared with 2011, marking growth of 12.0% in light vehicles and of 5.8% in heavy vehicles.

From 1 January 2012 the tolls applied by the Chilean operator, Los Lagos, rose 2.0%, reflecting the effect of:

- the inflation-linked increase of 3.9%;
- the rounding off of tariffs to the nearest 100 pesos (down 1.9%).

In 2012 Los Lagos recorded revenue of €19.6 million (€40.9 million including the portion attributable to the guaranteed minimum and grants for motorway maintenance ⁽²⁾), up 28.9% (19.6% on a constant exchange rate basis) on 2011 (€15.2 million). EBITDA of €9.3 million (€30.6 million including the above adjustments) is up 16.3% (8.5% on a constant exchange rate basis) compared with 2011 (€8.0 million).

Grupo Costanera

Grupo Costanera, the Chilean holding company controlled directly via Autostrade Sud America, wholly owns the following investments in Chilean motorway operators, consolidated in the Group's accounts as they are wholly owned direct and indirect subsidiaries from 1 April 2012:

- Costanera Norte SA, which holds the concession (expiring 2033) for 43 km of road network in the city of Santiago in Chile;
- Autopista Nororiente SA, the holder of the concession (expiring 2044) for the 21.5 km north-eastern bypass in the city of Santiago in Chile;
- AMB SA, the holder of the concession (expiring 2048) for the 10 km section of motorway linking Santiago to the city's international airport;
- Autopista Vespucio Sur SA, the holder of the concession (expiring 2032) for the 23.5 km southern section of the orbital toll motorway serving the city of Santiago;
- Litoral Central SA, the holder of the concession (expiring 2031) for the 79 km toll motorway serving the cities of Algarrobo, Casablanca and Cartagena in Chile.

The sale of 49.99% of Grupo Costanera to Canada Pension Plan Investment Board (CPPIB), a leading Canadian pension fund, was completed on 3 August 2012 for a price of 560 billion Chilean pesos (equal to approximately €860 million at the euro/Chilean peso exchange rate on 1 April 2012).

Costanera Norte

During 2012 traffic using the motorway operated under concession by Costanera Norte rose 4.2% in terms of kilometres travelled compared with 2011. From 10 January 2012 the tolls applied on the section of motorway operated under concession were increased by a total of 8.0%, calculated under the concession arrangement on the basis of consumer price inflation in 2011 plus 3.5%.

From 1 April to 31 December 2012 (the period of consolidation) the company generated revenue of €56.9 million (€84.1 million including the portion attributable to the guaranteed minimum). EBITDA amounts to €41.1 million. On 24 April 2012 Costanera Norte signed a preliminary agreement for the implementation of an investment programme named "*Programma SCO*" (*Santiago Centro Oriente*). The investment programme aims to upgrade and widen the section operated under concession. Work is scheduled to start at the beginning of 2013 and to be completed by July 2017. The total value of the work to be carried out is approximately €360 million.

Autopista Nororiente

Traffic on the section of motorway operated by the Chilean operator, Nororiente, was up 13.5% in terms of kilometres travelled in 2012, compared with 2011.

From 1 April to 31 December 2012 (the period of consolidation) the company generated revenue of €3.2 million (€13.3 million including the portion attributable to the guaranteed minimum). Negative EBITDA amounts to €0.1 million.

⁽²⁾ Information on the nature of the adjustments made and differences between reported and adjusted amounts is provided in the specific section "Consolidated financial review and adjusted amounts".

Vespucio Sur

The section of motorway operated by the Chilean operator, Vespucio Sur, registered an increase in traffic of 8.9% in terms of kilometres travelled in 2012, compared with 2011. In 2012 the company applied the annual toll increase of 8.0% (under the concession arrangement based on consumer price inflation in 2011, plus 3.5%).

From 1 April to 31 December 2012 (the period of consolidation) the company generated revenue of €52.9 million. EBITDA amounts to €42.6 million.

AMB

The company registered traffic growth of 10.5% in terms of kilometres travelled in 2012, compared with 2011. From 1 April to 31 December 2012 (the period of consolidation) the company generated revenue of €0.9 million. EBITDA amounts to €0.1 million.

Litoral Central

The company registered traffic growth of 12.8% in terms of kilometres travelled in 2012, compared with 2011.

From 1 April to 31 December 2012 (the period of consolidation) the company generated revenue of €1.7 million (€8.5 million including the portion attributable to the guaranteed minimum and grants for investment in motorway infrastructure). Negative EBITDA is €0.3 million

Brazil

Atlantia Bertin Concessões

The Atlantia Group is one of the leading motorway operators in Brazil through the joint venture established with the Bertin group on 30 June 2012, to which the two partners have contributed their respective investments in Brazilian motorway operators, which manage a total of 1,538 km of network under concession.

Following the transaction, Autostrade do Brasil (a wholly owned subsidiary of the Atlantia Group) owns 50% plus 1 share of Infra Bertin Participações, a Brazilian holding company, which owns by Atlantia Bertin Concessões the following investments consolidated in the Atlantia Group's accounts:

- Triângulo do Sol, which holds the concession (expiring in 2021) for 442 km of motorway in the north east of the state of São Paulo;
- Colinas, the holder of the concession (expiring in 2028) for a total of 307 km of motorway network in the state of São Paulo, connecting the cities of Campinas, Sorocaba and Rio Claro;
- Nascentes das Geraís, the holder of the concession (expiring in 2032) for a total of 372 km of motorway in the state of Minas Gerais, serving Betim, São Sebastião do Paraíso and Belo Horizonte.

Atlantia Bertin Concessões SA also has an option to acquire the 95% of SPMAR owned by the Bertin group. SPMAR holds the concession to operate a part of the Rodoanel, the 105 km orbital toll motorway serving São Paulo, of which approximately 60 km is in operation, with the remainder under construction.

Atlantia Bertin Participações

The above transaction also resulted in the creation of Atlantia Bertin Participações, a second Brazilian holding company established by the Atlantia Group (50% minus 1 share) and the Bertin group (50% plus 1 share). This

company owns 50% of Tietê ⁽³⁾, the holder of the concession for 417 km of motorway in the state of São Paulo, in the area between Bauru and Campinas, expiring in 2039.

The agreements entered into with the Bertin group envisage the contribution of the interest in Tietê to Atlantia Bertin Concessões SA following receipt of the necessary clearance.

Key performance indicators for the Brazilian operators

	REVENUE			EBITDA			CAPEX		
	2012	2011	% INCREASE/ (DECREASE)	2012	2011	% INCREASE/ (DECREASE)	2012	2011	% INCREASE/ (DECREASE)
Triângulo do Sol ^(*)	139.5	71.6	n.a.	101.7	51.8	n.a.	6.9	1.4	n.a.
Rodovias das Colinas ^(**)	78.9	n.a.	n.a.	49.3	n.a.	n.a.	10.0	n.a.	n.a.
Nascentes das Geraís ^(**)	16.7	n.a.	n.a.	11.6	n.a.	n.a.	11.7	n.a.	n.a.

(*) The figures only refer to the period of consolidation from 1 July 2011 to 31 December 2012.

(**) The figures only refer to the period of consolidation from 1 July 2012 to 31 December 2012.

Traffic on the network operated under concession in Brazil in 2012

	TRAFFIC (MILLIONS OF KM TRAVELLED)			TRAFFIC (THOUSANDS OF JOURNEYS)		
	2012	2011	% INCREASE/ (DECREASE)	2012	2011	% INCREASE/ (DECREASE)
Triângulo do Sol	1,395.8	1,308.0	6.7	20,340	19,079	6.6
Rodovias das Colinas	1,921.4	1,829.1	5.0	35,744	34,017	5.1
Nascentes das Geraís	755.7	730.9	3.4	12,189	11,789	3.4
Total	4,072.9	3,868.0	5.3	68,273	64,885.0	5.2
Tietê	1,268.2	1,240.2	2.3	26,186	25,600	2.3

Triângulo do Sol

Traffic on the network operated by Triângulo do Sol rose 6.7% in terms of kilometres travelled in 2012, compared with 2011. Tolls were increased from 1 July 2012 based on the inflation rate for the previous 12 months. Triângulo do Sol generated revenue of €139.5 million in 2012. EBITDA amounts to €101.7 million.

Rodovias das Colinas

In terms of kilometres travelled, traffic on the motorways operated by the operator, Rodovias das Colinas, rose 5.0% in 2012, compared with 2011. Tolls were increased from 1 July 2012 based on the inflation rate for the previous 12 months.

In the second half of 2012 (the period of consolidation) Colinas generated revenue of €78.9 million. EBITDA amounts to €49.3 million.

Nascentes das Geraís

In terms of kilometres travelled, traffic on the motorways operated by the operator, Nascentes das Geraís, rose 3.4% in 2012, compared with 2011. Tolls were increased from 13 June 2012 based on the inflation rate for the previous 12 months.

In the second half of 2012 (the period of consolidation) Nascentes das Geraís generated revenue of €16.7 million. EBITDA amounts to €11.6 million.

(3) The remaining 50% is held by Ascendi-Mota Engil.

Poland

Stalexport Autostrady

The Polish operator, Stalexport Autostrada Malopolska, recorded a 6.3% decline in kilometres travelled in 2012, compared with 2011, with light vehicles down 2.2% and heavy vehicles falling 22.8%. In the case of heavy vehicles, the reduction primarily reflects the transfer, from 1 July 2011, from a shadow tolling system to direct tolling, whilst the figure for light vehicles was affected by a 12.5% increase in tolls from 1 March 2012.

The Stalexport Autostrady group generated total revenue of €45.0 million in 2012 (including toll revenue of €42.7 million), marking an increase of 0.4% (up 2.1% on a constant exchange rate basis) compared with 2011 (€32.0 million).

EBITDA of €33.2 million is up 3.8% (5.6% on a constant exchange rate basis) compared with 2011 (€32.0 million).

The Stalexport group's capital expenditure in 2012 amounted to €19.4 million, up 14.1% on 2011 (€17.0 million).

France

Ecomouv

On 20 October Autostrade per l'Italia, via the project company, Ecomouv Sas (in which Autostrade per l'Italia holds a 70% interest) signed a partnership agreement with the French Ministry of Ecology, Sustainable Development, Transport and Public Housing (MEEDE) for the implementation and operation of a satellite-based tolling system for heavy vehicles weighing over 3.5 tonnes on approximately 15,000 km of the country's road network (the so-called *Eco-Taxe Poids Lourds* project).

The contract envisages total investment of approximately €650 million and total revenue of €2.8 billion over the 13 years and 3 months of the concession term. There will be an initial 21-month design and construction phase, followed by operation and maintenance of the tax collection system for 11 and a half years.

As part of the design and construction phase, by the end of 2012 Ecomouv's capital expenditure, relating primarily to development of the tolling system, the central system and the control system, had reached €296.6 million.

More information on the overall timing of the project is provided in note 10.5 to the consolidated financial statements.

United States of America

Electronic Transaction Consultants

Electronic Transaction Consultants (ETC) is the leading US provider of systems integration, hardware and software maintenance, customer services and consultancy in the field of free-flow electronic tolling systems. Via its subsidiary, Autostrade dell'Atlantico, Autostrade per l'Italia holds a 61.41% interest in the company. On 13 July 2012 Autostrade per l'Italia, via Autostrade dell'Atlantico, approved disbursement of a loan to ETC to help it through a liquidity crisis caused by certain problems with a number of contracts. The loan, amounting to up to US\$30 million, has a term to maturity of 4 years (July 2016), with the option of conversion at maturity, subject to recognition of the option right for the other shareholders. ETC generated revenue of €46.1 million in 2012, marking an increase of 12.2% (3.4% on a constant exchange rate basis) compared with 2011 (€41.1 million). Negative EBITDA of €3.4 million has deteriorated from the positive result of 2011 (€1.3 million). Further information on the dispute with the Miami-Dade Expressway Authority ("MDX") is provided in note 10.5 to the consolidated financial statements.

India

Pune-Solapur Expressways Private Limited

On 17 February 2009 Atlantia, in consortium (50-50) with TRIL Roads Private Limited, a Tata group company, was awarded a 21-year concession for the 110 km Pune-Solapur section of motorway in the Indian state of Maharashtra. Following receipt of clearance from the Grantor for tolls to be charged, on 4 February 2013 the first 85 km of completed motorway entered service. Work on widening the remaining 25 km of motorway from two to four lanes is nearing completion. Under the Concession Arrangement, construction work was to last 30 months from 14 November 2009. The necessary expropriations of land by the Grantor were subject to delays, whilst the deadline for handing over all the land was 14 February 2010. The Grantor has so far made approximately 95% of the land available and the deadline for completion of the work has thus been exceeded. The contractor have raised the issue of delay costs, partly linked to the delay in completing the work, with the operator.

Innovation, research and development

The Group's innovation, research and development activities aim to offer innovative, technologically advanced solutions designed to:

- boost service quality, in terms of safety and traffic flow, by improving the network through its upgrade, modernisation, maintenance and monitoring;
- improve management of the network and the efficiency of transport through the development of dedicated information systems;
- minimise the impact of motorway operations right from the start of the design process, by managing the infrastructure in a sustainable manner in accordance with European and national objectives.

Innovation, research and development activities, some of which are long-term in nature, are undertaken by the relevant departments within Autostrade per l'Italia, in cooperation with other Group companies, in collaboration with research centres and universities and, on occasion, in partnership with other companies.

The following projects entered the application phase during 2012:

- SET (*Sistema Europeo di Telepedaggio*, European Tolling System) systems in compliance with Directive 52/2004 and Decision 750/2009;
- an integrated platform for controlling and regulating access to town centres: extension to tour buses;
- extension of the Telepass system to car park access: Naples and Bologna airports;
- bridge and viaduct monitoring systems: assessment of the seismic vulnerability of network infrastructure;
- new company platform, capable of incorporating, condensing and visualising, in a geographical context, the different types of georeferenced information handled by the company;
- the development of systems for managing winter operations: systems for tracking and monitoring and operating procedures (handling chlorides).

The most important projects in progress regard:

- a free-flow multilane tolling system based on the Telepass onboard unit and the automated scanning of registration plates;
- the development of an information system for monitoring traffic and accidents to improve traffic management and the planning of road works;
- a new satellite-based tolling system;
- technological improvements to the Safety Tutor system;
- a monitoring and early warning system to reduce hydrogeological risk in order to protect people, including the circulation of information;
- a platform for the multichannel diffusion of georeferenced information linked to infomobility and infotainment;
- new-generation wireless devices for emergency communication in tunnels, in compliance with Legislative Decree 264/2006;
- the use of new robotic technologies (drones) with a low impact on traffic flow to carry out close-up inspections;

- a system for managing technical and energy efficiency, maintenance and safety in road tunnels, capable of responding to traffic conditions and the behaviour of road users.

These activities also include those carried out in relation to the preparation of European or national research, development and innovation programmes and the establishment of transport-related regulations, such as safety, the implementation of intelligent transport and automated tolling systems, by participating in bodies and associations at regional, national and European level.

Group companies' total expenditure on innovation, research and development in 2012 amounts to €7.8million.

This sum represents the total amount spent by the Group on research and development, including operating costs and investment in staff and the related expenses.

Workforce

As at 31 December 2012 the Group (excluding Autostrada Tirrenica ⁽⁴⁾, Autostrada Torino-Savona ⁽⁵⁾ and Port Mobility ⁽⁶⁾ from the basis of consolidation for the two comparative periods) employs 11,411 staff on permanent contracts and 581 temporary staff, resulting in a total workforce of 11,992. This is up 1,482 (14.1%) on the 10,510 of 31 December 2011.

The change in permanent staff (up 1,518) primarily reflects events at the following Group companies:

- first-time consolidation of the Chilean and Brazilian companies (up 856 and 689, respectively);
- the expansion of Giove Clear's activities (up 80) to cover Autostrade per l'Italia's entire network, with external cleaning carried out at 151 service areas compared with the 79 of the previous year;
- progress on the Eco-Taxi project in France (up 20 at Ecomouv and Tech Solutions Integrators);
- Spea (up 13) following the conversion of some temporary contracts;
- Stalexport Autostrady group (down 20), primarily due to deconsolidation of Biuro Centrum Spzoo;
- Pavimental (down 48), following the completion of construction work on the section of the AI between Fiano and Rome's orbital motorway, on Lot I of the extension of the Autostrada Tirrenica motorway and on 3 lots on the AI4;
- Italian operators (down 82), following a reduction in toll collectors (down 129), above all at Autostrade per l'Italia, partly offset again at Autostrade per l'Italia by the recruitment of staff to fill specific roles in certain departments, above all in IT and for the management of overseas operations (up 37).

The average workforce (excluding Autostrada Tirrenica and Autostrada Torino-Savona and including temporary staff) is up from 10,054 in 2011 to 11,260 in 2012, making an increase of 1,206 on average (up 12%).

The increase (up 1,206 on average) primarily reflects:

- first-time consolidation of the new Chilean operators (up 701 on average), the new Brazilian operators (up 351 on average), Triangulo do Sol from 1 July 2011 (up 179 on average), and launch of the Eco-Taxi project (up 33 on average);
- the expansion of Giove Clear's operations (up 140 on average);
- deconsolidation of Biuro Centrum Spzoo from the Stalexport Autostrady group (down 42 on average);
- reduced use of temporary staff at Electronic Transaction Consultants (down 33 on average);
- a reduction in temporary contracts, only some of which were converted to permanent contracts at Spea (down 21 on average);

(4) The Group sold a 69.1% interest in the fourth quarter of 2011.

(5) This company's contributions to the first nine months of 2012 and the same period of 2011 have been accounted for in "Profit/(Loss) from discontinued operations".

(6) This company was deconsolidated from 30 September 2012.

- completion of construction work on the section of the AI between Fiano and Rome's orbital motorway, on Lot I of the extension of the Autostrada Tirrenica motorway and on 3 lots on the AI4, reducing Pavimental's average workforce by 13;
- a reduction in toll collectors (down 97 on average), above all at Autostrade per l'Italia, partly offset again at Autostrade per l'Italia by the recruitment of staff to fill specific roles in certain departments, above all in IT and for the management of overseas operations (a reduction of 72 in the average workforce of Italian operators as a whole).

Staff costs, before deducting capitalised expenses, amount to €680.0 million, marking an increase of €39.8 million (6.2%) on 2011, after stripping out the release, in the first half of 2011, of surplus provisions following closure of the three-year management incentive plan for the period 2008-2010.

This increase is due to:

- changes in the basis of consolidation (primarily first-time consolidation of the Chilean and Brazilian operators and deconsolidation of Port Mobility and Autostrade Service), the expansion of Giove Clear's operations and launch of the Eco-Tax project (an overall increase of 5.5%);
- a reduction of 75 in the average workforce at other Group companies (down 0.7%);
- an increase in the average unit cost at other Group companies (up 1.1%), primarily due to contract renewals at the Group's motorway operators and industrial companies, partly offset by a reduction in the use of temporary staff;
- an increase in other staff costs (up 0.3%), primarily relating to early retirement incentives and staff incentive plans.

Permanent staff ^(*)

POSITION	31.12.2012	31.12.2011	INCREASE/(DECREASE)	
			TOTAL	%
Senior managers	207	187	20	10.7
Middle managers	799	678	121	17.8
Administrative staff	4,742	4,150	592	14.3
Manual workers	2,240	1,846	394	21.3
Toll collectors	3,423	3,032	391	12.9
Total	11,411	9,893	1,518	15.3

Temporary staff ^(*)

POSITION	31.12.2012	31.12.2011	INCREASE/(DECREASE)	
			TOTAL	%
Senior managers	-	-	-	-
Middle managers	2	1	1	100.0
Administrative staff	163	220	-57	-25.9
Manual workers	251	187	64	34.2
Toll collectors	165	209	-44	-21.1
Total	581	617	(36)	-5.8

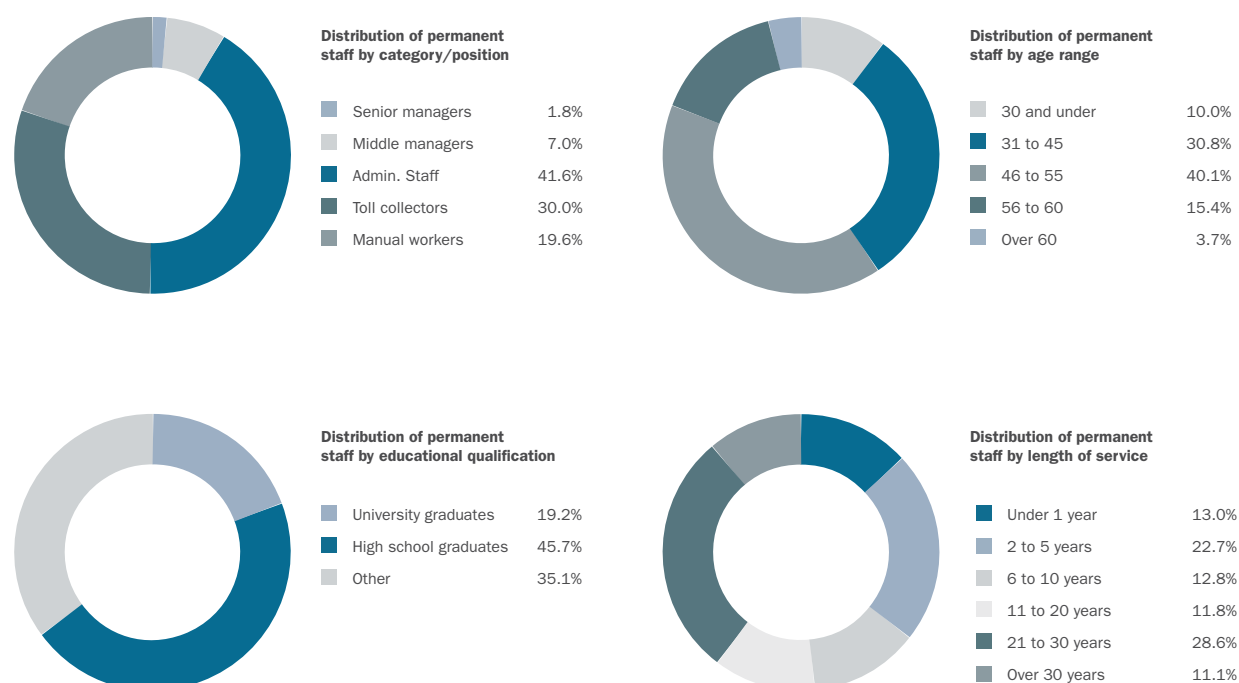
Average workforce ^(*) ^(**)

POSITION	2012	2011	INCREASE/(DECREASE)	
			TOTAL	%
Senior managers	206	182	24	13.2
Middle managers	775	655	120	18.3
Administrative staff	4,761	4,385	376	8.6
Manual workers	2,280	1,865	415	22.3
Toll collectors	3,238	2,967	271	9.1
Total	11,260	10,054	1,206	12.0

(*) The figures does not include the staff of Autostrada Tirrenica and Torino-Savona, which were sold in 2011 and Port Mobility, which was sold in 2012.

(**) Includes temporary staff.

Distribution of the Group's workforce



Staff development and training

The Group's approach to development is merit-based, designed to create career paths in keeping with the various areas of business and differentiated on the basis of aptitude and motivation, performance and development potential.

The objectives pursued in 2012, partly through career development, were:

- to add to and enhance experience, specialist know-how and innovation, identifying, valuing and retaining talented people at all levels of the organisation;
- to implement Talent Management processes based on the assessment of performance and potential and identification of career paths in line with individuals' skills, assigning them increasingly complex activities and responsibilities;
- to share and enhance technical and specialist know-how by arranging for teams with differing cultures, experience and seniority to work together.

To more effectively direct investment in the development of talented people and the offer of structured career paths, the Group identifies and monitors high-potential staff using Performance Management systems designed to assess performance and potential, MBO schemes that aim to encourage individuals to contribute to the achievement of the Group's objectives, interviews and meetings forming an integral part of human resources management.

Performance Management 2012

The Performance Management system aims to reinforce an appraisal culture centred around measuring results, developing the careers of the staff involved and guiding individual performances towards the Group's strategic goals.

The Group's commitment to extending the system continued in 2012, with the number of people involved rising 54% by making the process accessible to all the permanent staff of Group companies. The previous model, which only envisaged the involvement of middle managers, Professionals and Junior Professionals (young graduates), has thus evolved.

1,950 people were involved in 2012 (1,545 appraisees and 405 appraisers).

In addition to Autostrade per l'Italia SpA, the system was applied in the following Group companies: Atlantia, Autostrade Tech, Telepass, EsseDiEsse, AD Moving, Raccordo Autostradale Valle d'Aosta, TowerCo and, from 2012, Spea and Pavimental (the latter in a pilot scheme in 2012).

Assessment of potential

The assessment of potential at Autostrade per l'Italia aims to identify career potential and make staff more aware of their strengths and areas for improvement.

101 staff were included in Assessment programmes in 2012.

The table shows the degree of coverage of the Assessments of Potential.

POPULATION	COVERAGE 2011	COVERAGE 2012
Junior Professionals (young graduates)	59%	71%
Developing Professionals (young graduates with 5-10 years of experience)	64%	74%

Road Map project - Succession Planning for area offices

The "Road Map" project aims to identify people capable of taking up key roles in the organisation at local level over the short and medium term.

The most important criterion for accessing the programme is a willingness to move around the country, together with the acquisition of a range of experiences that have enabled people to develop an ability to manage complex situations.

In 2012, all job vacancies regarding critical positions at area offices were filled from within the Group.

The Autostrade per la Conoscenza ("Autostrade for Knowledge") project

The Group is committed to enhancing, developing and spreading know-how by boosting its collaboration with universities.

Autostrade per la Conoscenza thus offers students an opportunity to develop and showcase their skills, and ensures that the best have a chance to emerge.

The project is run in partnership with leading Italian universities (the polytechnics in Turin, Milan and Bari; the engineering faculties at the universities of Bologna, Florence, Rome "La Sapienza" and "Tor Vergata", Naples "Federico II", Pisa and Pavia; Bocconi and Luiss Guido Carli universities regarding economics and management). The project takes the form of:

1. initiatives for undergraduates;
2. initiatives for post-graduates;
3. collaborations with Centres of Excellence.

86 scholarships were awarded for the 2011-2012 academic year in 2012.

Training

Training plays a key role in career development, process innovation and in achieving the Group's business targets.

The various training programmes on offer aim to meet the different training requirements of departments and individuals:

- Organisational skills;
- Technical - Specialist;
- IT - Technology;
- Languages;
- E-learning;
- On-the-job training.

The process of registering requirements is fully computerised and managed by a Training Web Portal. This makes it possible to publicise and give staff access to the catalogue of training programmes during the year.

The ongoing support provided by internal trainers also involves the design of ad hoc courses should it be necessary to create and design "tailor-made" training solutions to meet specific needs. Some training is "on-the-job", with the support of managers and in-house experts, who have specific technical know-how and work experience.

During 2012 the Group continued to invest heavily in an effort to capitalise on this technical and professional know-how, further enlarging and enhancing the group of specially trained tutors by running "train the trainer" programmes. The process of recruiting trainers and enlarging the group also continued in 2012.

The following figures provide an overview of the Group's training initiatives:

- 72,000 hours of training (excluding safety training);
- expenditure of €1.4 million, in addition to the in-house personnel employed directly in running the courses;
- 6,926 staff involved overall.

Occupational Health and Safety training amounts to 44,403 hours, whilst a total of 8,096 hours of training was provided to Apprentices.

The Group provided a total of 124,070 hours of training in 2012, Occupational Health and Safety training and training for Apprentices, investing a total of €1.9 million.

Remuneration system

On 14 June 2012 the Board of Directors, on the recommendation of the Human Resources and Remuneration Committee and also, pursuant to art. 2389 of the Italian Civil Code, with the agreement of the Board of Statutory Auditors, selected the beneficiaries for the second award cycle for the share incentive plans adopted by Atlantia.

These plans regard:

- the 2011 Share Option Plan entails the award of options free of charge in three annual award cycles (2011, 2012 and 2013). The options grant beneficiaries the right to purchase the Company's ordinary shares held in treasury, in accordance with the Plan terms and conditions described in the Information Memorandum, prepared pursuant to art. 84-bis, paragraph I of the Regulations for Issuers and available for inspection on the Company's website at www.atlantia.it. 9 beneficiaries, including Directors and senior managers within the Group, were selected in the second award cycle (8 in the first cycle);
- the 2011 Share Grant Plan entails the award of units free of charge in three annual award cycles (2011, 2012 and 2013). Each unit grants beneficiaries the right to receive, free of charge, 1 of the Company's ordinary shares held in treasury, in accordance with the Plan terms and conditions described in the Information Memorandum, prepared pursuant to art. 84-bis, paragraph I of the Regulations for Issuers and available for inspection on the Company's website at www.atlantia.it. 39 beneficiaries, including Directors and senior managers within the Group, were selected in the second award cycle (37 in the first cycle);
- the 2011 MBO Share Grant Plan, serving as part payment of the annual bonus for the achievement of objectives assigned to each beneficiary under the MBO plan adopted by the Group, entails the annual grant of units free of charge. Each unit grants beneficiaries the right to receive, free of charge, 1 of the Company's ordinary share held in treasury, in accordance with the Plan terms and conditions described in the Information Memorandum, prepared pursuant to art. 84-bis, paragraph I of the Regulations for Issuers and available for inspection on the Company's website at www.atlantia.it. 9 beneficiaries, including Directors and senior managers within the Group, were selected in 2012 (9 in 2011).

The above Plans are in addition to the 2009 Share Option Plan approved by the Annual General Meeting of Atlantia's shareholders on 23 April 2009. The beneficiaries of this Plan were 11 managers and Directors from within the Atlantia Group. The Plan terms and conditions entail the award of a certain number of options, granting beneficiaries the right, under certain conditions, to purchase the Company's ordinary shares previously held as treasury shares.

On 24 April 2012, the Annual General Meeting of Atlantia SpA's shareholders, meeting in extraordinary session, approved the proposal to implement a bonus issue, pursuant to art. 2442 of the Italian Civil Code, of up to a maximum par value of €31,515,600.00, via the issue of 31,515,600 new ordinary shares, ranking equally in all respects with the existing issued ordinary shares.

Subsequently, on 14 June 2012 Atlantia's Board of Directors made specific non-discretionary changes of a purely mathematical nature, with the aim of reinstating the conditions applicable prior to the bonus issue and ensuring that the transaction would not have any effect on the beneficiaries of the 2009 Share Option, 2011 Share Option, 2011 Share Grant and 2011 MBO Share Grant plans.

The Group's MBO incentive scheme, offering beneficiaries an annual cash bonus based on the objectives assigned and achieved, involved 166 senior managers and 631 middle managers and administrative staff with roles of responsibility in 2012.

Following changes to the regulations governing remuneration at listed companies, on 9 March 2012 the Board of Directors approved the "Remuneration Report 2011", prepared pursuant to art. 123-ter of Legislative Decree 58/98 (the Consolidated Finance Act), as amended. The first section of the report was then approved by the Annual General Meeting held on 24 April 2012.

Organisational model

A total of 140 internal procedures were either issued or updated in 2012 in response to the regulatory or organisational changes introduced.

In particular, the principal areas affecting subsidiaries regarded: health and safety at work, following the changes introduced by Law 35/2012; environmental protection; corporate governance, to bring it into line with the organisational, management and control models.

In the first quarter of 2012 Autostrade per l'Italia took steps to strengthen its corporate communication and brand marketing and development, setting up an External Relations, Corporate Affairs and Marketing department.

The Service Areas department was also created in this period in order to manage commercial relations and the development of service areas.

At the end of 2012 steps were taken to bring certain activities in-house at certain of Autostrade per l'Italia's offices in Rome, Florence and Section Departments, with the aim of:

- identifying efficiencies within the company;
- insourcing, within Autostrade per l'Italia, value added activities currently carried out by external providers;
- making improved use of the company's resources.

The project identified 52 activities currently managed by external providers (maintenance, of a technical and engineering nature, administration and accounting, customer care and general services). The process of bringing these activities in-house, which will be completed in 2013, has begun.

Industrial relations

On 22 May 2012 the following agreements were concluded with the national unions:

- Productivity Bonus: based on the results achieved in 2011, grade "C" personnel are to receive a basic total gross amount of €2,030. This sum was paid in two tranches in March and July 2012. In accordance with earlier agreements, the Productivity and Profit-Sharing Bonus was also paid to staff at Atlantia, EsseDiEsse, TowerCo, Telepass, AD Moving and Autostrade Tech;
- a significant reorganisation of a number of key areas. In brief:
 - new opening hours for Punto Blu customer care offices;
 - reorganisation of Plant Operations, in order to improve maintenance of network plant and equipment and aid in the retraining of personnel;
 - a new automation plan, with the introduction of further automated toll booths;
- a new Industrial Relations Protocol, implementing the current industrial relations system, in order to promote further engagement and dialogue between social partners.

Negotiations at national level resulted in the Agreement of 24 July 2012, establishing:

- the Articles of the Bilateral Entity — provided for in the renewed national collective labour contract of 4 August 2011 — and further steps needed before the organisation can be fully operational;
- additions to the regulations governing apprenticeships, in response to the reforms introduced (Legislative Decree 167/ 2011; the Multi-Industry Agreement of 18 April 2012).

Health and safety

Certification of the Health and Safety at Work Management System for all Autostrade per l'Italia's activities and places of work was confirmed in the first half of the year. The process of raising awareness and developing

a safety culture among employees and the contractors who work on the network continued, including the implementation of innovative projects and the "Safety Walks", aimed at all operating personnel.

Mandatory Health and Safety at Work training continued, with over 44,403 hours of training provided to people from various categories.

As provided for in the Group's Health and Safety Monitoring Plans, climate surveys were carried out to check that places of work meet the related requirements: microclimate measurements, lighting, noise and vibrations, the sampling of air pollutants and the presence of radon gas. In line with recent regulations, confined spaces have been classified and related procedures drawn up, in addition to biological and chemical samples being taken. The IT platform for safety management, SAFE, was implemented with the addition of Individual Protection Devices, Health Surveillance, Training and Risk Assessment Documents.

The "Safety Academy" project saw training provided for 80 companies operating on the motorway network, with the aim of improving their safety performances.

Corporate Governance

Atlantia SpA's Corporate Governance system is based on a collection of rules that are in line with regulatory guidelines and best market practices.

This system is based on Atlantia SpA's Corporate Governance Code, which has been drawn up in accordance with the principles and criteria contained in the Corporate Governance Code for listed companies published by the Corporate Governance Committee in December 2011.

In accordance with the current Articles of Association, management of the Company is assigned to the Board of Directors, whilst supervisory functions are the responsibility of the Board of Statutory Auditors and responsibility for auditing the Group's accounts is assigned to the Independent Auditors elected by General Meeting of shareholders.

Based on the provisions of art. 30 of the Articles of Association, the Chairman and Chief Executive Officer represent the Company.

Separation of the roles of Chairman and Chief Executive Officer means that it is not necessary to appoint a Lead Independent Director.

Based on the provisions of the Company's Corporate Governance Code, the Board of Directors has established the following board committees: the Human Resources and Remuneration Committee and the Internal Control, Risk and Corporate Governance Committee.

In implementation of the provisions of Legislative Decree 231/2001, Atlantia has adopted the Organisational, Management and Control Model and has set up a Supervisory Board.

Lastly, in compliance with the CONSOB requirements contained in the Regulations for Related Party Transactions (Resolution 17221 of 12 March 2010, as subsequently amended), on 21 October 2010 Atlantia set up a Committee of Independent Directors with responsibility for Related Party Transactions - consisting of three independent Directors - and, on 11 November 2010, approved the new Procedure for Related Party Transactions, which came into effect from 1 January 2011.

In addition to the above Procedure, Atlantia has, among others, adopted the Procedure for Market Announcements, the Procedure for relations with the Independent Auditors, the Procedure for Reporting to the Board of Statutory Auditors and the Code of Conduct for internal dealing.

The Company's Governance system is completed by the regulations contained in the Articles of Association and in the General Meeting Regulations.

Sintonia SpA (formerly Sintonia SA, which was transferred to Italy and registered with Rome Companies' Register on 27 June 2012 under the name of Sintonia SpA) is the shareholder that directly holds a relative majority of the issued capital of Atlantia SpA. Sintonia SpA holds sufficient voting rights to exercise dominant influence at the ordinary general meetings of Atlantia SpA's shareholders, pursuant to art. 2359 of the Italian Civil Code.

However, Sintonia does not manage or coordinate Atlantia SpA, pursuant to art. 2497 of the Italian Civil Code, as was confirmed in a specific declaration sent to Atlantia SpA on 12 March 2009 by the former Sintonia SA and by Schemaventotto SpA ⁽⁷⁾.

Given that there have not been any further announcements or changes in circumstances, the basis for considering Atlantia as not subject to management and coordination by Sintonia is deemed to be unchanged.

Autostrade per l'Italia, which is a wholly owned subsidiary of Atlantia, is instead subject to management and coordination by Atlantia. Moreover, following the Group's reorganisation in 2007, Atlantia has transferred responsibility for management and coordination of the motorway operators and industrial companies controlled by its subsidiary to Autostrade per l'Italia itself.

The full text of the "Annual report on Corporate Governance and the Ownership Structure", prepared in accordance with indications from Assonime and Emittenti Titoli and the indications contained in the format for corporate governance reports published by Borsa Italiana (IV Edition of January 2013), is available in the "Corporate Governance" section of the Company's website at www.atlantia.it.

(7) On 4 October 2012 Schemaventotto SpA's merger with and into Sintonia SpA became effective; from this date, therefore, Sintonia directly holds the investment in Atlantia, consisting of 307,141,290 shares.

Sustainability

Atlantia's growing commitment to progressively and continually improving its sustainability performance, and boosting the efficiency of its operations and processes, was again rewarded in 2012 (for the period September 2012-September 2013) with reconfirmation of the Group's membership of the prestigious Dow Jones Sustainability World Index, which ranks the world's best companies on the basis of economic, environmental and social criteria. Atlantia ranked as one of the best performers in the transport and infrastructure sector, and as the number one motorway operator.

The Company has also been included once again in the Dow Jones Sustainability Europe Index, which ranks the performances of Europe's leading companies. The Group's continued membership of the Dow Jones Sustainability Index, with year-on-year improvements in its ranking, is reward for its commitment to making significant progress in terms of safety, transparency and respect for the environment, and achieving ongoing and progressive improvements in its performance in line with its stakeholders' expectations.

Economic responsibility

The Group believes that the creation of value for the various categories of stakeholder is the most important goal in terms of economic responsibility. Distribution of the value generated among stakeholders is measured in terms of Distributable Integrated Added Value (DIAV), which is calculated by subtracting operating costs and other expenses from the gross value of production, which includes toll revenue, the portion attributable to the Grantor in Italy and other operating income.

Statement of DIAV

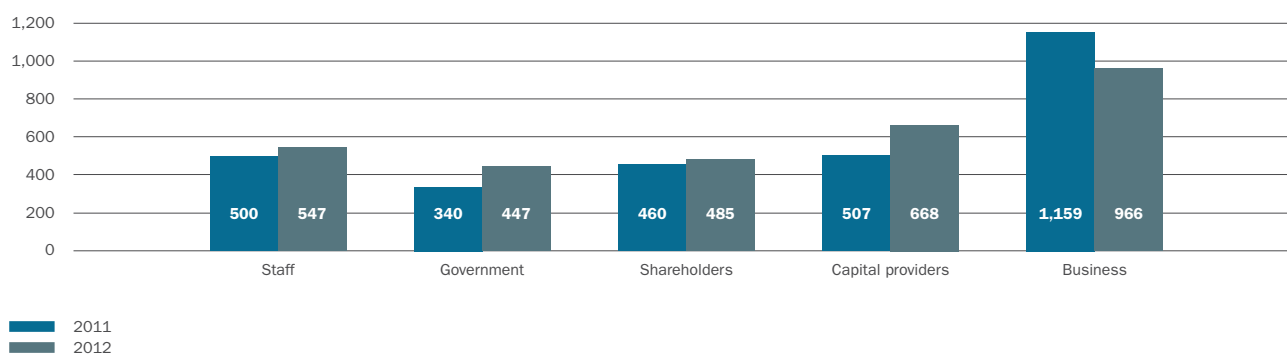
(€M)	2012	2011	% INCREASE/(DECREASE)
Net toll revenue	3,047	2,896	5%
Profit attributable to third-party entities	345	375	-8%
Other operating income	642	631	2%
Gross value of production	4,034	3,902	3%
Operating costs	-1,034	-993	4%
Integrated added value	3,000	2,909	3%
Adjustments	113	58	95%
Distributable integrated added value	3,113	2,967	5%

Amounts for 2011 have been restated with respect to the published accounts for 2011, reflecting completion of the process of identifying the fair value of the assets and liabilities of Triangolo do Sol at the acquisition date (1 July 2011) and consolidation of Autostrada Torino-Savona's results in accordance with IFRS 5. Further details are provided in the section "Consolidated financial review".

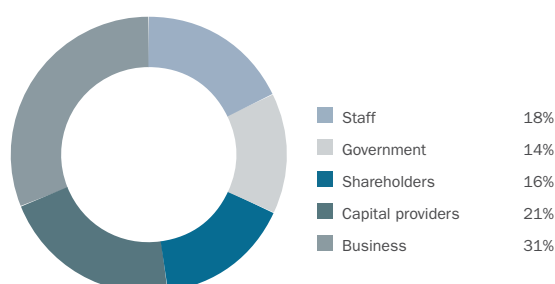
The DIAV of €3,113 million generated in 2012 is up 5% on the figure for 2011. This was distributed to the Group's stakeholders as follows:

- the largest portion, 31% of the total, amounting to €966 million, was kept by the Group and used to finance its operations;
- €668 million (21% of the total) was paid to capital providers as interest on borrowings, after deducting financial income;
- 16% of DIAV was paid to shareholders in the form of dividends of approximately €485 million;
- approximately €447 million (14% of the total) was transferred to the government in the form of direct and indirect taxation and social security contributions. The government as stakeholder also received approximately €85.4 million in concession and sub-concession fees and €345 million in additional concession fees paid from toll revenue following the new legislation introduced by Law Decree 78/2009;
- staff accounted for 18% (€547 million) in salaries, wages, post-employment benefits, provisions for incentives and other costs.

Breakdown of DIAV 2011-2012



Distribution DIAV 2012 (%)



Social responsibility

Social responsibility is an integral part of the Group's strategy, leading the Group to focus on how its activities affect all members of society and engage in dialogue with stakeholders with an interest in and involved in the Group's activities.

Unless otherwise indicated, the social data shown below refer to the Group's Italian and overseas operations, with the exclusion of the Chilean and Brazilian companies consolidated for the first time in the last 12 months (Rodovias das Colinas, Nascentes das Gerais and Grupo Costanera) and Autostrade Indian Infrastructure Development Private Limited, whose Operation & Maintenance contract is not yet operational.

Customers

Atlantia is committed to achieving ongoing improvements in service quality for motorway users, continually raising safety standards and improving traffic flow, assistance and access to the network the Group manages in Italy and overseas. This is done through the upgrade, modernisation and maintenance of the motorway network; initiatives at construction sites designed to improve safety at the workplace; information and prevention campaigns aimed at promoting safer driving behaviours.

The global accident rate continued to decline in 2012, decreasing to 32.2 from the 33.8 of the previous year, whilst the fatal accident rate was up, rising from 0.28 in 2011 to 0.35 in 2012 (the number of deaths per 100 million kilometres travelled). As regards traffic flow in Italy, the Total Delay indicator (the number of hours spent in traffic queues) has fallen significantly, down 32.1% compared with 2011. This reflects a reduction in the total number of kilometres travelled and in accidents, the opening to traffic of upgraded motorway and new sections (third lanes on the A9 and A14 motorways and the opening of new junctions on the A14) and the reduced impact of maintenance work on traffic.

Workforce

All Group companies operate in Italy and overseas in full compliance with the rights established by Law and in labour contracts, and without any discrimination on the basis of gender, race, nationality or religion.

Atlantia has adopted a Code of Ethics at Group level. This document, setting out the essential core values underpinning the Group's corporate culture, has also been adopted independently by the Company's Italian and overseas subsidiaries. Every member of the workforce is required to be informed of and comply with the principles in the Code.

With the aim of improving quality of life for its staff, the Group has adopted a series of initiatives over the years: flexitime working to help those who commute to work, health insurance and pension schemes, sustainable transport services, new work-life balance initiatives and other projects designed to boost the welfare of the Company's workforce.

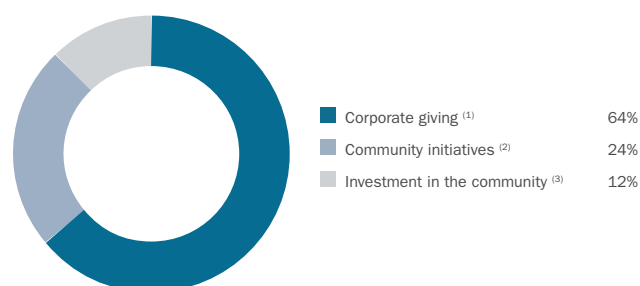
Government and the community

At government level in Italy, the Group's main counterparties are ministries, parliamentary committees, regulatory and supervisory bodies and, more in general, national and local politicians.

Relations with international institutions are also of great importance, as they establish the principles, overall objectives and strategies on which EU transport policy is based, as well as issuing specific directives regarding issues directly and indirectly linked to the motorway business.

Community relations are one of the main tools available to the Group in implementing the sustainability policies: in operating the motorway network in keeping with the characteristics of the surrounding area and in carrying out works that enhance the environment, even when not directly connected to the impact of the motorway network. The Group's humanitarian, scientific, cultural, sporting and social initiatives also play an important role, whether implemented independently or in collaboration with national and international entities and bodies. Over time such initiatives have become more than a simple question of corporate giving, having increasingly taken the form of projects designed to culturally enrich the people and communities involved and spread the adoption of sustainable behaviours. The Group spent around €5.8 million on this type of initiative in 2012, as shown below.

Community expenditure 2012



(1) Funding for social responsibility projects, charity, donations and contributions to foundations.

(2) Social promotions, some in partnership with humanitarian organisations, and sponsorship of cultural, sporting, social and scientific events.

(3) Information, awareness and community engagement campaigns (road safety, traffic, progress on the planned upgrade of motorways, etc.).

Suppliers

The Group's main suppliers are businesses that provide goods and services and those involved in the construction of new infrastructure and maintenance of the existing network, and companies that supply technology used in developing automated tolling systems. The process of selecting, assessing and monitoring suppliers of goods and services in the highest risk categories starts with a pre-qualification phase, in which the financial, technical and organisational aspects of each supplier are assessed prior to their inclusion in the Register of Suppliers. All the Group's suppliers must commit to complying with the Group's Code of Ethics and Conduct on their own behalf and on behalf of any authorised sub-contractors, consultants and employees. In addition, all the contracts entered into include specific clauses requiring the supplier to meet a series of social obligations relating, for example, to health and safety at work and protection of the environment, such as the methods used for disposing of waste and scrap.

Companies included in the Register, and who have received orders, are as a rule monitored during the supply process via a Vendor Rating system and quality controls on delivery (binding if the purchased goods are to be accepted and utilised).

Environmental responsibility

Unless otherwise indicated, the environmental information and data shown below refer to the Group's Italian and overseas operations, with the exclusion of the Chilean and Brazilian companies consolidated for the first time in the last 12 months (Rodovias das Colinas, Nascentes das Gerais and Grupo Costanera) and Autostrade Indian Infrastructure Development Private Limited, whose Operation & Maintenance contract is not yet operational.

In 2012 the Group remained committed to the series of initiatives previously launched in accordance with Italian and European Community objectives regarding energy and the environment. These aim to boost production of renewable energy and improve the energy efficiency of its buildings and the infrastructure it manages. Autostrade per l'Italia completed work on 22 photovoltaic plants located at service areas, on the roofs of buildings and at maintenance facilities, providing a total installed capacity of 1.5 MW, in line with the target for 2012. During the year, under the voluntary agreement between Autostrade per l'Italia and the Ministry of the Environment and Land and Marine Protection, the first stage of the "Carbon footprint" project was completed, with implementation of the method to be used to measure the carbon footprint created by the Group's activities and in application at two of Autostrade per l'Italia's nine Section Departments. The aim of the project is to create a system for managing emissions capable

of identifying and implementing technically and financially feasible initiatives, designed to reduce the carbon footprint. It is the first agreement of this type in Italy and specifically applied to the operation of motorways.

Use of resources

Optimising the use of the materials employed is a constant concern in managing the Group's activities. One of the essential materials used to ensure that motorways are safe and kept open during the winter months is de-icing salt (sodium chloride and calcium chloride) to prevent ice forming on roads. In 2012 the Group's motorway operators used a total of 215,095 tonnes of de-icing salt during the winter in Italy (97%), Poland (2%) and Chile (1%), marking an increase of around 106% on the previous year. This primarily reflects the greater number of snow events (a 392% increase in the hours of snow on the Italian motorway network, compared with 2011).

The following table summarises use of the principal resources employed in the Group's operations.

USE OF RESOURCES	2010	2011 ^(*)	2012
De-icing salt (tonnes)	216,449	104,498	215,095
Water (m ³)	549,240	595,933	576,415
Consumption of conglomerate (tonnes)	858,003	947,623	775,400

(*) The figures for 2011 have been restated to exclude consumption attributable to Autostrada Torino-Savona SpA, deconsolidated as at 31 December 2012.

The Group's energy consumption depends on the organisation's needs and the amount of energy used in providing the motorway service: the lighting of tunnels, toll stations, junctions and service areas, power for plant and equipment, fuel for service vehicles. In 2011 the Group consumed a total of 467,124 MWh, including electricity, natural gas, LPG, diesel, petrol and fuel oil used to power the equipment that produces conglomerate for road surfaces.

ENERGY CONSUMPTION BY SOURCE	2010 (MWH)	2011 (MWH) ^(*)	2012 (MWH)	% INCREASE/ (DECREASE)
Diesel	147,425	137,249	148,772	8.4%
LPG	14,540	12,215	13,862	13.5%
Natural gas	28,578	31,629	40,292	27.3%
Petrol	3,053	4,833	4,640	-3.9%
Electricity	249,994	217,059	214,160	-1.3%
Fuel oil	53,986	52,140	34,147	-34.5%
Ethanol	449	431	431	0.0%
Total	498,025	455,556	456,304	0.2%

(*) The figure for 2011 has been restated to exclude energy consumed by Autostrada Torino-Savona.

Climate change and emissions

The Group's climate change action plan primarily envisages the following:

- the production of electricity from renewable sources;
- improvements to the energy efficiency of buildings and tunnels;
- actions designed to improve traffic flow and safety.

In 2012 Autostrade per l'Italia's CO₂ emissions totalled 167,712 tonnes, down 7.6% on 2011. This was primarily due to reduced electricity consumption as a result of energy saving initiatives, the use of

energy produced in-house from renewable sources and reduced emissions from the heating systems in buildings.

	CO ₂ EMISSIONS IN 2011 (TONNES)	CO ₂ EMISSIONS IN 2012 (TONNES)
Direct emissions from the vehicle fleet	24,685	19,348
Direct emissions from heating systems	11,602	10,003
Direct emissions from road works	25,359	24,642
Indirect emissions from electricity consumption	119,048	113,719
Total	180,694	167,712

The figures for 2011 have been restated to exclude consumption attributable to Autostrada Torino-Savona SpA, deconsolidated as at 31 December 2012. The figure for direct emissions from road works in 2012, which refers only to the activities of Pavimental SpA in Italy and in Poland, was calculated using the new method introduced for estimating the Carbon Footprint, only taking into account the sum of SCOPE 1 and SCOPE 2 emissions (the GHG protocol issued by the WRI/WBCSD - World Resources Institute/World Business Council on Sustainable Development).

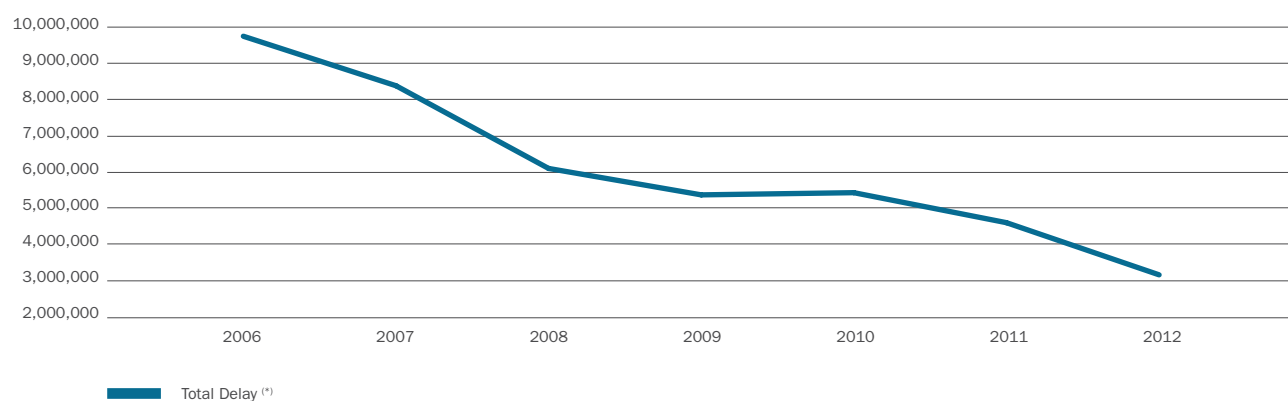
The Group offsets its CO₂ emissions through a number of initiatives.

In terms of renewable energy, by the end of 2012 Autostrade per l'Italia's photovoltaic plant installation plan had achieved the following results:

- installed photovoltaic capacity: over 9.5 MW;
- 152 plants installed (143 in operation and 9 being connected to the national grid at the end of 2012);
- estimated energy production once fully operational: approximately 11,000 MWh a year (approximately 9,600 MWh produced at the end of 2012);
- estimated CO₂ saved once fully operational: approximately 5,645 tonnes a year (5,045 tonnes at the end of 2012).

As part of its energy saving programme, the Group proceeded with the replacement of traditional high pressure sodium lamps used in permanent motorway tunnel lighting systems with LED lamps, installing them in both existing and recently designed systems. A total of 5,264 lamps were installed in 2012, saving over 900 MWh in energy during the year and cutting CO₂ emissions by 490 tonnes. Further initiatives were implemented with regard to exterior lighting (optimisation of the luminous flux in tunnels and at service areas, the installation of LED lamps for toll station canopies, the replacement of lighting devices on the floodlights at service areas), which have helped to reduce energy consumption and CO₂ emissions (by approximately 1,150 tonnes). Investment in improving levels of service and safety standards have, over the years, resulted in significantly reducing the Total Delay indicator (down 68.4% between 2006 and 2012), which measures traffic congestion. The projects have included improved planning of road works and quicker removal of accident-damaged vehicles, better response to weather events, the adoption of accident-prevention measures, boosting the capacity of the infrastructure to handle changes in traffic volumes, and improvements to traffic information. This has also helped to bring about a reduction in emissions of CO₂ and of other air pollutants caused by motorway traffic in Italy.

Total Delay: performance 2006/2012



(*) Hours lost due to traffic congestion on the Italian network operated by Autostrade per l'Italia.

CO ₂ EMISSIONS (TONNES)	2010	2011	2012
Congestion (Total Delay)	22,931	19,355	13,128
Emissions saved (change in Total Delay versus previous year)	-625	3,576	6,228

The estimated emissions saved as a result of the installation and upgrade of the automated tolling system, Telepass, at toll stations along the motorway operated by Autostrade per l'Italia total 22,877 tonnes of CO₂ in 2012, down 10% on 2011.

Related party transactions

Information on related party transactions is provided in note IO.4 to the consolidated financial statements.

Other information

As at 31 December 2012 Atlantia SpA holds 13,285,616 treasury shares (post bonus issue dated 4 June 2012), representing approximately 2.0% of its issued capital. No treasury shares were purchased or sold during 2012.

Atlantia SpA does not own, either directly or indirectly through trust companies or proxies, shares or units issued by parent companies. No transactions were carried out during the year involving shares or units issued by parent companies.

Atlantia does not operate branch offices.

With reference to CONSOB Ruling 2423 of 1993, regarding criminal proceedings or judicial investigations, the Group is not involved in proceedings, other than those described in the section "Significant regulatory aspects and litigation" in this report on operations, that may result in charges or potential liabilities with an impact on the consolidated financial statements.

Finally, in accordance with the Data Protection Act (Legislative Decree 196/2003, annex B, point 26), the Company declares that it has updated its Security Planning Document for 2012.

On 17 January 2013 a meeting of the Board of Directors elected to apply the exemption provided for by article 70, paragraph 8 and article 71, paragraph 1-bis of the CONSOB Regulations for Issuers (Resolution 11971/99, as amended). The Company will therefore exercise the exemption from disclosure requirements provided for by Annex 3B of the above Regulations in respect of significant mergers, spin-offs, capital increases involving contributions in kind, acquisitions and disposals.

Events after 31 December 2012

Merger of Gemina and Atlantia

On 8 March 2013 the Boards of Directors of Atlantia and Gemina SpA ("Gemina") approved the plan to merge Gemina with and into Atlantia (the "Merger"), based on the companies' financial statements for the year ended 31 December 2012.

The Boards of Directors of the companies participating in the Merger, with the support of leading financial advisors, have applied generally accepted valuation methods for transactions between companies with similar characteristics to Atlantia and Gemina.

Having examined and endorsed the opinions of their respective advisors, and having noted the favourable opinions of the respective Committees of Independent Directors, the Boards of Directors of Atlantia and Gemina thus approved the exchange ratio, after taking account of Atlantia's expected payment, in May 2013, and in any event prior to the effective date of the Merger, of a dividend of €0.391 per share (a dividend that will therefore not be paid to the shareholders of Gemina who will become shareholders of Atlantia as a result of the Merger), without any cash payment, as follows:

- a) in respect of Gemina's ordinary shares, 1 ordinary share in Atlantia with a par value of €1 each, ranking equally in all respects with Atlantia's existing ordinary shares at the effective date of the Merger, for every 9 ordinary shares in Gemina;
- b) in respect of Gemina's savings shares, 1 ordinary share in Atlantia with a par value of €1 each, ranking equally in all respects with Atlantia's existing ordinary shares at the effective date of the Merger, for every 9 of Gemina's savings shares.

The Merger Plan also envisages that Atlantia will effect a capital increase with a maximum par value of €164,025,376 via the issue of up to 164,025,376 new ordinary shares with a par value of €1 each, in application of the Exchange Ratio.

In addition to approval by the Extraordinary General Meetings of the shareholders of Gemina and Atlantia and by the Special General Meeting of the holders of Gemina's savings shares (the holders of savings shares who have not taken part in deliberation of the Merger Plan will have the right of withdrawal pursuant to and for the purposes of article 2437, paragraph 1, letter g) of the Italian Civil Code), completion of the Merger is subject to fulfilment of a number of conditions relating to the Antitrust Authority, Italy's Civil Aviation Authority ("ENAC"), the Italian Court of Auditors with regard to registration of Aeroporti di Roma's Concession Arrangement, and the creditor banks of Atlantia, Gemina and Aeroporti di Roma.

The Merger is expected to be completed at the latest by the end of the current year.

Outlook and risks or uncertainties

Against a less than favourable macroeconomic backdrop, the Company expects to see a weaker operating performance in Italy, whilst the contribution from the Group's overseas operations, linked to both changes in the basis of consolidation in 2012 and improved traffic growth, leads us to expect the consolidated operating results to remain substantially stable.

Proposed resolutions for the Annual General Meeting of Atlantia SpA's shareholders

Dear Shareholders,

In conclusion, we invite you:

- to discuss and approve the Board of Directors' report on operations and the financial statements as at and for the year ended 31 December 2012, which report profit of €532,611,944;
- to appropriate the remaining €302,379,543 in profit for the year, after payment of the interim dividend of €230,232,401 in 2012, to:
 1. pay a final dividend of €0.391 per share for 2012, payable to holders of each of the shares with a par value €1.00 outstanding at the ex dividend date, excluding treasury shares held in portfolio at that date. The total value of the final dividend, based on the number of shares outstanding (648,541,976) and of treasury shares in portfolio (13,285,616), is estimated at €253,579,913;
 2. take the remaining profit for the year, after payment of the final dividend, to the extraordinary reserve. This amount, based on the number of shares outstanding at the ex dividend date, is estimated at €48,799,630;
- to establish the dividend payment date as 23 May 2013 and the ex dividend date as 20 May 2013.

For the Board of Directors

The Chairman

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Atlantia Group's
consolidated financial statements and notes

3

Consolidated financial statements

Consolidated statement of financial position

ASSETS (€000)	NOTE	31.12.2012	31.12.2011
NON-CURRENT ASSETS			
Property, plant and equipment	7.1	233,777	230,084
Property, plant and equipment		229,186	228,892
Property, plant and equipment held under finance leases		3,455	174
Investment property		1,136	1,018
Intangible assets	7.2	20,996,841	17,344,575
Intangible assets deriving from concession rights		16,572,730	12,916,236
Goodwill and other intangible assets with indefinite lives		4,382,789	4,387,723
Other intangible assets		41,322	40,616
Investments	7.3	119,397	318,746
Investments accounted for at cost or fair value		22,630	46,011
Investments accounted for using the equity method		96,767	272,735
Other non-current financial assets	7.4	1,933,979	1,200,274
Non-current financial assets deriving from concession rights		1,037,731	452,334
Non-current financial assets deriving from government grants		236,958	238,657
Non-current term deposits convertible		307,729	290,334
Derivative assets		-	27,678
Other non-current financial assets		351,561	191,271
<i>of which due from related parties</i>		-	110,000
Deferred tax assets less deferred tax liabilities eligible for offset	7.5	1,910,572	1,891,394
Other non-current assets	7.6	2,071	2,412
TOTAL NON-CURRENT ASSETS		25,196,637	20,987,485
CURRENT ASSETS			
Trading assets	7.7	1,153,207	1,018,167
Inventories		62,107	57,607
Contract work in progress		31,338	37,865
<i>of which due from related parties</i>		3,155	10,161
Trade receivables		1,059,762	922,695
<i>of which due from related parties</i>		43,108	41,473
Cash and cash equivalents	7.8	2,811,230	619,900
Cash		469,988	338,140
Cash equivalents		2,341,242	281,760
Other current financial assets	7.4	939,530	221,909
Current financial assets deriving from concessions		386,516	7,340
Current financial assets deriving from government grants		23,784	51,023
Current term deposits convertible		355,042	76,580
Current portion of medium/long-term financial assets		132,958	32,784
<i>of which due from related parties</i>		110,000	-
Other current financial assets		41,230	54,182
Current tax assets	7.9	131,131	28,581
<i>of which due from related parties</i>		18,035	11,474
Other current assets	7.10	132,452	89,335
Non-current assets held for sale and related to discontinued operations	7.11	17,436	310,050
TOTAL CURRENT ASSETS		5,184,986	2,287,942
TOTAL ASSETS		30,381,623	23,275,427

EQUITY AND LIABILITIES (€000)	NOTE	31.12.2012	31.12.2011
EQUITY			
Equity attributable to owners of the parent		3,801,055	3,565,998
Issued capital		661,828	630,312
Reserves and retained earnings		2,777,025	2,472,108
Treasury shares		-215,644	-215,644
Profit/(Loss) for the year net of interim dividends		577,846	679,222
Equity attributable to non-controlling interests		1,647,200	464,555
Issued capital and reserves		1,625,937	456,244
Profit/(Loss) for the year net of interim dividends		21,263	8,311
TOTAL EQUITY	7.12	5,448,255	4,030,553
NON-CURRENT LIABILITIES			
Non-current portion of provisions for construction services required by contract	7.13	4,321,448	4,134,960
Non-current provisions	7.14	1,150,379	1,030,769
Provisions for employee benefits		145,420	130,978
Provisions for repair and replacement obligations		975,706	867,850
Other provisions		29,253	31,941
Non-current financial liabilities	7.15	14,391,085	10,347,201
Bond issues		10,166,154	7,507,101
Medium/long-term borrowings		3,858,699	2,590,031
Derivative liabilities		366,232	250,069
Deferred tax liabilities not eligible for offset	7.5	1,026,754	174,229
Other non-current liabilities	7.16	106,249	66,180
TOTAL NON-CURRENT LIABILITIES		20,995,915	15,753,339
CURRENT LIABILITIES			
Current portion of provisions for construction services required by contract	7.13	489,812	551,606
Current provisions	7.14	189,935	171,554
Provisions for employee benefits		17,376	11,728
Provisions for repair and replacement obligations		112,963	114,674
Other provisions		59,596	45,152
Trading liabilities	7.17	1,427,972	1,490,460
Contract work in progress		630	1,086
Trade payables		1,427,342	1,489,374
<i>of which due to related parties</i>		14,812	6,980
Current financial liabilities	7.15	1,359,368	666,799
Bank overdrafts		116	10,157
Short-term borrowings		-	161,239
Derivative liabilities		122	-
Intercompany current account payables due to unconsolidated Group companies		24,794	41,436
Current portion of medium/long-term financial liabilities		1,293,306	449,588
Other current financial liabilities		41,030	4,379
Current tax liabilities	7.9	20,698	116,995
Other current liabilities	7.18	449,668	493,833
Liabilities related to discontinued operations	7.11	-	288
TOTAL CURRENT LIABILITIES		3,937,453	3,491,535
TOTAL LIABILITIES		24,933,368	19,244,874
TOTAL EQUITY AND LIABILITIES		30,381,623	23,275,427

Consolidated income statement

(€000)	NOTE	2012	2011
REVENUE			
Toll revenue	8.1	3,392,149	3,271,067
Revenue from construction services	8.2	1,066,855	940,376
Contract revenue	8.3	30,794	51,349
Other operating income	8.4	611,451	579,652
<i>of which from related parties</i>		75,017	74,480
TOTAL REVENUE		5,101,249	4,842,444
COSTS			
Raw and consumable materials	8.5	-444,098	-368,421
Purchases of materials		-452,421	-377,423
Change in inventories of raw and consumable materials and goods		8,323	9,002
Service costs	8.6	-1,476,158	-1,440,873
Gain/(Loss) on sale of elements of property, plant and equipment		-1,207	-104
Staff costs	8.7	-675,614	-628,308
<i>of which due to related parties</i>		-19,157	-18,333
Other operating costs	8.8	-617,223	-601,457
Concession fees		-430,845	-457,285
Lease expense		-20,632	-18,084
(Provisions)/Use of provisions for repair and maintenance obligations		-60,529	-37,735
Other (provisions)/Use of other provisions		-15,851	-18,922
Other operating costs		-89,366	-69,431
Use of provisions for construction services required by contract	8.9	470,688	511,066
Amortisation and depreciation		-641,793	-531,565
Depreciation of property, plant and equipment	7.1	-57,798	-51,668
Amortisation of intangible assets deriving from concession rights	7.2	-559,817	-455,497
Amortisation of other intangible assets	7.2	-24,178	-24,400
(Impairment losses)/Reversals of impairment losses	8.10	-35,746	-17,844
(Impairment losses)/Reversals of impairment losses on PPE and intangible assets		-7,964	-13,321
(Impairment losses)/Reversals of impairment losses on other non-current assets		-27,782	-4,523
TOTAL COSTS		-3,421,151	-3,077,506
OPERATING PROFIT		1,680,098	1,764,938

(€000)	NOTE	2012	2011
Financial income	8.11	455,884	247,206
Financial income		455,820	245,104
<i>of which non-recurring</i>		171,065	90,622
Dividends received from investee companies		64	2,102
Financial expenses	8.11	-989,385	-860,786
Financial expenses from discounting of provisions for construction services required by contract and other provisions		-147,168	-178,049
Other financial expenses after government grants		-842,217	-682,737
Foreign exchange gains/(losses)	8.11	-3,219	426
FINANCIAL INCOME/(EXPENSES)	8.11	-536,720	-613,154
Share of (profit)/loss of associates and joint ventures accounted for using the equity method	8.12	2,874	21,442
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		1,146,252	1,173,226
Income tax (expense)/benefit	8.13	-328,290	-404,630
Current tax expense		-334,287	-364,445
Differences on current tax expense for previous years		33,579	165,632
Deferred tax income and expense		-27,582	-205,817
PROFIT/(LOSS) FROM CONTINUING OPERATIONS		817,962	768,596
Profit/(Loss) from discontinued operations	8.14	11,614	138,522
PROFIT FOR THE YEAR		829,576	907,118
<i>of which:</i>			
Profit attributable to owners of the parent		808,078	898,491
Profit attributable to non-controlling interests		21,498	8,627

(€)		2012	2011
Basic earnings per share attributable to owners of the parent	8.15	1.25	1.39
<i>of which:</i>			
- continuing operations		1.23	1.18
- discontinued operations		0.02	0.21
Diluted earnings per share attributable to owners of the parent	8.15	1.25	1.39
<i>of which:</i>			
- continuing operations		1.23	1.18
- discontinued operations		0.02	0.21

Consolidated statement of comprehensive income

(€000)	NOTE	2012	2011
Profit for the year (A)		829,576	907,118
Fair value gains/(losses) on cash flow hedges		-93,554	-16,967
Fair value gains/(losses) on net investment hedges		-37,593	-
Gains/(Losses) from actuarial valuations of provisions for employee benefits		-23,732	-2,221
Gains/(Losses) from translation of transactions in functional currencies other than the euro		-5,260	-39,424
Gains/(Losses) from translation of transactions in functional currencies other than the euro concluded by associates and joint ventures accounted for using the equity method		-185	-12,205
Other fair value gains/(losses)		-1,519	-648
Other comprehensive income for the year, after related taxation		-161,843	-71,465
<i>of which: discontinued operations</i>		-	-1,002
Reclassifications of other comprehensive income to profit/(loss)		-20,787	-17,071
Total other comprehensive income for the year, after related taxation and reclassifications to profit/(loss) for the year (B)		-182,630	-88,536
Comprehensive income for the year (A + B)	7.12	646,946	818,582
<i>of which:</i>			
attributable to owners of the parent		631,298	824,689
attributable to non-controlling interests		15,648	-6,107

Statement of changes in consolidated equity

(€000)	EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		
	ISSUED CAPITAL	CASH FLOW HEDGE RESERVE	NET INVESTMENT HEDGE RESERVE
Balance as at 31 December 2010	600,297	53,357	-
Comprehensive income for the year	-	-12,333	-
Owner transactions and other changes			
Bonus issue	30,015	-	-
Final dividend approved	-	-	-
Retained earnings for previous year	-	-	-
Interim dividend	-	-	-
Changes in the basis of consolidation, capital contributions, reclassifications and other changes	-	-35	-
Balance as at 31 December 2011	630,312	40,989	-
Comprehensive income for the year	-	-87,552	-37,593
Owner transactions and other changes			
Bonus issue	31,516	-	-
Final dividend approved	-	-	-
Retained earnings for previous year	-	-	-
Interim dividend	-	-	-
Changes in the basis of consolidation, capital contributions, reclassifications and other changes	-	-72	-
Balance as at 31 December 2012	661,828	-46,635	-37,593

RESERVE FOR TRANSLATION DIFFERENCES ON TRANSACTIONS IN FUNCTIONAL CURRENCIES OTHER THAN THE EURO	EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT				TOTAL	EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT AND NON-CONTROLLING INTERESTS
	RESERVE FOR ASSOCIATES AND JOINT VENTURES ACCOUNTED FOR USING THE EQUITY METHOD	OTHER RESERVES AND RETAINED EARNINGS	TREASURY SHARES	PROFIT/(LOSS) FOR PERIOD			
15,782	53,977	2,201,497	-215,644	474,125	3,183,391	403,510	3,586,901
-29,369	-29,872	-2,228	-	898,491	824,689	-6,107	818,582
-	-	-30,015	-	-	-	-	-
-	-	-	-	-230,006	-230,006	-10,702	-240,708
-	-	244,119	-	-244,119	-	-	-
-	-	-	-	-219,269	-219,269	-316	-219,585
4,302	-3,409	6,335	-	-	7,193	78,170	85,363
-9,285	20,696	2,419,708	-215,644	679,222	3,565,998	464,555	4,030,553
-5,062	-22,355	-24,218	-	808,078	631,298	15,648	646,946
-	-	-31,516	-	-	-	-	-
-	-	-	-	-241,506	-241,506	-13,363	-254,869
-	-	437,716	-	-437,716	-	-	-
-	-	-	-	-230,232	-230,232	-235	-230,467
6,569	-1,092	70,092	-	-	75,497	1,180,595	1,256,092
-7,778	-2,751	2,871,782	-215,644	577,846	3,801,055	1,647,200	5,448,255

Consolidated statement of cash flows

(€000)	NOTE	2012	2011
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES			
Profit for the year		829,576	907,118
Adjusted by:			
Amortisation and depreciation	7.1, 7.2	641,793	541,836
Provisions		84,692	57,516
Financial expenses from discounting of provisions for construction services required by contract		148,136	179,119
Impairments/(Reversal of impairment losses) on non-current financial assets and investments accounted for at cost or fair value		-124,983	-45,555
Share of (profit)/loss of associates and joint ventures accounted for using the equity method	8.12	-2,874	-21,442
Impairment losses/(Reversal of impairment losses) and adjustments of other non-current assets		8,561	13,184
(Gain)/Loss on sale of non-current assets		-57,988	-132,560
Net change in deferred tax (assets)/liabilities		27,341	202,811
Other non-cash costs (income)		-41,987	-24,230
Change in working capital and other changes		-394,908	200,018
Net cash generated from/(used in) operating activities (A)	9.1	1,117,359	1,877,815
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES			
Investment in motorway infrastructure	7.2	-1,548,641	-1,524,848
Government grants related to motorway infrastructure	7.2	39,668	69,629
Increase in financial assets deriving from concession rights (related to investment in motorway infrastructure)	7.2	330,858	82,676
Purchases of property, plant and equipment	7.1	-56,529	-63,617
Purchases of other intangible assets	7.2	-25,211	-30,248
Purchase of investments, net of unpaid called-up issued capital		-26,037	-323,379
Purchase of new consolidated investments, net of cash acquired		-554,759	-87,978
Dividends received from investee companies accounted for using the equity method		-	2,622
Proceeds from sales of property, plant and equipment, intangible assets and unconsolidated investments		89,788	2,715
Proceeds from sales of consolidated investments net of cash and cash equivalents transferred		736,186	85,525
Net change in other non-current assets		1,132	3,019
Net change in current and non-current financial assets not held for trading purposes		-710,058	-100,848
Net cash generated from/(used in) investing activities (B)	9.1	-1,723,603	-1,884,732
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES			
Dividends paid		-485,300	-460,280
Contributions from non-controlling shareholders		351,838	7,312
New non-controlling shareholder loans	7.15	484	15,311
Issuance of bonds		3,024,956	-
Increase in medium/long-term borrowings (excluding finance lease liabilities)		1,180,247	442,989
Bond redemptions	7.15	-687,994	-2,000,000
Repayments of medium/long-term borrowings (excluding finance lease liabilities)	7.15	-397,649	-218,080
Payment of finance lease liabilities	7.15	-446	-905
Net change in other current and non-current financial liabilities		-151,659	276,240
Net cash generated from/(used in) financing activities (C)	9.1	2,834,477	-1,937,413
Net effect of foreign exchange rate movements on net cash and cash equivalents (D)		-10,278	-7,255
Increase/(Decrease) in cash and cash equivalents (A + B + C + D)	9.1	2,217,955	-1,951,585
Net cash and cash equivalents at beginning of year		568,365	2,519,950
Net cash and cash equivalents at end of year		2,786,320	568,365

Additional information on the statement of cash flows

(€000)	2012	2011
Income taxes paid (refunded)	472,332	116,390
Interest income collected	107,072	63,732
Interest expense and other financial expenses paid	722,597	656,228
Dividends received	64	2,102
Foreign exchange gains collected	2,652	448
Foreign exchange losses incurred	2,859	3,699

Reconciliation of net cash and cash equivalents

(€000)	NOTE	2012	2011
Net cash and cash equivalents at beginning of year		568,365	2,519,950
Cash and cash equivalents	7.8	619,900	2,533,250
Bank overdrafts repayable on demand	7.15	-10,157	-19,857
Intercompany current account payables due to unconsolidated Group companies	7.15	-41,436	-881
Cash and cash equivalents related to discontinued operations		58	15,494
Bank overdrafts related to discontinued operations		-	-8,056
Net cash and cash equivalents at end of year		2,786,320	568,365
Cash and cash equivalents	7.8	2,811,230	619,900
Bank overdrafts repayable on demand	7.15	-116	-10,157
Intercompany current account payables due to unconsolidated Group companies	7.15	-24,794	-41,436
Cash and cash equivalents related to discontinued operations		-	58

Notes to the Atlantia Group's consolidated financial statements

1. Introduction

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

The Parent Company, Atlantia SpA, listed on the screen-based trading system (Mercato Telematico Azionario) operated by Borsa Italiana SpA, is a pure holding company. It is responsible for developing growth and financial strategies in the infrastructure sector, but does not have a direct operational role. The Company's registered office is in Rome, at Via Nibby, 20. The Company does not have branch offices. The duration of the Company is currently until 31 December 2050.

At the date of preparation of these consolidated financial statements Sintonia SpA is the shareholder that holds a relative majority of the issued capital of Atlantia SpA. Sintonia SpA, which is in turn a subsidiary of Edizione Srl, does not exercise management and coordination of Atlantia SpA.

The consolidated financial statements were approved by the Board of Directors of Atlantia at its meeting of 8 March 2013.

2. Basis of preparation

The consolidated financial statements for the year ended 31 December 2012 are based on the assumption that the Parent and consolidated companies are going concerns. They have been prepared in compliance with articles 2 and 3 of Legislative Decree 38/2005 and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and endorsed by the European Commission, as in force at that date. These standards reflect the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), in addition to previous International Accounting Standards (IAS) and interpretations issued by the Standard Interpretations Committee (SIC) and still in force at the end of the reporting period. For the sake of simplicity, all the above standards and interpretations are hereinafter referred to as "IFRS".

Moreover, reference was made to the measures introduced by the CONSOB, in application of paragraph 3 of article 9 of Legislative Decree 38/2005.

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

IFRS have been applied in accordance with the indications provided in the "Framework for the Preparation and Presentation of Financial Statements", and no events have occurred that would require exemptions pursuant to paragraph 19 of IAS 1.

CONSOB Resolution 15519 of 27 July 2006 requires that, in addition to the specific requirements of IAS 1 and other IFRS, financial statements must, where material, include separate sub-items providing (i) disclosure of amounts deriving from related party transactions; and, with regard to the income statement, (ii) separate disclosure of income and expenses deriving from events and transactions that are non-recurring in nature, or transactions or events that do not occur on a frequent basis in the normal course of business.

The income statement item relating to financial income explained in note 8.II includes non-recurring income as shown on the face of the consolidated income statement.

Other than as reported above, it should be noted that non-recurring, atypical or unusual transactions with a material effect on consolidated income statement were entered into during 2012, either with third or related parties.

All amounts are shown in thousands of euros, unless otherwise stated. The euro is both functional and presentation currency of the Parent and its main subsidiaries.

Each component of the consolidated financial statements is compared with the corresponding amount for the comparative reporting period. 2011 comparatives that have been reclassified relate to Autostrada Torino-Savona's income statement in application of IFRS 5 (as explained in note 5), whereas the assets and liabilities of Triangolo do Sol, which has been consolidated on a line-by-line basis since 1 July 2011, were restated as a result of completion of the identification and measurement of fair value on the company's acquisition in application of IFRS 3 (as explained in note 6.1).

3. Accounting standards applied

A description follows of the more important accounting standards and policies employed by the Group for its consolidated financial statements for the year ended 31 December 2012. These standards and policies are the same as those used for the previous year's financial statements as no new standards, interpretations, or amendments to existing standards became effective in 2012 having a material effect on the Atlantia Group's consolidated financial statements.

Consolidation

Companies are consolidated according to the following criteria and procedures:

- a) use of the line-by-line method, entailing the reporting of non-controlling interests in equity and profit or loss and the recognition of all assets, liabilities, costs and revenues regardless of percentage ownership;
- b) elimination of intercompany items on capital and current account, including the reversal of unrealised profits and losses on transactions between Group companies and recognition of the consequent deferred taxation;
- c) reversal of intercompany dividends to the relevant opening equity reserves;
- d) netting of the carrying amount of investments in consolidated companies against the corresponding amount of equity with any resultant positive and/or negative differences being debited/credited to the relevant balance sheet accounts (assets, liabilities and equity) as determined on the acquisition date of each investment and adjusted for subsequent variations. Increases in non-controlling interests in existing subsidiaries are accounted for as movements in equity with the difference between the cost of such increase and the amount of the increase being recognised directly in equity;
- e) translation of the reporting packages, prepared as explained in note 5, by consolidated companies in functional currencies other than the euro using closing exchange rates for assets and liabilities, including goodwill and consolidation adjustments, and average exchange rates, to the extent they approximate exchange rates prevailing on the relevant transaction dates, for the income statement and changes in equity. All resultant exchange differences are recognised directly in comprehensive income and reclassified to the income statement on deconsolidation of companies with functional currencies other than the euro.

Property, plant and equipment

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

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

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

The bands of annual rates of depreciation used in 2012 are shown in the table below by asset class.

PROPERTY, PLANT AND EQUIPMENT	RATE OF DEPRECIATION
Buildings	2%-33.3%
Plant and machinery	7.7%-25%
Industrial and trading machinery	6.7%-40%
Other assets	9%-40%

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

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

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

Intangible assets

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

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

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

- a) the fair value of construction services and/or improvements carried out on behalf of the Grantor (measured as described in the note on "Construction contracts and services in progress") less finance-related amounts being (i) the amount funded by grants, (ii) any amounts repayable by replacement operators on termination of a concession

(so-called "takeover rights"), and/or (iii) any minimum toll revenue guaranteed by the Grantor. Cost, as determined in this manner, is recovered by payments received from road users. In particular:

- 1) rights received as consideration for specific obligations to provide construction services for road widening and improvement for which the operator does not receive additional economic benefits. These rights are initially recognised at the present fair value of the construction services to be provided in the future (excluding any financial expenses that may be incurred during the concession term), less any grants, with a contra entry of an equal amount in "Provisions for construction services required by contract", in addition to the impact of amortisation, the initial value of the rights changes over time as a result of periodic reassessment of the present fair value of the part of the services still to be rendered at the end of the reporting period;
 - 2) rights received as consideration for construction services rendered for which the operator receives additional economic benefits in the form of specific toll increases and/or significant increases in the expected number of users as a result of the road widening;
 - 3) rights to infrastructure constructed and financed by service area concession holders which will revert free of charge to the Company;
- b) rights acquired from third parties, to the extent costs were incurred to acquire concessions from the Grantor or from third parties (the latter relating to the acquisition of companies that hold a concession).

Amortisation of intangible assets with finite useful lives begins when the asset is ready for use and is based on remaining economic benefits to be obtained in relation to their residual useful lives. Concession rights, on the other hand, are amortised over the concession term in a pattern that reflects the benefits projected to accrue to the Group. Amortisation rates are, consequently, determined taking, among other things, any significant changes in traffic volumes during the concession term into account. Amortisation is charged from the date on which economic benefits begin to accrue.

The bands of annual rates of amortisation used in 2012 are shown in the table below by asset class.

INTANGIBLE ASSETS	RATE OF AMORTISATION
Concession rights	Based on the residual term of the concession and or traffic from the date on which they commence generating economic benefits for the company
Development costs	16.7%-33.3%
Industrial patents and intellectual property rights	1.9%-50%
Licences and similar rights	0.8%-33.3%
Other assets	2.6%-50%

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

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

Goodwill

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

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

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

A negative difference between the cost of the acquisition, as increased by the above components, and the Group's share in

the fair value of the net assets acquired is charged to the income statement for the year of acquisition.

Goodwill on acquisitions of non-controlling interests is included in the carrying amount of the relevant investments. After initial recognition, goodwill is no longer amortised and is carried at cost less any accumulated impairment losses, determined as described in the note on impairment testing.

On acquiring control, further acquisitions of the interests of non-controlling shareholders, or sales of shareholdings to non-controlling shareholders that do not result in a loss of control, are accounted for as equity transactions. This means that any differences between the change in equity attributable to non-controlling interests and the cash and cash equivalents exchanged are recognised directly as changes in equity attributable to owners of the parent.

For the purposes of the transition to IFRS and preparation of the opening financial statements (at 1 January 2004) under the IFRS adopted by the Parent Company, IFRS 3 – Business Combinations was not applied retrospectively to acquisitions prior to 1 January 2004. As a result, the carrying amount of goodwill on these acquisitions is that determined under Italian GAAP, which is the net carrying amount at the IFRS transition date, subject, however, to impairment testing and the recognition of any impairment losses.

Investments

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

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

Impairment losses, identified as described below in the note on “Impairment of assets and reversals (impairment testing)”, are reversed to other comprehensive income in the event the circumstances giving rise to the impairment cease to exist. When fair value cannot be reliably determined, investments, classified as available-for-sale, are measured at cost less any impairment losses. In this case impairment losses may not be reversed.

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

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

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

Construction contracts and services in progress

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

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

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

Profit or loss on construction services provided to the Grantor relating to Group company concessions are also recognised on a percentage of completion basis. Construction and/or upgrade service revenues, representing the consideration for services provided, are measured at fair value, calculated on the basis of the total costs, which primarily consist of the

costs of materials and external services, relevant employee benefits and financial expenses (the latter only in the case of construction and/or upgrade services for which the operator receives additional economic benefits) plus any arm's length profits realised on Group construction. The double entry of construction service revenue rights is deriving from concessions, which are a component of financial assets, or rights deriving from concessions under intangible assets, as explained in the relevant note.

Inventories

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

Receivables and payables

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

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

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

Cash and cash equivalents

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

Derivative financial instruments

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

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

Changes in the fair value of derivatives that are designated and qualify as asset or liability cash flow hedges are recognised in the statement of comprehensive income, net of any deferred taxation. The gain or loss relating to the ineffective portion is recognised in profit or loss.

Changes in the value of fair value hedged assets or liabilities are recognised in profit or loss for the period. Analogously, the hedged assets and liabilities are restated at fair value through profit or loss.

Since derivative contracts deemed net investment hedges in accordance with IAS 39 because they were concluded to hedge the risk of unfavourable movements in the exchange rates used to translate net investments in foreign operations are treated as cash flow hedges with the effective portion of fair value gains or losses on the derivatives being recognised in other comprehensive income, thus offsetting changes in the foreign currency translation reserve for net investments in foreign operations. Accumulated fair value gains and losses recognised in the net investment hedge reserve are reclassified from equity to the income statement on the disposal or partial disposal of the foreign operation.

Changes in the fair value of derivative instruments that do not qualify for hedge accounting under IAS 39 are recognised in profit or loss.

Other financial assets and liabilities

Financial assets that Group companies intend and are able to hold to maturity, in accordance with IAS 39, and financial liabilities are recognised at the fair value of the purchase consideration at the settlement date, with assets being increased and liabilities being reduced by transaction costs directly attributable to the purchase of the asset or issuance of a financial liability. After initial recognition, financial assets are measured at amortised cost using the original effective interest method.

Financial assets and liabilities are derecognised when, following their sale or settlement, the Group is no longer involved in their management and has transferred all risks and rewards of ownership.

Financial assets held for trading are recognised and measured at fair value through profit or loss. Other categories of financial assets classified as available-for-sale financial instruments are recognised and measured at fair value through comprehensive income and, consequently, in a specific equity reserve. The financial instruments in these categories have, to date, never been reclassified.

Fair value hierarchy of financial instruments

IFRS 7 Financial Instruments: Disclosures, requires that financial instruments at fair value be classified with reference to a hierarchy of levels, based on the significance of the factors used to determine fair value.

The standard distinguishes the following levels of financial instruments at fair value:

- a) Level 1 – prices quoted on an active market;
- b) Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- c) Level 3 – inputs for assets or liabilities that are not based on observable market data.

No transfers between the various levels of the fair value hierarchy have ever taken place.

The Group does not hold financial instruments classifiable in level 3.

Provisions, including provisions for construction services required by contract

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

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

In accordance with obligations reflected in the financial plans annexed to currently valid concession arrangements, "Provisions for the repair and replacement obligations" reflect provisions made at the end of the reporting period for the cost of future maintenance obligations designed to ensure the required functionality and safety of motorway infrastructure. These provisions are calculated on the basis of the usage and wear and tear of motorways, taking into account, if material, the time value of money.

Provisions for construction services required by contract relates to specific contractual obligations having regard to motorway expansion and upgrading for which the Group receives no economic benefit. Since the performance of such obligations is treated as part of the consideration for the concession, an amount equal to the present fair value of future

construction services, excluding financial costs, is initially recognised. The double entry is concession rights for works without additional economic benefits. The present value of the residual liability for future construction services is periodically reassessed and changes to the measurement of the liabilities (such as, for example, changes to the estimated cash outflows necessary to discharge the obligation, a change in the discount rate or a change in the construction period) are recognised as an increase or reduction in the corresponding intangible asset.

Employee benefits

Short-term employee benefits, provided during the period of employment, are accounted for as the accrued liability at the end of the reporting period.

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

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

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

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

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

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

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

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

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

Revenue

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

- a) toll revenue is accrued with reference to traffic volumes. Due partially to the fact that the Group's network interconnects with other networks, and that it is, consequently, necessary to allocate revenue among the various

operators, a portion of toll revenue, relating to the last part of the accounting period, is determined on the basis of reasonable estimates;

- b) to the extent, for sales of goods, that significant risks and rewards of ownership are transferred to the buyer;
- c) the provision of services is prorated to percentage of completion of work based on the same criteria as used for construction contracts. When revenue cannot be reliably determined, it is only recognised to the extent that expenses are considered to be recoverable; revenue from construction services measured in accordance with IFRIC 12 corresponds to the construction costs of assets generating additional economic benefits;
- d) rental income or royalties, on an accruals basis, based on the agreed terms and conditions of the contract;
- e) interest income (and interest expense) are accrued with reference to amount of the financial asset or liability, in accordance with the effective interest method;
- f) dividend income is recognised when the right to receive payment is established.

Government grants

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

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

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

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

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

Income taxes

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

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

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

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

The Parent Company, Atlantia SpA, has again operated a tax consolidation arrangement for 2012, in which certain subsidiaries participated.

Share-based payments

The cost of services provided by directors and/or employees remunerated through share-based incentive plans is based on the fair value of the rights at the grant date. Fair value is computed using actuarial assumptions and with reference to all characteristics, at the grant date, of the rights (term, any consideration, conditions of exercise, etc.) and the plan's underlying securities. The obligation is determined by independent actuaries. The cost is recognised in the income statement, with a contra entry in equity, over the vesting period, based on a best estimate of the number of options that will vest.

The cost of any services provided by directors and/or employees and remunerated through share-based payments, but settled in cash, is measured at the fair value of the liability recorded in "Provisions for employee benefits". Fair value is remeasured at the end of the each reporting period until such time as the liability is settled, with any changes recognised in the income statement.

Impairment of assets and reversals (impairment testing)

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

If there are indications that these assets have been impaired, the recoverable amounts of such assets are estimated in order to verify and eventually measure the amount of the impairment loss. Irrespective of whether there is an indication of impairment, intangible assets with indefinite lives and those which are not yet available for use are tested for impairment at least annually, or more frequently, if an event has occurred or there has been a change in circumstances that could cause an impairment.

If it is not possible to estimate the recoverable amounts of individual assets individually, the recoverable amount of the cash-generating unit to which a particular asset belongs is estimated.

This entails estimating the recoverable amount of the asset (represented by the higher of the asset's fair value less costs to sell and its value in use) and comparing it with the carrying amount. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount. In calculating value in use, expected future pre-tax cash flow is discounted using a pre-tax rate that reflects current market assessments of the cost of capital which embodies the time value of money and the risks specific to the business.

Impairments are recognised in profit or loss in a variety of classifications depending on the nature of the impaired asset. Losses are reversed if the circumstances that resulted in the loss no longer exist, provided that the reversal does not exceed the cumulative impairment losses previously recognised, unless the impairment loss relates to goodwill and investments measured at cost, where the related fair value cannot be reliably determined.

Estimates and judgements

Preparation of financial statements in compliance with IFRS involves the use of estimates and judgements, which are reflected in the measurement of the carrying amounts of assets and liabilities and in the disclosures provided in the notes to the financial statements, including contingent assets and liabilities at the end of the reporting period. These estimates are especially important in determining amortisation and depreciation, impairment testing of assets (including the measurement of receivables), provisions, employee benefits, the fair value of financial assets and liabilities, and deferred tax assets and liabilities.

The amounts subsequently recognised may, therefore, differ from these estimates. Moreover, these estimates and judgements are periodically reviewed and updated, and the resulting effects of each change immediately recognised in the financial statements.

Translation of foreign currency items

The reporting package of each consolidated enterprise is prepared using the functional currency of the economy in which the enterprise operates. Transactions in currencies other than the functional currency are recognised by application of the exchange rate at the transaction date. Assets and liabilities denominated in currencies other than the functional currency are, subsequently, remeasured by application of the exchange rate at the end of the reporting period. Any exchange differences on remeasurement are recognised in the income statement. Non-monetary assets and liabilities denominated in foreign currencies and recognised at historical cost are translated using the exchange rate at the date of initial recognition.

Translation of the liabilities, assets, goodwill and consolidation adjustments shown in the reporting packages of consolidated companies with functional currencies other than the euro is made at the closing rate of exchange, whereas

the average rate of exchange is used for income statement items to the extent that they approximate the transaction date rate. All resultant exchange differences are recognised directly in comprehensive income and reclassified to the income statement on the disposal of the investment.

Earnings per share

Basic earnings per share is computed by dividing profit attributable to owners of the parent by the weighted average number of shares outstanding during the accounting period.

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

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

There were no new accounting standards or interpretations, or amendments and interpretations to existing standards, in 2012 that had a significant effect on the consolidated financial statements.

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

IFRS 9 - Financial Instruments

The IASB issued the first part of IFRS 9 on 12 November 2009 which only revised requirements for the classification and measurement of financial assets currently regulated by IAS 39. It subsequently released a revised version of IFRS 9 on 28 October 2010 containing requirements for the classification and measurement of financial liabilities. Other changes were made to the published version on 16 December 2011.

The standard, which must be retrospectively applied for accounting periods beginning on or after 1 January 2015, forms the first part of a project in phases that aims to replace IAS 39 in its entirety and introduce new criteria for the classification and measurement of financial assets and liabilities.

IFRS 9 requires that financial assets now only be classified into two categories. There are, furthermore, two alternate methods of measurement: amortised cost and fair value.

Classifications should be made with reference to the business model for managing the financial asset and the characteristics of its contractual cash flows.

Initial recognition and subsequent measurement at amortised cost are subject to both of the following conditions:

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

If either one of the above two conditions is not satisfied, the financial asset is required to be initially recognised and subsequently measured at fair value.

All financial assets in the form of shares are to be measured at fair value. Unlike IAS 39, the revised standard does not admit exception to the general rule. As a result, it is not possible to measure unlisted shares, for which fair value cannot be reliably determined, at cost.

A financial asset meeting the conditions to be classified and measured at amortised cost may, on initial recognition, be designated as a financial asset at fair value through profit or loss, to the extent that this accounting treatment would

eliminate or significantly reduce a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

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

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

The requirements of IAS 39 which have been changed are:

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

Phases 2 and 3 of the project regarding financial instruments, relating respectively to the impairment of financial assets and hedge accounting, are still in progress. The IASB is also considering limited improvements to IFRS 9 regarding the part dealing with the classification and measurement of financial assets.

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

The IASB issued the new IFRS 10 on 12 May 2011 on the conclusion of the project to redefine the concept of control in order to divergencies in its application. Whereas the old IAS 27 - Consolidated and Separate Financial Statements defined the control of an entity as the power to determine its financial and operating policies and to obtain the relevant benefits, SIC 12 - Consolidation: Special Purpose Entities interpreted the requirements of IAS 27 placing greater emphasis on risks and benefits.

The new IFRS 10, which was issued at the same time as the new IAS 27 - Separate Financial Statements, replaces certain of the provisions of the old IAS 27 and SIC 12 with a new definition of control but retains the provisions of IAS 27 for the preparation of IFRS compliant consolidated financial statements.

IFRS 10 provides that an investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to influence those returns through its power over the investee. The concept of control is, consequently, based on three factors: (i) power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect the amount of the investor's returns.

Pursuant to IFRS 10, this concept of control must be applied in all of the following circumstances:

- a) when voting or similar rights give an investor power, including situations where the investor holds less than a majority of voting rights and in circumstances involving potential voting rights;
- b) when an investee is organised in such a manner that voting rights are not determinant in deciding who controls the investee, such as when any voting rights relate to administrative tasks only with more strategic activities being directed through contract;
- c) agency relationships;
- d) when the investor has control of specific activities of an investee.

Finally, disclosure requirements are contained in the new IFRS 12 Disclosure of Interests in Other Entities rather than IFRS 10 (issued at the same time). IFRS 12, in fact, contains a series of disclosure requirements pertaining to investments in subsidiaries and associates as well as other joint arrangements (cf. IFRS 11 below).

The new IAS 27 – Separate Financial Statements is only applicable to the accounting treatment and disclosure requirements for investments in subsidiaries and the requirements for entities to present separate (non-consolidated) financial statements. The new standards also introduced revisions to certain parts of the old IAS 27.

The new standards, IFRS 10, IFRS 12 and IAS 27 were endorsed in December 2012 for application in the EU with mandatory adoption for accounting periods beginning on or after 1 January 2014.

IFRS 11 – Joint Arrangements

The new IFRS 11 was issued on 12 May 2011 together with IFRS 10, IFRS 12 and IAS 27 on the conclusion of a revision of IAS 31 – Interests in Joint Ventures commenced in 2005 and including the new concept of control established by IFRS 10.

The new standard replaces IAS 31 – Interests in Joint Ventures and SIC 13 – Jointly Controlled Entities – Non-Monetary Contributions by Venturers.

IFRS 11 requires that a party to a joint arrangement determines the nature of the agreement in which that party is involved by evaluation of its rights and obligations arising thereunder. A joint arrangement is an arrangement by which two or more parties have joint control, which, in turn, is defined by the standard as a contractually agreed sharing of control of an arrangement. Such arrangements only exist when decisions about activities that significantly affect the returns of the arrangement require the unanimous consent of the parties sharing control.

IFRS 11 requires that joint arrangements be classified as one of two types:

- a) joint operations – joint arrangements whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement;
- b) joint ventures – joint arrangements whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement, such as, for example, companies with a separate legal personality.

In determining the type of arrangement in which it is involved, an entity must identify the rights and obligations arising under the arrangement taking into consideration its structure and legal form, the contractual terms and conditions agreed by the parties and, if applicable, any other facts and circumstances.

The accounting treatment required by IFRS 11 for joint operations is the prorated recognition of assets, liabilities, revenues and costs arising under the arrangement to be measured in accordance with the relevant standards. The accounting treatment required by the new standard for joint ventures, on the other hand, is based on the equity method established by IAS 28 with, however, the option to adopt proportional consolidation permitted under IAS 31 having been eliminated. Since the Atlantia Group has always used the equity method to account for such investments, there has been no effect, in this regard, of the new standard.

IFRS 11 was endorsed in December 2012 for application in the EU with mandatory adoption for accounting periods beginning on or after 1 January 2014.

IFRS 13 – Fair Value Measurement

IFRS 13, issued on 12 May 2011, explains fair value measurements and the related disclosures and is applicable to all IFRS requiring or permitting fair value measurements or the presentation of information based on fair value.

Application of the new standard endorsed for application in the EU in December 2012, which emphasises the use, where possible, of market sources, is mandatory for accounting periods beginning on or after 1 January 2013.

IAS 1 – Presentation of Comprehensive Income

The IASB published an amendment to IAS 1 on 16 June 2011, requested to clarify the presentation of comprehensive income. The amendment does not relate to the items to be included in comprehensive income but only to the presentation of comprehensive income by nature and classified into two categories: (i) those that will be reclassified to profit or loss, and (ii) those that will be reclassified to profit or loss subject to certain conditions required by IFRS.

The amendments to IAS 1 became effective for financial years beginning on or after 1 July 2012 (therefore, 2013 for the Atlantia Group) and were endorsed for application in the EU in June 2012.

IAS 12 - Income Taxes

The IASB approved certain amendments to IAS 12 on 20 December 2010 having regard to the recovery of deferred taxes in connection with certain activities in addition to withdrawing SIC 21 - Income Taxes—Recovery of Revalued Non-Depreciable Assets.

The amendments, which abrogate the current general provision of IAS 12 requiring the method of the reversal of deferred taxes through use of an asset or liability rather than their transfer, introduce the presumption that deferred taxes relating to investment property, property, plant and equipment and intangible assets carried at fair value will be fully reversed on sale of the asset unless there is unambiguous proof that such recovery has been through use.

The amendments to IAS 12 were endorsed for application in the EU in December 2012 and are mandatory for accounting periods beginning after December 2012 and, consequently for Atlantia on 1 January 2013.

IAS 19 - Employee Benefits

The IASB approved the amended IAS 19 on 16 June 2011 having regard to the payment of benefits to employees.

Many aspects of the standard are modified by the amendment. The most significant of the changes to IAS 19 are:

- a) immediate recognition of all actuarial gains and losses in other comprehensive income at the reporting date. As a consequence, the option to defer recognition of such gains and losses in application of the corridor method and the option to recognise them in the income statement is no longer permitted. Since the Atlantia Group's existing accounting policy is to immediately recognise actuarial gains and losses in other comprehensive income the amendment to the standard is not expected to affect the Group's financial statements;
- b) any past service costs arising from changes to plans must be recognised in the year in which the plan was changed making it no longer possible for such costs to be deferred to future service years;
- c) any benefit entailing a service obligation subsequent to the termination of employment may not be classified as a termination benefit with the consequent reduction in the number of settlements that can be included in this category. Furthermore, an obligation to pay termination benefits may only be recognised to the extent that the entity also recognised the relative restructuring costs or when it is not possible to avoid offering termination benefits. This could result in the recognition of such benefits subsequent to date required by the original standard.

The new IAS 19 was endorsed for application in the EU in June 2012. Its adoption is mandatory for accounting periods beginning on or after 1 January 2013.

IAS 28 - Investments in Associates and Joint Ventures

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

The amended standard replaces the original IAS 28 - Investments in Associates, without, however, making substantial changes. Indeed, the amended standard did not change the concept of significant influence contained in the original standard but, in line with IFRS 11, made the equity method mandatory for the measurement of investments in joint ventures. The method of applying the equity method remains the same as in the original IAS 28.

In accordance with the conditions of its endorsement by the EU in December 2012, the new standard is required to be adopted by 1 January 2014 along with new standards IFRS 10, IFRS 11, IFRS 12 and IAS 27.

IAS 32 and IFRS 7 - Offset of Financial Assets and Financial Liabilities

Amendments to IAS 32 and IFRS 7 were issued by the IASB on 16 December 2011 having regard to the manner of presenting set-offs of financial assets and financial liabilities and the relevant disclosures.

The amendments to IAS 32 provide that the entity presenting financial statements only has a legal right of set-off of previously recognised financial assets and financial liabilities to the extent that such right:

- a) is not conditional on the occurrence or otherwise of a future event;

- b) may be exercised regardless of whether the entity preparing financial statements and other parties involved are going concerns or is in default, insolvency or bankruptcy.

The amended IAS 32 is retroactively mandatory for financial years beginning on or after 1 January 2014 (earlier adoption permitted) whereas the amended IFRS 7 is mandatory for financial years commencing on or after 1 January 2013. The two standards were endorsed for application in the EU in December 2012.

Annual improvements to IFRS

The IASB published the “Annual Improvements to IFRSs: 2009-2011 Cycle” on 17 May 2012 amending standards deemed necessary but not urgent as part of its annual improvements programme. The amendments that could be relevant to the Group are:

- IAS 1 – Presentation of Financial Statements – clarifies that voluntary additional comparative information must be presented in accordance with IFRS. In addition, the opening statement of financial position must be presented in the following circumstances: when an entity changes its accounting policies; makes retrospective restatements or makes reclassifications. There is no requirement, however, for notes on such addition statement of financial position except for the restated or reclassified items;
- IAS 16 – Property, Plant and Equipment – clarifies the classification of servicing equipment as property, plant and equipment to the extent available for use in more than one accounting period whereas it should be treated as inventories if used in only one period;
- IAS 32 – Financial Instruments: Presentation – clarifies that income taxes arising from distributions to equity holders and equity instrument transaction costs are to be accounted for in accordance with IAS 12.

Although the amendments are required to be applied in accounting periods beginning on or after 1 January 2013, they have not yet been endorsed for the EU.

The effect of the future application of newly issued standards and interpretations as well as all revisions and amendments to existing standards is currently being evaluated by the Atlantia Group with the exception of the amendments to IFRS 11 and IAS 19 which, as explained above, are in line with current Group accounting policies.

4. Concessions

The Atlantia Group’s core business is the construction and operation of motorways in Italy and abroad under concessions held by Group companies. Essential information is set out below having regard to concessions held by consolidated Group companies.

Briefly, concessions, on the one hand, establish the right for motorway operators to demand tolls from motorway users, which in certain circumstances, may be subject to a minimum guaranteed by the Grantor, revised annually through a toll formula contained in the specific individual concession agreements and, on the other hand, the obligation to pay concession fees, perform work or expand/upgrade motorways as permitted under the concession and to maintain and operate motorways. Concessions are not automatically renewed on expiry but are publicly re-tendered in accordance with laws as may be in effect from time to time. This consequently entails the handover free of charge of all assets in a good state of repair by the operator to the Grantor, unless the concession provides for a payment by a replacement operator of the residual carrying amount of assets to be handed over.

There was a decrease in the number of consolidated Italian companies holding concessions in 2012, following the deconsolidation of Autostrada Torino-Savona (the holder of the concession for the A6 Turin-Savona Motorway expiring on 31 December 2038) and Port Mobility (holder of a concession granted by the Port of Civitavecchia Authority expiring on 26 May 2035 for mobility studies, building, operating and maintaining roads and car parks, and for transport services within the port) due to their sale, as explained in detail in note 6.2.

Furthermore, the Single Concession Arrangement held by Autostrade Meridionali expired on 31 December 2012. Additional information is contained in note 10.5.

Except for the above, there were no material changes in 2012 to the motorway concessions held by the Italian and international companies consolidated as at 31 December 2011.

The concessions held by the newly consolidated Chilean and Brazilian companies are, on the other hand, described below.

Chile

Costanera Norte holds the concession for 4.3 km of urban toll motorway connecting the east and west of the city of Santiago (3+3 lanes), expiring in 2033. The motorway is equipped with a free-flow tolling system with 17 gates. Tolls vary depending on the day of the week, time of day and type of vehicle and are revised annually on the basis of the full rate of inflation plus a fixed increase of 3.5%. Tolls may also be increased periodically should the average speed recorded at individual toll gates be below certain pre-defined thresholds set out in the concession arrangement ("free-flow tolling").

Nororient holds the concession for 21.5 km of semi-urban toll motorway connecting the city of Santiago with the province of Chacabuco in the Metropolitan Region (2+2 lanes, except for the Montegordo Tunnel section which is 1+1 lanes for 1.6 km). The concession will expire on the earlier of 1) the date the net present value of the revenues received, discounted to the start date of the concession at the real rate of 9.5%, reaches the threshold set out in the concession arrangement and 2) 2044. The tolling system is manual (2 barriers + 2 entry and exit points). Tolls vary depending on the type of vehicle and are revised annually on the basis of the full rate of inflation plus 3.5%.

Vespucio Sur holds the concession for the 23.5-km southern section of the urban ring road for the city of Santiago (3+3 lanes), expiring in 2032, with an option for the Concession Grantor to extend for a further 10 years. The road is equipped with a free-flow tolling system with 15 gates. Tolls vary depending on the day of the week, time of day and type of vehicle and are revised annually on the basis of the full rate of inflation plus 3.5%. Tolls may also be increased periodically should the average speed recorded at individual toll gates be below certain pre-defined thresholds set out in the concession arrangement ("free-flow tolling").

AMB holds the concession for 10 km of urban toll motorway connecting Santiago airport from two directions: Southern Access of 2 km (2+2 lanes, to be widened to 3+3) and Northern Access of 8 km (to be built with 2+2 lanes). The concession will expire on the earlier of 1) the date the net present value of the revenues received, discounted to the start date of the concession at the real rate of 9.0%, reaches the threshold set out in the concession arrangement and 2) 2048. The tolling system is a mixed free-flow (1 gate) and manual (1 barrier) system. Tolls vary depending on the type of vehicle and are revised annually on the basis of the full rate of inflation plus 1.5%.

Litoral Central holds the concession for 79 km coastal toll motorway, consisting of three different coastal sections, north west of Santiago de Chile between Algarrobo, Casablanca and Cartagena (2+2 lanes of 66.6 km; 1+1 lanes of 12.4 km), expiring in 2031. The tolling system is manual (3 barriers + 1 entry and exit point). Tolls vary depending on the type of vehicle and are revised annually on the basis of the full rate of inflation.

Brazil

Rodovias das Colinas holds the concession for 307 km of toll motorway, consisting of five different sections, in the area between Campinas, Sorocaba and Rio Claro in the state of São Paulo (3+3 lanes for 8 km; 2+2 lanes for 219 km; 1+1 lanes for 80 km), expiring in 2028. The motorway uses an open tolling system with manual and electronic "non-stop-and-go" payment. Tolls, which are charged per journey at each of 8 barriers (6 central + 2 exit and entry points), vary depending on the type of vehicle and the number of axles, and are revised annually on the basis of the full rate inflation.

Concessionaria da Rodovia MG 050 holds the concession for 372 km of toll motorway, consisting of three different sections, in the area between Betim, São Sebastião do Paraíso and Belo Horizonte in the state of Minas Gerais (primarily 1+1 lanes), expiring in 2032. The motorway uses an open tolling system with manual and electronic "non-stop-and-go" payment. Tolls, which are charged per journey at each of 6 barriers, vary depending on the type of vehicle and the number of axles, and are revised annually on the basis of the full rate of inflation.

The following table lists the Group's motorway operators consolidated on a line-by-line basis, indicating the related sections operated under concession in the various countries as at 31 December 2012, as well as the expiry dates.

COUNTRY	OPERATOR	SECTION OF MOTORWAY	KILOMETRES IN SERVICE	EXPIRY DATE
Italy	Autostrade per l'Italia	A1 Milan-Naples	803.5	
		A4 Milan-Brescia	93.5	
		A7 Genoa-Serravalle	50.0	
		A8/9 Milan-lakes	77.7	
		A8/A26 link road	24.0	
		A10 Genoa-Savona	45.5	
		A11 Florence-Pisa North	81.7	
		A12 Genoa-Sestri Levante	48.7	
		A12 Rome-Civitavecchia	65.4	
		A13 Bologna-Padua	127.3	
		A14 Bologna-Taranto	781.4	
		A16 Naples-Canosa	172.3	
		A23 Udine-Tarvisio	101.2	
		A26 Genoa-Gravellona Toce	244.9	
		A27 Mestre-Belluno	82.2	
		A30 Caserta-Salerno	55.3	
	Autostrade Meridionali	A3 Naples-Salerno	51.6	31 December 2012 ⁽¹⁾
	Tangenziale di Napoli	Tangenziale di Napoli	20.2	31 December 2037
	Raccordo Autostradale Valle d'Aosta	A5 Aosta-Mont Blanc	32.3	31 December 2032
	Società Italiana p.A. per il Traforo del Monte Bianco	Mont Blanc Tunnel	5.8	31 December 2050
Poland	Stalexport Autostrada Malopolska	A4 Krakow-Katowice (Poland)	61.0	15 March 2027
Chile	Sociedad Concesionaria de Los Lagos	Rio Bueno-Puerto Montt, Chile	135.0	20 September 2023
		Puente La Dehesa-Puente Centenario		
		Puente Centenario-Vivaceta		
		Vivaceta-A. Vespucio		
	Sociedad Concesionaria Costanera Norte	Estoril-Puente Lo Saldes	42.5	30 June 2033
		Sector Oriente: Enlace Centenario-Enlace Av. Del Valle		
	Sociedad Concesionaria Autopista Nororient	Sector Poniente: Enlace Av. Del Valle-Enlace Ruta 5 Norte	21.5	2044 ⁽²⁾
		Ruta 78-General Velásquez		
	Sociedad Concesionaria Vespucio Sur	General Velásquez-Ruta 5 Sur		
		Ruta 5 Sur-Nuevo Acceso Sur a Santiago		
		Nuevo Acceso Sur a Santiago-Av. Vicuna Mackenna		
		Av. Vicuna Mackenna-Av. Grecia	23.5	6 December 2032
Sociedad Concesionaria AMB	Sociedad Concesionaria AMB	Tramo A		
		Tramo B	10.0	2021 ⁽³⁾
	Sociedad Concesionaria Litoral Central	Nuevo Camino Costero: Cartagena Algarrobo		
		Camino Algarrobo-Casablanca (Ruta F-90)		
		Camino Costero Interior (Ruta F-962-G)	80.6	16 November 2031

COUNTRY	OPERATOR	SECTION OF MOTORWAY	KILOMETRES IN SERVICE	EXPIRY DATE
Brazil	Triângulo do Sol Auto-Estradas	SP310 Rodovia Washington Luis		
		SP326 Rodovia Brigadeiro Faria Lima		
		SP333 Rodovia Carlos Tonani, Nemesio Cadetti and Laurentino Mascari, Brazil	442.0	18 July 2021
	Rodovias das Colinas	SP075-Itu/Campinas		
		SP127- Rio Claro/Piracicaba		
		SP280-Itu/Tatuí		
		SP300-Jundiaí/Itu		
		SP300-Itu/Tietê		
		SPI-102/300	307.0	1 July 2028
	Concessionaria da Rodovia MG 050	MG-050		
		BR-265		
		BR-491	372.0	12 June 2032

(1) Under the terms of the agreement, the Grantor requested Autostrade Meridionali in December 2012 to continue operating the motorway from 1 January 2013 in accordance with the terms and conditions of the existing Agreement and to implement safety measures on the motorway.

(2) The concession will expire on the earlier of 1) the date the net present value of the revenues received, discounted to the start date of the concession at the real rate of 9.5%, reaches the agreed threshold of €408 million and 2) 2044.

(3) The concession will expire on the earlier of 1) the date the net present value of the revenues received, discounted to the start date of the concession at the real rate of 9.0%, reaches the agreed threshold of €408 million and 2) 2048.

In terms of existing concessions, the Group's Italian operators are in the process of implementing an investment programme for major works with a value of approximately €13.6 billion, including approximately €8.3 billion completed as at 31 December 2012.

The investment programme, which forms part of operators' financial plans, essentially regards the upgrade of existing motorways.

With regard to the Chilean operators, Costanera Norte, has entered into a preliminary agreement to carry out an investment programme called "Programma SCO" (Santiago Centro Oriente, or central and eastern Santiago). Work will start in the first half of 2013 and to be completed in 2017. The total investment is estimated at approximately €360 million. This investment programme required a specific addendum to the company's concession arrangement and aims to upgrade and widen the section operated under concession.

AMB, plans to build a further 8 km of motorway out of the total 10 km of road at an estimated cost of approximately €30 million. Work is expected to start in 2013 and to be completed in 2015. This investment programme is included in the company's financial plan.

In Brazil, on the other hand, the operator, Rodovias das Colinas, is investing in the widening of existing sections of motorway, with the remaining work to be carried out amounting to approximately €64 million. Work is scheduled for completion in 2019.

MG 050 is working on a programme to upgrade of the motorway it operates. The value of the remaining work to be carried out amounts to approximately €166 million and work is scheduled for completion in 2032.

Finally, Triângulo do Sol has committed capital expenditure, as required under the concession, with a residual amount of €17 million.

5. Basis of consolidation

In addition to the Parent Company, Atlantia, the Group is comprised of companies over which Atlantia exercises control as a result of its direct or indirect ownership of a majority of the voting rights (including potential voting rights resulting from currently exercisable options), or because of its ability to exercise dominant influence given its power to govern the entity's financial and operating policies and obtain the related benefits, regardless of its percentage interest in the entity. Subsidiaries consolidated on a line-by-line basis are listed in Annex I.

3. Consolidated financial statements

Three companies listed in the annex have not been consolidated due to their quantitative and qualitative immateriality to a true and fair view of the Group's financial position, results of operations and cash flows, as a result of their operational insignificance (dormant companies or companies whose liquidation is nearing completion).

All entities over which control is exercised are consolidated from the date on which the Group gains control. Entities are deconsolidated from the date on which the Group ceases to exercise control, as defined above.

As part of the consolidation, all consolidated companies submit individual reporting packages as of the end of the reporting period with accounting information consistent with the Group's accounting policies and IFRS.

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

CURRENCY	2012		2011	
	SPOT EXCHANGE RATE 31 DECEMBER	AVERAGE EXCHANGE RATE FOR YEAR	SPOT EXCHANGE RATE 31 DECEMBER	AVERAGE EXCHANGE RATE FOR YEAR
Euro/US Dollar	1.319	1.285	1.294	1.392
Euro/Polish Zloty	4.074	4.185	4.458	4.121
Euro/Chilean Peso ⁽¹⁾	631.729	624.801	671.997	672.540
Euro/Brazilian Real ⁽²⁾	2.704	2.508	2.416	2.326
Euro/Indian Rupee	72.560	68.597	68.713	64.886

(1) In translating the operating results of Autostrade Sud America's Chilean subsidiaries, consolidated from 1 April 2012, the average exchange rate for the period 1 April to 31 December 2012 (619.326) was applied, whilst the newly consolidated assets and liabilities were translated at the spot exchange rate for 1 April 2012 (649.675).

(2) In translating the operating results of Brazilian subsidiaries, consolidated from 30 June 2012, the average exchange rate for the period 1 July to 31 December 2012 (2.601) was applied, whilst the newly consolidated assets and liabilities were translated at the spot exchange rate for 30 June 2012 (2.579).

Including the more important acquisitions and corporate actions during the year, described below in note 6.I, the basis of consolidation as at 31 December 2012 has changed with respect to 31 December 2011. This reflects the first-time consolidation of:

- a) Autostrade Sud America Srl, an Italian holding company in which the Group previously had a 45.765% interest, and which as at 31 December 2012, had become a wholly owned subsidiary as a result of transactions during the period. The following wholly owned direct and indirect subsidiaries of Autostrade Sud America have thus also been consolidated:

- Sociedad Concesionaria Costanera Norte SA;
- Sociedad Concesionaria AMB SA;
- Sociedad Concesionaria Autopista Nororiente SA;
- Sociedad Gestión Vial SA;
- Grupo Costanera SA.

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

- Sociedad Concesionaria Autopista Vespucio Sur SA;
- Sociedad Concesionaria Litoral Central SA;
- Sociedad de Operacion Y Infraestructuras SA.

- b) Infra Bertin Participações SA, a Brazilian-registered holding company in which the Group has a 50% interest plus one share, as a result of the agreement with the Bertin group that has led to the Group acquiring control of the following Brazilian motorway operators, which are wholly owned indirect subsidiaries (via the newly established sub-holding company, Triangulo do Sol Participações SA and Atlantia Bertin Concessões SA) of Infra Bertin Participações:

- Rodovias das Colinas SA;
- Concessionária da Rodovia MG 050 SA.

As a result of the agreement entered into with SIAS on 25 February 2012 (see note 6.2, below), by which the Atlantia Group gave a call option to SIAS (subsequently exercised in September 2012 resulting in the transfer of shares on 15 November 2012) over the entire 99.98% shareholding in Autostrada Torino-Savona SpA, Autostrada Torino-Savona's contribution to consolidated income to the transfer date is included in "Profit/(Loss) from discontinued operations", as required by IFRS 5, rather than included in each component of the consolidated income statement for continuing operations. Consequently, in accordance with IFRS 5, the companies' contribution to the comparative income statement for 2011 has been reclassified with respect to the statement published in the consolidated financial statements for the year ended 31 December 2011, whilst the assets and liabilities presented in the statement of financial position as at 31 December 2011 are unchanged.

Furthermore, as a result of the transfer of the entire controlling interest in Port Mobility SpA to third parties in the fourth quarter of 2012, that company had also been deconsolidated as at 31 December 2012.

Finally the following mergers of wholly owned subsidiaries were completed in 2012:

- a) Autostrade International U.S. Holdings Srl with and into Autostrade dell'Atlantico Srl;
- b) Inversiones Autostrade Chile Ltda and Nueva Inversiones SA with and into Grupo Costanera SA;
- c) Inversiones Autostrade Holding do Sur Ltda with and into Autostrade Holding do Sur SA.

6. Acquisitions and corporate actions during the period

6.1 Acquisitions

Autostrade Sud America and holdings

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

- a) Sociedad Concesionaria Costanera Norte SA, which holds the concession for 43 km of urban motorway that crosses the city of Santiago in Chile;
- b) Sociedad Concesionaria AMB SA, which holds the concession for 10 km of motorway linking the city to Santiago airport in Chile;
- c) Sociedad Concesionaria Autopista Nororiente SA, which holds the concession for the 21.5 km north-eastern bypass in the city of Santiago, linking the city with the province of Chacabuco;
- d) Sociedad Gestión Vial SA, a company that supplies operational management, maintenance and construction services for motorways in Chile, some of which provided to the above Chilean operators;
- e) Grupo Costanera SA and Inversiones Autostrade Chile Ltda, the Chilean-registered sub-holding companies that hold the listed investments.

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

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

Acquisition of the above-mentioned existing 50% interest in Nueva Inversiones had been acquired at a cost to the Group of €300.4 million (based on the prevailing euro/Chilean peso exchange rate as at 1 April 2012). In view of this, acquisition of control of Autostrade Sud America has resulted in a total cost of €970.2 million.

The above agreements of 25 February 2012 also cancelled the previous agreements with SIAS signed in June 2011, under which the Group gave a binding commitment to sell to Grupo Costanera, which gave a binding commitment to acquire, the 50% interest in Nueva Inversiones for a consideration substantially equivalent to the cost incurred in acquiring the interest. This commitment was subject to the suspensive condition that the shares of Grupo Costanera would be successfully floated on the Santiago Stock Exchange by 31 May 2012. The commitment meant that the carrying amount of the investment in Nueva Inversiones was accounted for in Atlantia's consolidated financial statements in non-current assets held for sale. The above stock market flotation has thus been cancelled and the above binding commitment therefore no longer applies.

Pursuant to IFRS 3, the acquisition method has been used to account for the transaction in these consolidated financial statements. This entailed:

- a) remeasurement of the fair value of the existing investment in ASA (45.765%, previously measured using the equity method and accounted for as at 31 March 2012 at €179.3 million), estimated at €350.4 million, which takes account of the estimated control premium paid, with recognition of a gain of €171.1 million in "Financial income / (expenses)" for the period, as described in note 8.11;
- b) provisional estimation, as permitted by IFRS 3, of the fair value of the assets acquired and liabilities assumed. This entailed maintaining the carrying amounts of the assets and liabilities previously recognised in the acquirees' financial statements, with the exception of certain financial liabilities (whose value has been increased by an estimated 29.7 billion Chilean pesos, equal to €45.7 million), the concession arrangements to which Costanera Norte, Nororiente, Vespucio Sur and Litoral are party (whose value has been increased by an estimated 1,110.5 billion Chilean pesos, equal to €1,709.2 million), in addition to the impact of deferred taxation.

The table below shows the carrying amounts of the assets acquired and liabilities assumed (translated at the euro/Chilean peso exchange rate of 1 April 2012, the date of first-time consolidation of ASA and its Chilean subsidiaries), in addition to the provisional fair values identified.

(€M)	AGGREGATE CARRYING AMOUNT AS AT 01.04.2012	FAIR VALUE ADJUSTMENTS (PROVISIONAL)	PROVISIONAL FAIR VALUES AND RECOGNITION OF EFFECTS OF TRANSACTION
Net assets acquired:			
Property, plant and equipment	14.6		14.6
Intangible assets	569.8	1,709.2	2,279.0
Non-current financial assets	701.7		701.7
Other non-current assets	0.7		0.7
Cash and cash equivalents	41.0		41.0
Other current financial assets	110.1		110.1
Trading and other current assets	131.3		131.3
Non-current financial liabilities	-1,022.3	-45.7	-1,068.0
Deferred tax assets	-31.4	-640.8	-672.2
Other non-current liabilities	-28.7		-28.7
Current financial liabilities	-125.0		-125.0
Provisions	-30.1		-30.1
Trading and other current liabilities	-33.8		-33.8
Total net assets acquired	297.9	1,022.7	1,320.6
Carrying amount of the existing 45.77% shareholding in Autostrade Sud America			-179.3
Gain from the restatement at fair value of Autostrade Sud America's existing shareholding			-171.1
Cost of acquisition			970.2
Cash and cash equivalents acquired			-41.0
Net effective cash outflow for the acquisition			929.2

The newly consolidated companies have reported total revenue and profit from the date of their first-time consolidation of €124.6 million and €38.5 million, respectively. Had these companies been consolidated on a line-by-line basis from 1 January 2012, consolidated revenue and profit for the year would have been €5,138.2 million and €832.2 million, respectively.

As permitted by IFRS 3, measurement of the final fair values of the assets and liabilities of the acquirees will be completed within twelve months from acquisition. The outcome of the current measurement process may have an impact on the following principal items: intangible assets, financial assets and liabilities, and the resultant effect on income of deferred tax assets and liabilities.

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

Atlantia Bertin Concessões and holdings

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

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

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

Pursuant to IFRS 3, the above companies have been consolidated using the acquisition method. This entailed provisional estimation, as permitted by IFRS 3, of the fair value, for all of the above companies, of the assets and liabilities acquired. The carrying amounts were retained of the assets and liabilities previously recognised in the acquirees' financial statements, with the exception of concession arrangement held by Colinas (whose value has been increased by an estimated 1,850.3 billion reais, equal to €717.5 million), before deferred taxation.

The table below shows the carrying amounts of the assets and liabilities acquired (translated at the euro/Brazilian real exchange rate of 30 June 2012, the date of first-time consolidation of Atlantia Bertin Concessões and its subsidiaries), in addition to their provisional fair values. In order to reflect the structure of the transaction to provide better disclosure, the table also includes carrying amounts for the subsidiary, Triângulo do Sol (consolidated from 1 July 2011), as at 30 June 2012. The agreements entered into provide for a purchase price adjustment based on the effective toll revenue Triângulo do Sol and Rodovias das Colinas during the three-year period 2012-2014, the impact of which cannot be reliably estimated at present. This adjustment may increase the Group's purchase cost by up to 135.0 million reais (approximately €52 million) or reduce it by up to 26.0 million reais (approximately €10 million).

(€M)	AGGREGATE CARRYING AMOUNT AS AT 30.06.2012	FAIR VALUE ADJUSTMENTS (PROVISIONAL)	PROVISIONAL FAIR VALUES AND RECOGNITION OF EFFECTS OF TRANSACTION
Net assets acquired:			
Property, plant and equipment	7.9		7.9
Intangible assets	881.9	717.5	1,599.4
Non-current financial assets	240.6		240.6
Other non-current assets	0.1		0.1
Cash and cash equivalents	253.6		253.6
Trading and other current assets	22.3		22.3
Non-current financial liabilities	-577.4		-577.4
Deferred tax assets	-170.9	-244.0	-414.9
Other non-current liabilities	-49.6		-49.6
Current financial liabilities	-155.2		-155.2
Provisions	-65.2		-65.2
Trading and other current liabilities	-43.5		-43.5
Total net assets acquired	344.6	473.5	818.1
Equity attributable to non-controlling interests			-409.0
Cost of acquisition			409.1
<i>of which:</i>			
Carrying amount of Triângulo do Sol's net assets as a result of the transaction			325.1
Cash disbursed by Atlantia as a result of the transaction			84.0

The newly consolidated companies have reported total revenue and profit from the date of their first-time consolidation of €116.9 million and €2.1 million, respectively. Had these companies been consolidated on a line-by-line basis from 1 January 2012, consolidated revenue and profit for the year would have been €5,206.5 million and €846.1 million, respectively.

As permitted by IFRS 3, measurement of the final fair values of the assets and liabilities of the acquirees will be completed within twelve months of the acquisition date. The outcome of the current measurement process may have an impact on the following principal items: intangible assets, financial assets and liabilities, deferred tax assets and liabilities and the related effects on profit or loss.

Completion of identification and measurement of the fair value of Triângulo do Sol's assets and liabilities

During the first half of 2012 identification and measurement of the fair value of the assets and liabilities of Triângulo do Sol was completed. The Group acquired control of this company in the second half of 2011, as described in note 6.1 to the consolidated financial statements as at and for the year ended 31 December 2011, to which reference should be made.

3. Consolidated financial statements

The table below shows the carrying amounts of the assets and liabilities acquired (translated at the euro/Brazilian real exchange rate of 1 July 2011, the date of first-time consolidation of the Brazilian company), in addition to the final fair values identified.

(€M)	AGGREGATE CARRYING AMOUNT AS AT 01.07.2011	FAIR VALUE ADJUSTMENTS	FINAL FAIR VALUES AND RECOGNITION OF EFFECTS OF TRANSACTION
Net assets acquired:			
Intangible assets	133.1	503.7	636.8
Non-current financial assets	0.3		0.3
Other non-current assets	7.4		7.4
Cash and cash equivalents	14.2		14.2
Other current financial assets	22.2		22.2
Trading and other current assets	12.9		12.9
Non-current financial liabilities	-54.2		-54.2
Deferred tax assets	3.5	-171.3	-167.8
Other non-current liabilities	-40.5		-40.5
Current financial liabilities	-24.6		-24.6
Trading and other current liabilities	-17.6		-17.6
Total net assets acquired	56.7	332.4	389.1
Equity attributable to non-controlling interests ⁽¹⁾			-116.7
Goodwill/(gains on acquisition)			-15.9
Carrying amount of the existing 50% shareholding in Triangulo do Sol			-117.3
Gains on acquisition from the fair value restatement of the existing 50% investment in Triangulo do Sol			-77.3
Cost of acquisition			61.9
Cash and cash equivalents acquired			-14.2
Net effective cash outflow for the acquisition ⁽²⁾			47.7

(1) The percentage of non-controlling interests on the acquisition date was 30%.

(2) Cash outflows were for the 20% shareholding given the Group an overall 70% shareholding in the company.

Completion of the measurement process has resulted in an increase in the net fair value of the assets acquired of approximately €332.4 million (reflecting an increase in the value of the concession held by the company of approximately €503.7 million) which, after adjusting for non-controlling interests (30% at the time of acquiring control), has led to recognition of the following principal effects:

- a financial gain from remeasurement of the fair value of the existing interest in the acquiree (equal to 50%), totalling €77.3 million, compared with the original estimate of €36.5 million;
- a gain resulting from the acquisition of the 20% interest, assessed in accordance with IFRS 3, totalling €15.9 million.

As required by IFRS 3, the above final amounts have been recognised retrospectively from 1 July 2011, resulting in the restatement of items in the statement of financial position and the income statement as at and for the year ended 31 December 2011, including the amortisation of the intangible assets arising from the service concession arrangements acquired.

6.2 Disposal of consolidated companies

Autostrada Torino-Savona

On 28 September 2012 the SIAS Group, acting through Autostrada dei Fiori SpA, exercised the call option given by the Atlantia Group under a contract signed on 25 February 2012 for the acquisition of 99.98% of the share capital of Autostrada Torino-Savona for €223.0 million. The shares were transferred to SIAS following the receipt of the necessary clearance on 15 November 2012.

The following balance sheet shows the assets and liabilities of Autostrada Torino-Savona at the deconsolidation date which were eliminated from the consolidated financial statements.

ASSETS (€000)		LIABILITIES (€000)	
Non-current assets		Non-current liabilities	
Property, plant and equipment	8,690	Non-current provisions	13,977
Intangible assets	258,103	Non-current financial liabilities	36,173
Investments	2	Deferred tax liabilities	6,937
Non-current financial assets	65,425		
Deferred tax assets	6,581		
Total non-current assets	338,801	Total non-current liabilities	57,087
Current assets		Current liabilities	
Trading assets	12,661	Current provisions	15,661
Cash and cash equivalents	1,340	Trading liabilities	20,586
Other current financial assets	14,517	Current financial liabilities	43,703
Current tax assets	4,033	Current tax liabilities	6,730
Other current assets	963	Other current liabilities	4,149
Total current assets	33,514	Total current liabilities	90,829
TOTAL ASSETS	372,315	TOTAL LIABILITIES	147,916

The effect of the sale on consolidated income has been recognised in "Profit/(Loss) from discontinued operations", as described in detail in note 8.14, together with the Group's share of this company's 2012 profit/(loss) to the date of the sale.

Port Mobility

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

7. Notes to the consolidated statement of financial position

The following notes provide information on items in the consolidated statement of financial position as at 31 December 2012. Comparative amounts as at 31 December 2011 are shown in brackets. Certain of these amounts have been restated (as explained in note 6.1) in conjunction with the determination of the fair value of Triangulo do Sol's assets and liabilities for consolidation from 1 July 2011.

The statements of changes in assets include the effect on consolidated figures of the changed basis of consolidation (including provisional estimates of the fair value of assets and liabilities acquired), as explained in note 5.

(€000)	CHANGES DURING THE YEAR					
	ORIGINAL COST	31.12.2011 ACCUMULATED DEPRECIATION	CARRYING AMOUNT	ADDITIONS: PURCHASES AND CAPITALISATIONS ⁽¹⁾	COST ASSETS ENTERING SERVICE	DISPOSALS
Property, plant and equipment						
Land	9,072	-	9,072	-	-	-
Buildings	89,930	-37,326	52,604	3,662	1,697	-129
Plant and machinery	130,321	-83,334	46,987	13,722	1,624	-2,760
Industrial and business equipment	156,526	-103,923	52,603	15,231	2,003	-6,918
Other assets	201,708	-141,293	60,415	19,591	141	-13,245
Property, plant and equipment under construction and advance payments	7,211	-	7,211	4,305	-5,465	-
Total	594,768	-365,876	228,892	56,511	-	-23,052
Property, plant and equipment held under finance leases						
Land held under finance leases	-	-	-	-	-	-
Buildings held under finance leases	-	-	-	-	-	-
Equipment held under finance leases	270	-96	174	-	-	-
Other assets held under finance leases	-	-	-	18	-	-
Total	270	-96	174	18	-	-
Investment property						
Land	38	-	38	-	-	-
Buildings	5,734	-4,754	980	-	-	-
Total	5,772	-4,754	1,018	-	-	-
Total property, plant and equipment	600,810	-370,726	230,084	56,529	-	-23,052

(1) Includes Autostrada Tirrenica's contribution reported in income under "Profit/(Loss) from discontinued operations" in compliance with IFRS 5.

7.1 Property, plant and equipment / €233,777 thousand (€230,084 thousand)

Net property, plant and equipment as at 31 December 2012 is substantially the same as at 31 December 2011.

Details of year-end 2012 balances and movements during the year are contained in a separate table.

Investment property of €1,136 thousand refers to land and buildings not used in operations and is stated at cost. The total fair value of these assets is estimated to be €5.0 million, based on independent appraisals and information on property markets relevant to these types of investment property.

There were no significant changes during the year in the expected useful lives of these assets.

Property, plant and equipment as at 31 December 2012 is free of mortgages, liens or other secured interests of a material amount restricting use.

COST		CHANGES DURING THE YEAR				CHANGE IN BASIS OF CONSOLIDATION		ORIGINAL COST	31.12.2012	
		ADDITIONS	DISPOSALS	CURRENCY TRANSLATION DIFFERENCES						
CURRENCY TRANSLATION DIFFERENCES	RECLASSIFICATIONS AND OTHER ADJUSTMENTS					ADDITIONS CARRYING AMOUNT	DISPOSALS CARRYING AMOUNT		ACCUMULATED DEPRECIATION	CARRYING AMOUNT
17	-1	-	-	-		604	-1,472	8,220	-	8,220
388	-126	-3,794	109	-112		170	-5,360	88,899	-39,790	49,109
-877	-	-11,265	2,390	617		1,377	-8	144,589	-92,782	51,807
94	17	-19,589	6,243	68		2,017	-1,151	167,137	-116,519	50,618
-473	-294	-22,934	11,735	491		8,873	-898	228,856	-165,454	63,402
18	-39	-	-	-				6,030	-	6,030
-833	-443	-57,582	20,477	1,064		13,041	-8,889	643,731	-414,545	229,186
21	-	-	-	-		718	-	739	-	739
80	-	-70	-	-7		2,496	-	2,865	-366	2,499
25	-17	-34	-	-5		-	-	278	-135	143
9	-	-12	-	-7		66	-	354	-280	74
135	-17	-116	-	-19		3,280	-	4,236	-781	3,455
-	1	-	-	-		-	-	39	-	39
540	125	-100	-	-448		-	-	6,399	-5,302	1,097
540	126	-100	-	-448		-	-	6,438	-5,302	1,136
-158	-334	-57,798	20,477	597		16,321	-8,889	654,405	-420,628	233,777

7.2 Intangible assets / €20,996,841 thousand (€17,344,575 thousand)

Intangible assets recorded a net increase of approximately €3,652,266 thousand in 2012, due to the net effect of the following changes:

- inclusion of the intangible assets of €3,362,015 thousand belonging to newly consolidated Chilean and Brazilian companies primarily measured at the fair value of their concession rights identified as part of the provisional allocation of purchase consideration;
- investment of €746,897 thousand in construction services for which additional economic benefits are received;
- €430,030 thousand revision to the present value of investments with no additional benefits are received;
- amortisation of €583,995 thousand;
- net €259,105 thousand decrease in intangible assets due to the deconsolidation of Autostrada Torino-Savona and Port Mobility.

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

In 2012 the Group constructed motorway infrastructure totalling €1,548,641 thousand (€1,524,848 thousand in 2011). Operating and financial costs in connection with those assets were recognised in income by nature in accordance with IFRIC 12, as was the fair value of construction services rendered.

The following analysis shows the various components of investment in motorway infrastructure effected through construction services as also reported in this year's financial statements:

(€000)	NOTE	2012	2011	INCREASE/ (DECREASE)
Increase in rights acquired		4,554	-	4,554
Use of provisions for construction services required by contract for which no additional economic benefits are received	7.13/8.9	470,688	511,066	-40,378
Increase in intangible concession rights accruing from completed construction services for which additional economic benefits are received ⁽¹⁾	8.2	746,897	903,996	-157,099
Increase in financial assets deriving from construction services	7.4/8.2	296,610	40,854	255,756
Revenue from government grants for construction services for which no additional economic benefits are received	7.13/8.2	29,892	68,932	-39,040
Total investment in motorway infrastructure		1,548,641	1,524,848	23,793

(1) Includes:

- Autostrade Meridionali, assets under construction of €33,939 thousand reclassified to financial assets (financial assets deriving from takeover rights), in accordance with the relevant Single Concession Arrangement;
- the contributions by Autostrada Torino-Savona (€6,544 thousand for 2012 and €12,016 thousand for 2011) are accounted for in the income statement under "Profit/(Loss) from discontinued operations", as required by IFRS 5. The 2011 figures also included the €48,708 thousand contribution from Autostrada Tirrenica recognised in "Profit/(Loss) from discontinued operations".

Research and development expenditure of approximately €0.6 million was recognised in the income statement for 2012. These activities are carried out to improve infrastructure, services offered, safety levels and environmental protection.

"Goodwill and other intangible assets with indefinite lives" of €4,382,789 thousand decreased in 2012 by €4,934 thousand (€4,387,723 thousand for 2011) principally due to an impairment loss of €4,748 thousand, recognised on the conclusion of impairment tests, on the trademark obtained in 2007 when the control of Electronic Transaction Consultants was acquired.

The balance primarily consists of the carrying amount of goodwill (impairment tested at least once a year rather than amortised) amounting to €4,382,757 (€4,382,941 as at 31 December 2011) and regarding the acquisition in 2003 of a majority interest in the former Autostrade - Concessioni e Costruzioni Autostrade SpA. Goodwill was determined in accordance with prior accounting standards as permitted by IFRS 1 and is the net book value as at 1 January 2004, the IFRS transition date. The full amount has been allocated to the Autostrade per l'Italia CGU.

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

- a) as explained in note 3, each operator is a separate CGU since the cash flows generated by the motorways operated under concession arrangements are largely independent of cash flows generated by other assets. Subsidiaries that are not motorway operators are also treated as separate CGU;
- b) impairment tests for motorway concession operators are performed to confirm the recoverability of the assets of each CGU (net of any impairments recognised in previous years) by estimating value in use. The 31 December 2012 balance is net of the impairment, recognised in prior period income statements, on the concession rights pertaining to Raccordo Autostradale Valle d'Aosta (€193,843 thousand before deferred taxes of €60,867 thousand) and Stalexport Autostrada Malopolska (€17,381 thousand before deferred taxes of €3,302 thousand). The impairments were recognised in previous years as a result of the impairment tests required by IAS 36, and are based on estimated future cash flows through to the end of the respective concession terms.

Value in use was estimated with reference to long-term plans approved by the relevant Boards of Directors which contain traffic, investment, cost and revenue projections for the full term of the concession, adopting as assumptions the business and financial plans annexed to concession arrangements signed with the Grantor. The projected after tax cash flows of Autostrade per l'Italia were discounted to present value at 5.93% which is its after tax weighted average cost of capital (6.13% in 2011), whereas projected cash flows of Raccordo Autostradale Valle d'Aosta and the Polish company, Stalexport Autostrada Malopolska, were discounted at the after tax WACC of those companies, respectively 7.04% and 8.92% (7.29% and 9.00%, respectively in 2011). After tax cash flows and discount rates are used because the results are substantially the same as pre-tax computations;

- c) the impairment test conducted for ETC was carried out with reference to its fair value because of its difficult market environment and the reorganisation currently in progress. Fair value was determined by applying an EBITDA multiple negotiated with external parties in the previous year. The outcome of the test was, as explained above, the need to recognise an impairment loss equal to the full carrying amount of the trademark in addition to other intangible assets recognised on the acquisition of the company and allocated to the same CGU (a total of €7,966 thousand).

3. Consolidated financial statements

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

(€000)	CHANGES DURING THE YEAR									
	31.12.2011				COST					
	COST	ACCUMULATED IMPAIRMENTS	ACCUMULATED AMORTISATION	CARRYING AMOUNT	INCREASES DUE TO WORK COMPLETED ⁽¹⁾	ADDITIONS: PURCHASES AND CAPITALISATIONS	CHANGES DUE TO REVISED PRESENT VALUE OF OBLIGATIONS	ASSETS ENTERING SERVICE	DECREMENTS PER CONTRIBUTI MATURATI	CURRENCY TRANSLATION DIFFERENCES
Intangible assets deriving from concession rights										
Acquired concession rights	759,040	-15,884	-101,702	641,454	-	4,554	-	-	-	-21,621
Concession rights accruing from construction services for which no additional economic benefits are received	11,760,148	-	-2,471,428	9,288,720	-	-	430,030	-	-	12,268
Concession rights accruing from construction services for which additional economic benefits are received	4,087,251	-194,748	-979,427	2,913,076	746,897	-	-	-	-6,585	-26,241
Concession rights accruing from construction services provided by sub-operators	87,928	-	-14,942	72,986	-	-	-	-	-	-
Total	16,694,367	-210,632	-3,567,499	12,916,236	746,897	4,554	430,030	-	-6,585	-35,594
Goodwill and other intangible assets with indefinite lives										
Goodwill	4,397,370	-14,393	-	4,382,977	-	-	-	-	-	-481
Trademarks	4,746	-	-	4,746	-	-	-	-	-	-91
Total	4,402,116	-14,393	-	4,387,723	-	-	-	-	-	-572
Other intangible assets										
Development costs	139,735	-	-128,632	11,103	-	11,089	-	-	-	-186
Industrial patents and intellectual property rights	57,318	-4	-46,084	11,230	-	5,789	-	387	-	-246
Concessions and licences	4,687	-2	-3,203	1,482	-	728	-	-	-	129
Other	4,846	-	-1,788	3,058	-	3	-	-	-	-54
Intangible assets under development and advance payments	13,743	-	-	13,743	-	7,602	-	-387	-	-247
Total	220,329	-6	-179,707	40,616	-	25,211	-	-	-	-604
Total intangible assets	21,316,812	-225,031	-3,747,206	17,344,575	746,897	29,765	430,030	-	-6,585	-36,770

(1) Includes Autostrada Tirrenica's contribution accounted for in the income statement under "Profit/(Loss) from discontinued operations" in compliance with IFRS 5.

CHANGES DURING THE YEAR											
COST RECLASSIFICA- TIONS AND OTHER ADJUSTMENTS	IMPAIRMENTS		ACCUMULATED AMORTISATION			CHANGE IN BASIS OF CONSOLIDATION		COST	31.12.2012		
	ADDITIONS	TRANSLATION DIFFERENCES AND OTHER ADJUSTMENTS	ADDITIONS	CURRENCY TRANSLATION DIFFERENCES	RECLASSIFICA- TIONS AND OTHER ADJUSTMENTS	ADDITIONS CARRYING AMOUNT	DISPOSALS CARRYING AMOUNT		ACCUMULATED IMPAIRMENTS	ACCUMULATED AMORTISATION	CARRYING AMOUNT
-	-	-1,497	-74,995	2,674	-	2,432,796	-	3,181,242	-17,381	-180,496	2,983,365
-2,822	-	-	-346,090	-3,301	-	70,377	-	12,278,323	-	-2,829,141	9,449,182
-38,325	-	-	-136,028	19,544	918	855,089	-258,444	5,366,175	-194,748	-1,101,526	4,069,901
-	-	-	-2,704	-	-	-	-	87,928	-	-17,646	70,282
-41,147	-	-1,497	-559,817	18,917	918	3,358,262	-258,444	20,913,668	-212,129	-4,128,809	16,572,730
-	-	481	-	-	-	-	-220	4,396,669	-13,912	-	4,382,757
-	-4,748	125	-	-	-	-	-	4,655	-4,623	-	32
-	-4,748	606	-	-	-	-	-220	4,401,324	-18,535	-	4,382,789
6,732	-	-	-16,139	155	-	-	-150	157,084	-	-144,480	12,604
-41	-676	20	-7,237	154	40	31	-199	62,499	-660	-52,587	9,252
-1,847	-	-	-406	-16	1,846	3,519	-32	7,224	-2	-1,819	5,403
-2	-2,542	68	-396	19	-	-	-	4,793	-2,474	-2,165	154
-6,945	-	-	-	-	-	203	-60	13,909	-	-	13,909
-2,103	-3,218	88	-24,178	312	1,886	3,753	-441	245,509	-3,136	-201,051	41,322
-43,250	-7,966	-803	-583,995	19,229	2,804	3,362,015	-259,105	25,560,501	-233,800	-4,329,860	20,996,841

7.3 Investments / €119,397 thousand (€318,746 thousand)

The balance is down €199,349 thousand as at 31 December 2012 due to:

- the line-by-line consolidation of Autostrade Sud America. The Group previously held a 45.765% interest in the company as at 31 December 2011, carried at €170,645 thousand;
- the disposal of the entire 33.3% shareholding in IGLI at 31 December 2011 and €26,631 thousand equity accounted at that date. The disposal price has been €87,602 thousand;
- recognition of a €23,400 thousand impairment of the carrying amount of the interest in Alitalia - Compagnia Aerea Italiana due to persistent losses and the lack of information sufficient to reliably determine fair value. The carrying amount was, consequently, determined as the Group's share of Alitalia's equity at the end of the year;
- the acquisition, at a cost of €25,669 thousand, of 50% less one share of the Brazilian holding company, Atlantia Bertin Participações, which owns a 50% interest in the operator, Rodovias do Tietê SA.

The equity method was used to measure interests in associates and joint ventures based on the most recent approved financial statements made available by the companies. In the event that financial statements as at 31 December 2012 were not available, 2011 results were adjusted using available information and, where necessary, restated in accordance with Group accounting policies.

The following table shows carrying amounts at the beginning and end of the period, grouped by category, and changes in investments in 2012.

(€000)	31.12.2011 OPENING BALANCE	ADDITIONS	DISPOSALS	CHANGES FOR THE YEAR			TRANSLATION AND OTHER DIFFERENCES	ADDITIONS TO AND ELIMINATIONS FROM THE BASIS OF CONSOLIDATION	31.12.2012 CARRYING AMOUNT
				REVERSALS OF IMPAIRMENTS (IMPAIRMENTS) OF INVESTMENTS ACCOUNTED FOR AT COST OR FAIR VALUE THROUGH PROFIT OR LOSS	INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD	INCOME STATEMENT			
Investments accounted for at cost or fair value	46,011	10	-3	-23,400	-	-	12	-	22,630
Investments accounted for using the equity method	272,735	26,027	-27,422	-	-185	2,980	1,779	-179,147	96,767
Total	318,746	26,037	-27,425	-23,400	-185	2,980	1,791	-179,147	119,397

The following table shows an analysis of the Group's principal investments as at 31 December 2012, including the Group's percentage interest and the relevant carrying amount, net of unpaid, called-up issued capital, and original cost, accumulated impairments and revaluations.

(€000)	31.12.2012				31.12.2011			
	% INTEREST	ORIGINAL COST	REVERSAL OF IMPAIRMENT LOSSES (IMPAIRMENTS)	CARRYING AMOUNT	% INTEREST	ORIGINAL COST	REVERSAL OF IMPAIRMENT LOSSES (IMPAIRMENTS)	CARRYING AMOUNT
Investments accounted for at cost or fair value								
Alitalia - Compagnia Aerea Italiana SpA	8.85	100,000	-82,400	17,600	8.85	100,000	-59,000	41,000
Firenze Parcheggio SpA	5.36	2,582	-	2,582	5.36	2,582	-	2,582
Tangenziale Esterna SpA	1.25	1,250	-	1,250	1.25	1,250	-	1,250
Uirnet SpA	1.62	426	-	426	1.62	426	-	426
Emittente Titoli SpA	6.02	277	-	277	6.02	277	-	277
Veneto Strade SpA	5.00	259	-	259	5.00	259	-	259
Other smaller investments	-	227	9	236		7,606	-7,389	217
				22,630				46,011
Investments accounted for using the equity method								
Società Autostrada Tirrenica	24.98	6,343	20,134	26,477	24.98	6,343	18,072	24,483
Atlantia Bertin Participações SA ⁽¹⁾	50.00	25,669	-2,442	23,227	-	-	-	-
Tangenziali Esterne di Milano SpA	26.40	18,537	1,248	19,785	27.43	18,537	-291	19,766
Pune Solapur Expressways Private Limited	50.00	16,402	-2,140	14,262	50.00	16,385	1,879	18,264
Società Infrastrutture Toscane SpA	46.60	6,990	-1,021	5,969	46.60	6,990	-892	6,098
Bologna & Fiera Parking SpA	32.50	5,558	-3,120	2,438	32.50	5,363	-1,978	3,385
Arcea Lazio SpA	34.00	1,430	241	1,671	34.00	1,430	374	1,804
GEIE del Traforo del Monte Bianco	50.00	1,000	-	1,000	50.00	1,000	-	1,000
Autostrade Sud America Srl ⁽²⁾	100.00	-	-	-	45.77	89,350	81,295	170,645
IGLI SpA ⁽³⁾	-	-	-	-	33.33	110,957	-84,326	26,631
Other smaller investments	-	373	1,565	1,938	-	1,044	-385	659
				96,767				272,735
Total				119,397	318,746			

(1) The company, which holds 50% of the operator, Rodovias do Tietê S.A., was acquired as part of a transaction with the Bertin group.

(2) The company has been consolidated on a line-by-line basis since 1 April 2012.

(3) The interest was sold in the first quarter of 2012.

Please see Annex I for a list of all of the Group's investments at 31 December 2012 as required by CONSOB Communication DEM/6064293 of 28 July 2006.

7.4 Other financial assets

(non-current) / €1,933,979 thousand (€1,200,274 thousand)

(current) / €939,530 thousand (€221,909 thousand)

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

(€000)	NOTE	31.12.2012			31.12.2011		
		CARRYING AMOUNT	CURRENT PORTION	NON-CURRENT PORTION	CARRYING AMOUNT	CURRENT PORTION	NON-CURRENT PORTION
Takeover rights		357,775	357,775	-	346,209	-	346,209
Guaranteed minimums		725,851	28,741	697,110	72,611	7,340	65,271
Other concession rights		340,621	-	340,621	40,854	-	40,854
Financial assets deriving from concession rights ⁽¹⁾		1,424,247	386,516	1,037,731	459,674	7,340	452,334
Financial assets deriving from government grants related to construction services ⁽²⁾		260,742	23,784	236,958	289,680	51,023	238,657
Convertible term deposits ⁽²⁾		662,771	355,042	307,729	366,914	76,580	290,334
Loans to associates ⁽¹⁾		110,000	110,000	-	110,000	-	110,000
Derivative assets ⁽³⁾		21,774	21,774	-	49,022	21,344	27,678
Other medium/long-term financial assets ⁽¹⁾		352,745	1,184	351,561	92,711	11,440	81,271
Other medium/long-term financial assets		484,519	132,958	351,561	251,733	32,784	218,949
Other current financial assets ⁽⁴⁾		41,230	41,230	-	54,182	54,182	-
		2,873,509	939,530	1,933,979	1,422,183	221,909	1,200,274

(1) These assets have been classified as "loans and receivables" under IAS 39. The carrying amount coincides with the related fair value.

(2) These assets have been classified as "available-for-sale" financial instruments and in level 2 of the fair value hierarchy. The carrying amount coincides with the related fair value.

(3) These derivative financial instruments have been classified as hedges under level 2 of the fair value hierarchy.

Financial assets deriving from concession rights regard:

- takeover rights of €357,775 thousand as at 31 December 2012 of the subsidiary Autostrade Meridionali, being the amount payable by a replacement operator on termination of the concession for the company's unamortised capital expenditure during the final years of the outgoing operator's concession;
- the present value of the minimum revenue guarantee given by the Grantor of the concessions held by the Group's Chilean operators (€725,851 thousand as at 31 December 2012);
- Ecomouv's financial assets deriving from investments carried at €340,621 thousand as at 31 December 2012, in connection with the construction of a satellite-based tolling system for heavy vehicles in France.

The €964,573 thousand movement during the year consisted of an increase in present value and a decrease in the guaranteed minimum received relating to:

- minimum guaranteed financial assets of €648,864 thousand contributed by the newly consolidated Chilean companies;
- investments of €296,610 thousand relating to the Eco-Tax project in France.

An impairment loss has also been recognised in the income statement. As explained in note 8.10, it related to the estimate of the amount of the payment to Autostrade Meridionali in the event of a takeover and amounted to €22,682 thousand.

Financial assets deriving from government grants to finance infrastructure works include receivables of amounts payable by grantors or public entities and decreased €28,938 thousand in line with receipts during the year.

The convertible term deposits of €295,857 thousand were primarily made by the newly consolidated Chilean companies (total of €188,779 thousand) as debt service reserve accounts and a new reserve account of approximately €77,436 thousand in connection with a loan to be provided by 2013 by Atlantia Bertin Concessões to Infra Bertin Empreendimentos, the holding company of the SPMAR project company. The loan is made in accordance with Bertin group agreements and loan purpose is to finance construction and operation of the orbital motorway serving the south east of São Paulo.

Other medium-term financial assets increased €232,786 thousand principally because of the recognition of a €241,012 thousand medium/long-term obligation of Bertin Empreendimentos for convertible bonds issued as part of the Bertin Group transaction described in note 6.I; in addition to the medium to long-term loan by Verspucio Sur to Grantor of €52,331 thousand; these were partially offset by the reduction in fair value of assets relating to the interest rate hedge in connection with a yen bond issued by Atlantia (€27,248 thousand).

This category includes the figure for the related party, Autostrada Tirrenica, consisting of the medium/long-term loan granted by Autostrade per l'Italia in 2011, having a total face value of €110,000 thousand and maturing in June 2013.

Other financial assets primarily relate to loans to the Grantor (€22,731 thousand) in line with the progressive release of grants in accordance with Laws 662/96, 135/97 and 345/97 and to the investment of liquidity by the Stalexport Autostrady group (€4,327 thousand), in connection with assets under the management of a first ranking financial institution.

There has been no indication of impairment of any financial assets except for the impairment in connection with Autostrade Meridionali's takeover rights.

7.5 Deferred tax assets and liabilities

Deferred tax assets less deferred tax liabilities eligible

for offsetting / €1,910,572 thousand (€1,891,394 thousand)

Deferred tax liabilities not eligible for offsetting / €1,026,754 thousand (€174,229 thousand)

The following tables show the amount of deferred tax assets and liabilities both eligible and ineligible for offset, in addition to changes in the deferred taxes in 2012 with respect to temporary timing differences between consolidated carrying amounts and the corresponding tax bases.

(€000)	31.12.2012	31.12.2011
Deferred tax assets	2,262,072	1,996,607
Deferred tax liabilities not eligible for offset	-351,500	-105,213
Deferred tax assets less deferred tax liabilities eligible for offset	1,910,572	1,891,394
Deferred tax liabilities not eligible for offset	1,026,754	174,229
Difference between deferred tax assets and liabilities (eligible and ineligible for offset)	883,818	1,717,165

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(€000)	31.12.2011			CHANGES FOR THE YEAR				31.12.2012
		PROVISIONS ⁽¹⁾	RELEASES ⁽¹⁾	DEFERRED TAX ASSETS/ LIABILITIES ON GAINS AND LOSSES RECOGNISED IN EQUITY	EFFECT OF CHANGES IN TAX RATE AND IN ESTIMATED AMOUNTS FOR PREVIOUS YEARS	TRANSLATION AND OTHER DIFFERENCES	DECONSOLIDATION	
Deferred tax assets on:								
Deductible intercompany goodwill	987,925	-	-105,800	-	-	-	-	882,125
Restatement of global balance on application of IFRIC 12 by Autostrade per l'Italia	580,170	3,799	-23,240	-	-	-	-	560,729
Provisions	208,834	111,938	-24,616	-	718	308	599	297,781
Impairments and depreciation of non-current assets	63,768	2,870	-7,442	-	3,491	-112	23,644	86,219
Reduction in carrying amounts of hedging instruments	40,466	-	-	41,560	-	48	-	82,074
Other temporary differences	115,444	33,831	-24,643	877	30,174	4,498	192,963	353,144
Deferred tax assets	1,996,607	152,438	-185,741	42,437	34,383	4,742	217,206	2,262,072
Deferred tax liabilities on:								
Differences between carrying amounts and fair values of assets and liabilities acquired through business combinations	-164,173	-	22,654	88,439	1,102	17,285	-893,821	-928,514
Gain on recognition of financial assets	-31,607	-2,343	2,378	-	-19,420	-2,609	-105,713	-159,314
Reduction in carrying amounts of hedging instruments	-13,120	-	-	-2,993	-	-	-	-16,113
Other temporary differences	-70,542	-18,022	11,650	1,366	-26,420	-2,567	-169,778	-260,942
Deferred tax liabilities	-279,442	-20,365	36,682	86,812	-44,738	12,109	-1,169,312	-1,378,254
Difference between deferred tax assets and liabilities (eligible and ineligible for offset)	1,717,165	132,073	-149,059	129,249	-10,355	16,851	-952,106	883,818

(1) Includes Autostrada Tirrenica's contribution reclassified to the income statement under "Profit/(Loss) from discontinued operations" in compliance with IFRS 5.

As shown in the table, net deferred tax assets at 31 December 2012 include, in addition to the amounts relating to newly consolidated companies, the residual deferred tax assets recognised in connection with the reversal of intercompany gains arising in 2003 on the contribution of the portfolio of motorways to Autostrade per l'Italia (€882,125 thousand). The carrying amount also includes deferred tax assets of €560,729 thousand that will be released over the life of Autostrade per l'Italia's concession which has been recognised as a result of the adoption of IFRIC 12.

The deferred taxes primarily relate to gains on revaluations to fair value of assets and liabilities arising on business combinations (€928,514 thousand), principally attributable to the Chilean and Brazilian companies consolidated for the first time during the year.

The most important movements during the year related to:

- a) a deferred tax liability of €952,106 thousand contributed by the newly consolidated companies, €893,821 thousand of which related to the provisional allocation of gains arising on business combinations in Chile and Brazil, as described above in note 6;
- b) the release of certain deferred tax assets on the elimination of intercompany gains in connection with the contribution in 2003 of a number of motorways to Autostrade per l'Italia valued at €105,800 thousand, which was equal to the amount permitted to be deducted from goodwill as recognised by Autostrade per l'Italia on the contribution;
- c) a €88,439 thousand release of deferred taxes relating, as mentioned in point a), to the payment of the current tax liability on non-recurring transactions in connection with the transfer of a non-controlling interest in the Costanera Group to the Canadian pension fund, CPPIB;
- d) the net increase of €87,322 thousand in deferred tax assets in connection with the non-deductible portion of provisions primarily having regard to the repair and replacement of concession assets;
- e) recognition in comprehensive income of €38,567 thousand in net deferred tax assets on the fair value measurement of derivative hedging instruments.

7.6 Other non-current assets / €2,071 thousand (€2,412 thousand)

This item essentially consists of amounts due from the tax authorities, representing withholding tax paid on provisions for post-employment benefits and which were down as a result of amounts recovered on the benefits paid during the year.

7.7 Trading assets / €1,153,207 thousand (€1,018,167 thousand)

Trading assets include inventories (€62,107 thousand) consisting of stocks of spare parts used in the maintenance or assembly of plant, contract work in progress (€31,338 thousand) and trade receivables (€1,059,762 thousand) as shown in the table below.

(€000)	31.12.2012					31.12.2011				
	AMOUNTS DUE FROM CUSTOMERS	OTHER TRADE RECEIVABLES	PREPAYMENTS FOR CONSTRUCTION SERVICES	OTHER TRADING ASSETS	TOTAL	AMOUNTS DUE FROM CUSTOMERS	OTHER TRADE RECEIVABLES	PREPAYMENTS FOR CONSTRUCTION SERVICES	OTHER TRADING ASSETS	TOTAL
Direct debit road users and similar: outstanding bills	497,180				433,860					
Receivable from sundry customers and retentions	168,467				143,579					
Service area operators	119,215				138,841					
Road users for unpaid tolls	50,448				46,914					
Gross trade receivables	835,310	297,047	27,258	29,004	1,188,619	763,194	183,062	26,774	32,152	1,005,182
Allowance for bad debts	88,937	39,920	-	-	128,857	72,333	10,154	-	-	82,487
Net trade receivables	746,373	257,127	27,258	29,004	1,059,762	690,861	172,908	26,774	32,152	922,695

Receivables due from customers, net of the bad debt allowance, increased €55,512 thousand primarily because of tolls receivable (in the process of collection by intermediary banks at year-end) and as a result of companies consolidated from 2012.

Other trading assets increased €84,219 almost entirely because of the contributions of newly consolidated Chilean and Brazilian companies.

An aging of customer and trade receivables is shown below:

(€000)	TOTAL RECEIVABLES AT 31.12.2012	TOTAL NOT YET DUE AND PAYABLE	MORE THAN 90 DAYS OVERDUE	BETWEEN 90 AND 365 DAYS OVERDUE	MORE THAN ONE YEAR OVERDUE
Due from customers and other trade receivables	1,132,357	822,670	62,537	61,072	186,078

Overdue receivables regard uncollected and unpaid tolls, in addition to royalties due from service area operators and sales of other goods and services, such as authorisations to cross motorways, the sale of services and proprietary assets.

The following table shows movements of the bad debt allowance for trade receivables.

(€000)	31.12.2011	ADDITIONS	USES	ADDITIONS TO BASIS OF CONSOLIDATION	RECLASSIFICATIONS AND OTHER CHANGES	31.12.2012
Allowance for bad debts	82,487	21,481	-2,553	20,258	7,184	128,857

The relevant allowance is adequate and has been determined with reference to experience gained with specific customers and historical data regarding losses on receivables, taking into account guarantee deposits and other collateral given by customers.

The carrying amount of trade receivables approximates fair value.

The breakdown of related party transactions included in "Contract work in progress", totalling €3,155 thousand at the end of 2012 (€10,161 thousand in 2011), and "Trade receivables", amounting to €43,108 thousand as at 31 December 2012 (€41,473 thousand in 2011), in the "Consolidated financial statements" is provided in note 10.4.

7.8 Cash and cash equivalents / €2,811,230 thousand (€619,900 thousand)

Cash and cash equivalents consist of cash on hand and investments with terms of less than 120 days. The balance is €2,191,330 thousand more than as at 31 December 2011 because of bonds issued by Atlantia during the year.

Detailed explanations of the cash flows resulting in the increase at 31 December 2012 are contained in note 9.1.

7.9 Current tax assets and liabilities

Current tax assets / €131,131 thousand (€28,581 thousand)

Current tax liabilities / €20,698 thousand (€116,995 thousand)

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

(€000)	ASSETS		LIABILITIES	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
IRES	105,077	11,951	62	106,162
IRAP	9,477	4,225	1,405	1,217
Other income taxes	16,577	12,405	19,231	9,616
Total	131,131	28,581	20,698	116,995

The Group's net tax asset at 31 December 2012 of €110,433 thousand related to current taxes. It primarily arose from IRES and IRAP payments on account of more than current tax provisions for the year, recognition of a tax credit relating to the deduction of IRAP for the purposes of IRES (€30,338 thousand) and the lower amount of income taxes payable in 2012 than 2011.

There was, on the other hand, a net liability as at 31 December 2011 basically because of the lower amounts of payments on account by Autostrade per l'Italia in 2011 since they had been based on 2010 taxes paid which were low because of the tax recognition of the IFRIC 12 accounting treatment of the provisions of the Ministerial Decree of 8 June 2011 (the so-called *Milleproroghe*, or "Thousand postponements", decree), and the response, received on 9 June 2011, to the request for a ruling submitted to the Italian tax authorities by Autostrade per l'Italia in 2010.

The breakdown of related party transactions included in "Current tax assets", totalling €18,035 thousand at the end of 2012 (€11,474 thousand in 2011), in the "Consolidated financial statements" is provided in note 10.4.

7.10 Other current assets / €132,452 thousand (€89,335 thousand)

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

(€000)	31.12.2012	31.12.2011
Tax credits other than for income tax	49,443	28,750
Receivables due from end users and insurance companies for damages	41,098	35,320
Receivable from public entities	6,969	4,557
Other current assets	68,761	52,347
	166,271	120,974
Allowance for bad debts	-33,819	-31,639
Total	132,452	89,335

The balance has increased €43,117 thousand, primarily because of the receivables on the books of the newly consolidated Chilean and Brazilian companies of €19,912 thousand, principally owing from public authorities and insurance companies, increased VAT credits and €16,968 thousand in insurance claims for damages by Autostrade per l'Italia.

The allowance for bad debts primarily relates to Stalexport Autostrady's accounts receivable from investee companies, now in liquidation. Stalexport had acted as guarantor of loans granted to the companies by local authorities.

7.11 Non-current assets held for sale and related to discontinued operations / €17,436 thousand (€310,050 thousand) Liabilities related to discontinued operations / €- (€288 thousand)

As at 31 December 2012 assets relate essentially to the non-controlling interest in Lusoponte (€11,895 thousand, net of the impairment recognised in 2011) and the accounts receivable from Lusoponte (€1,643 thousand). The 31 December 2011 balance also included the carrying amount of the investment in Nueva Inversiones (€290,241 thousand) which has been consolidated since 1 April 2012, as explained in note 6.1.

7.12 Equity / €5,448,255 thousand (€4,030,553 thousand)

Atlantia's issued capital as at 31 December 2012 is fully subscribed and paid-in and consists of 661,827,592 ordinary shares with a par value of €1 each, amounting to €661,827,592.

The Extraordinary General Meeting of Atlantia's shareholders on 24 April 2012 approved a bonus issue with a value of €31,515,600 through capitalisation of the same amount from extraordinary reserves. Following execution of the resolution on 7 June 2012, one new share was issued to shareholders for every 20 held. This resulted in an increase in treasury shares of 632,648, with the total number of treasury shares held rising from 12,652,968 to 13,285,616. These shares are carried at €215,644 thousand.

Equity attributable to owners of the parent, totalling €3,801,055 thousand, has increased by €235,057 thousand compared with 31 December 2011. The most important movements during the year as shown in the Statement of Changes in Consolidated Equity, were:

- a) profit for the year of €808,078 thousand;
- b) payment of the final dividend for 2011, totalling €241,506 thousand, and of the interim dividend for 2012, totalling €230,232 thousand;
- c) the net loss resulting from other components of comprehensive income, amounting to €176,780 thousand caused by:
 - 1) an €87,552 thousand loss on the fair value measurement of cash flow hedges, as a result of changes in the yield curve during the year;
 - 2) a loss on the fair value measurement of net investment hedges, totalling €37,593 thousand, primarily reflecting the settlement of differentials linked to a number of derivative contracts entered into to hedge the exposure to currency risk of the assets of certain companies operating in Chile;
 - 3) a loss on actuarial valuations of provisions for employee benefits, totalling €23,546 thousand, principally reflecting the reduced discount rate used for the valuation as at 31 December 2012 compared with 31 December 2011;
 - 4) reclassification to profit or loss, with recognition in financial income, of the foreign currency translation reserve following the measurement using the equity method of Autostrade Sud America, after this company's first-time consolidation, and of IGLI, following this company's sale, totalling €22,170 thousand.

Equity of €1,647,200 thousand attributable to non-controlling interests is up €1,182,645 on 31 December 2011 (€464,555 thousand), primarily due to the recognition of non-controlling interests as a result of the first-time consolidation of the Chilean and Brazilian companies mentioned in note 6.1 (€1,180,595 thousand).

Atlantia manages its capital with a view to creating value for shareholders, ensuring the Group can function as a going concern, safeguarding the interests of stakeholders, and providing efficient access to external sources of financing to adequately support the growth of the Group's businesses and fulfil the commitments given in concession arrangements.

Other comprehensive income

The section "Consolidated financial statements" includes the "Statement of comprehensive income", showing after tax other comprehensive income.

The following table shows the gross amount and net amounts of components of other comprehensive income including amounts attributable to owners of parent and non-controlling interests.

(€000)	2012			2011		
	GROSS	TAX	NET	GROSS	TAX	NET
Fair value gains/(losses) on cash flow hedges	-132,119	38,565	-93,554	-19,799	2,832	-16,967
Fair value gains/(losses) on net investment hedges	-51,852	14,259	-37,593	-	-	-
Gains/(Losses) from actuarial valuations of provisions for employee benefits	-27,496	3,764	-23,732	-2,538	317	-2,221
Gains/(Losses) from translation of transactions in functional currencies other than the euro	-5,260	-	-5,260	-39,424	-	-39,424
Gains/(Losses) from translation of transactions in functional currencies other than the euro concluded by associates and joint ventures accounted for using the equity method	-185	-	-185	-12,205	-	-12,205
Other fair value gains/(losses)	-1,519	-	-1,519	-648	-	-648
Other comprehensive income for the year	-218,431	56,588	-161,843	-74,614	3,149	-71,465
<i>of which: discontinued operations</i>	-	-	-	-1,383	381	-1,002
Reclassifications of components of comprehensive income to profit/(loss)	-20,787	-	-20,787	-16,845	-226	-17,071
Total other comprehensive income for the year, after related taxation and reclassifications to profit/(loss) for the year	-239,218	56,588	-182,630	-91,459	2,923	-88,536

Disclosures regarding share-based payments

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

There were no substantial changes in 2012 to the existing incentive plans approved by shareholders at the General Meetings of 20 April 2011 and 23 April 2009.

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

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	NUMBER OF OPTIONS/UNITS AWARDED	VESTING DATE	EXERCISE/ GRANT DATE	EXERCISE PRICE (€)	FAIR VALUE OF EACH OPTION OR UNIT AT GRANT DATE (€)	EXPECTED EXPIRATION AT GRANT DATE (YEARS)	RISK FREE INTEREST RATE USED	EXPECTED VOLATILITY (BASED ON HISTORIC MEAN)	EXPECTED DIVIDENDS AT GRANT DATE
2009 SHARE OPTION PLAN									
Options outstanding as at 1 January 2011									
- 8 May 2009 grant	534,614	23.04.2013	30.04.2014	11.20	1.66	5.0	2.52%	26.5%	3.44%
- 16 July 2009 grant	174,987	23.04.2013	30.04.2014	12.09	1.32	4.8	2.41%	25.8%	3.09%
- 15 July 2010 grant	140,399	23.04.2013	30.04.2014	13.68	1.42	3.8	1.62%	26.7%	3.67%
- 13 May 2011 grant	26,731	23.04.2013	30.04.2014	11.20	(*)	(*)	(*)	(*)	(*)
	8,749	23.04.2013	30.04.2014	12.09	(*)	(*)	(*)	(*)	(*)
	76,476	23.04.2013	30.04.2014	13.68	1.60	3.0	2.45%	26.3%	4.09%
- 14 October 2011 grant	28,067	23.04.2013	30.04.2014	11.20	(*)	(*)	(*)	(*)	(*)
	9,187	23.04.2013	30.04.2014	12.09	(*)	(*)	(*)	(*)	(*)
	10,844	23.04.2013	30.04.2014	13.68	(*)	(*)	(*)	(*)	(*)
	1,010,054								
Changes in options in 2012									
- 14 June 2012 grant	29,470	23.04.2013	30.04.2014	11.20	(*)	(*)	(*)	(*)	(*)
	9,646	23.04.2013	30.04.2014	12.09	(*)	(*)	(*)	(*)	(*)
	11,386	23.04.2013	30.04.2014	13.68	(*)	(*)	(*)	(*)	(*)
Options outstanding as at 31 December 2012	1,060,556								
2011 SHARE OPTION PLAN									
Options outstanding as at 1 January 2011									
- 13 May 2011 grant	279,860	13.05.2014	14.05.2017	14.78	3.48	6.0	2.60%	25.2%	4.09%
- 14 October 2011 grant	13,993	13.05.2014	14.05.2017	14.78	(*)	(*)	(*)	(*)	(*)
	293,853								
Changes in options in 2012									
- 14 June 2012 grant	14,693	13.05.2014	14.05.2017	14.78	(*)	(*)	(*)	(*)	(*)
	345,887	14.06.2015	15.06.2018	9.66	2.21	6.0	1.39%	28.0%	5.05%
Options outstanding as at 31 December 2012	654,433								
2011 SHARE GRANT PLAN									
Units outstanding as at 1 January 2012									
- 13 May 2011 grant	192,376	13.05.2014	13.05.2015 and 13.05.2016	n.a.	12.90	4.0 - 5.0	2.45%	26.3%	4.09%
- 14 October 2011 grant	9,619	13.05.2014	13.05.2015 and 13.05.2016	n.a.	(*)	(*)	(*)	(*)	(*)
	201,995								
Changes in units in 2012									
- 14 June 2012 grant	10,100	13.05.2014	13.05.2015 and 13.05.2016	n.a.	(*)	(*)	(*)	(*)	(*)
	348,394	14.06.2015	14.06.2016 and 14.06.2017	n.a.	7.12	4.0 - 5.0	1.12%	29.9%	5.05%
- expired units	-5,537								
Units outstanding as at 31 December 2012	554,952								
MBO SHARE GRANT PLAN									
Changes in units in 2012									
- 14 May 2012 grant	96,282	14.05.2015	14.05.2015	n.a.	13.81	3.0	0.53%	27.2	4.55%
- 14 June 2012 grant	4,814	14.05.2015	14.05.2015	n.a.	(*)	(*)	(*)	(*)	(*)
Units outstanding as at 31 December 2012	101,096								

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

The main features of the plans are given below incorporating the modifications introduced in 2012. Detailed information on the plans is contained in an Information Memorandum published on the Group's website at www.atlantia.it and prepared pursuant to art. 84-bis of CONSOB Regulation 11971/1999, as subsequently amended.

In general, the options and units awarded under any of the existing plans may not form part of inter vivos transfers by beneficiaries, and may not be subject to restrictions or be part of any disposition for any reason. The options and units cease to be exercisable or convertible on the unilateral termination of employment or in the event of dismissal for cause of the beneficiary prior to expiration of the vesting period.

2009 Share Option Plan

The 2009 Share Option Plan, approved by shareholders at the General Meeting of 23 April 2009, originally envisaged the grant of options on up to 850,000 ordinary shares. Each of the options granted gives the right to acquire one Atlantia ordinary share, held in treasury at that date, at a price equal to the normal value of the shares at the date on which Atlantia's Board of Directors selects the beneficiary and establishes the number of options to be granted.

Exercising the powers conferred on it by shareholders at the General Meeting of 20 April 2011, meeting on 14 June 2012 the Board of Directors of Atlantia, in execution of the authority conferred on them by the General Meeting, pursuant to and for the purposes of the Plan terms and conditions, made the alterations required to ensure that there is no change in the substantial and financial terms of the Plan, given the dilution caused by the bonus issue approved by the Annual General Meeting of 24 April 2012 and executed on 4 June 2012. This entailed the Board of Directors' approval of resolutions (i) granting beneficiaries one new option for each 20 already held; (ii) a 5% adjustment to the exercise price of options already granted; and, (iii) the adjustment of the plan's "Final Value", being the value of the share needed to determine the percentage of vested options. As a result of these alterations, the options effectively awarded correspond to a maximum of 1,060,556 ordinary shares.

In execution of the rights granted, beneficiaries can purchase Atlantia shares at a price of €12.97 per share. The options will vest only if, at the end of the vesting period, Final Value (the market value of each share, by convention calculated on the basis of the average official price of Atlantia's ordinary shares at the end of each trading day in the period from 23 January 2013 to 23 April 2013, plus any dividends paid from the grant date to the end of the vesting period) is equal to or greater than €12.958. Should Final Value be less than €12.958, beneficiaries will definitively lose their right to exercise the options granted, unless otherwise decided by the Board of Directors. Should Final Value be equal to or greater than €12.958, the number of vested options will be equal to a percentage of the options granted, based Final Value, as shown in the following table.

FINAL VALUE (€)	PERCENTAGE OF OPTIONS GRANTED THAT HAVE VESTED
12.958	20%
13.821	27%
14.685	35%
15.550	42%
16.412	49%
17.277	56%
18.141	64%
19.004	71%
19.869	78%
20.732	85%
21.596	93%
22.460	100%
Over 22.460	A percentage calculated on the basis of the following formula: $\frac{[(22.460 - \text{Exercise Price}) / (\text{Final Value} - \text{Exercise Price})] \times 100}{}$

The terms and conditions of the SOP expressly state that any capital gains resulting from the exercise of vested options may under no circumstances exceed twice (three in the case of the Chairman, the previous Chairman and the Chief Executive Officer) the beneficiary's gross annual fixed salary (i) as at 1 January 2009 or, solely for beneficiaries selected after the approval date, (ii) as at the date of employment (or election in the case of executive Directors).

2011 Share Option Plan

As approved by the Annual General Meeting of 20 April 2011, the Plan entails the award of up to 1,300,000 options free of charge in three annual award cycles (2011, 2012 and 2013). Each option will grant beneficiaries the right to purchase one ordinary Atlantia share held in treasury, with settlement involving either physical delivery or, at the beneficiary's option, a cash payment equivalent to the proceeds from the sale of the shares on the stock exchange organised and managed by Borsa Italiana SpA, after deduction of the full exercise price. The exercise price is equivalent to the average of the official prices of Atlantia's ordinary shares in the month prior to the date on which Atlantia's Board of Directors announces the beneficiary and the number of options to be awarded.

The options granted will vest in accordance with the Plan terms and conditions and, in particular, only if, on expiration of the vesting period (three years from the date of award of the options to beneficiaries by the Board of Directors), the Company's cumulative FFO (total operating cash flow for each of the three financial years preceding expiration of the vesting period, adjusted for a number of specific items) is higher than a pre-established target, unless otherwise decided by the Board of Directors, which has the authority to assign beneficiaries further targets. Vested options may be exercised, in part, from the first day following expiration of the vesting period and, in part, from the end of the first year following expiration of the vesting period and, in any event, in the three years following expiration of the vesting period (subject to the clause in the Plan terms and conditions requiring executive Directors and key management personnel to maintain a minimum holding). The number of exercisable options will be calculated on the basis of a mathematical algorithm that takes account, among other things, of the current value and the exercise price, plus any dividends paid, so as to cap the realisable gain.

On 14 June 2012 Atlantia's Board of Directors, within the scope of the second annual award cycle (2012), identified the awardees and approved the award of 345,887 options to certain of the Group's directors and employees. These options vest between 14 June 2012 and 14 June 2015 and are exercisable in the period between 15 June 2015 and 15 June 2018 at an exercise price per share of €9.663. Furthermore, the Board of Directors of Atlantia, in execution of the authority conferred on them by the General Meeting, pursuant to and for the purposes of the Plan terms and conditions, made the alterations required to ensure that there is no change in the substantial and financial terms of the Plan, given the dilution caused by the bonus issue approved by the Annual General Meeting of 24 April 2012. The amendments were essentially: (i) adjustment of the exercise price of the options awarded at the Board of Directors meeting of 13 May 2011 to €14.777, and (ii) the award of one new option for each twenty already awarded at the adjusted exercise price in point (i).

2011 Share Grant Plan

The Plan approved by the Annual General Meeting of 20 April 2011 entails the grant of up to 700,000 units free of charge in three annual award cycles (2011, 2012 and 2013). Each unit will grant beneficiaries the right to receive one Atlantia SpA ordinary share held in treasury, with settlement involving either physical delivery or, at the beneficiary's option, a cash payment equivalent to the proceeds from the sale of the shares on the stock exchange organised and managed by Borsa Italiana SpA.

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

On 13 May 2011 Atlantia's Board of Directors, within the scope of the first annual award cycle (2011), approved the grant of 192,376 units to certain of the Group's directors and employees.

On 14 June 2012 Atlantia's Board of Directors, within the scope of the second annual award cycle (2012), approved the grant of 348,394 units to certain of the Group's directors and employees. These units vest between 14 June 2012 and 14 June 2015 and are convertible, in accordance with the above terms and conditions, on 14 June 2016 and 14 June 2017. Furthermore, the Board of Directors of Atlantia, in execution of the authority conferred on them by the General Meeting, pursuant to and for the purposes of the Plan terms and conditions, made the alterations required to ensure that there is no change in the substantial and financial terms of the Plan, given the dilution caused by the bonus issue approved by the Annual General Meeting of 24 April 2012. The amendments were: (i) adjustment of the initial value of the shares awarded at the Board of Directors meeting of 13 May 2011 to €14.777, and (ii) the award of one new option for each twenty already awarded at the adjusted value in point (i).

MBO Share Grant Plan

As approved by the Annual General Meeting of 20 April 2011, the MBO Share Grant Plan, serving as part payment of the annual bonus for the achievement of objectives assigned to each beneficiary under the Management by Objectives (MBO) plan adopted by the Group, entails the grant of up to 300,000 units free of charge annually for three years (2012, 2013 and 2014). Each unit will grant beneficiaries the right to receive one ordinary Atlantia SpA share held in treasury.

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

On 11 May 2012, Atlantia's Board of Directors approved the award on 14 May 2012 of 96,282 units to Group directors and employees selected at the Board of Directors' meeting of 13 May 2011 based on the achievement of the 2011 targets. The units vest on 14 May 2015 and may be converted into shares from that date. The Board of Directors also selected the plan beneficiaries for 2012 at the same Board meeting of 11 May 2012. However, given the above need to confirm achievement of the objectives assigned to each beneficiary prior to any grant, it is not at the moment possible to quantify the number of units to be granted for the second annual MBO share grant cycle, or, indeed, the fair value of each of the benefits. As, however, certain of these benefits have already vested since the grant date, the fair value of units awarded has been estimated for the purposes of these consolidated financial statements in order to accrue the amounts for the period.

On 14 June 2012, the Board of Directors of Atlantia, in execution of the authority conferred on them by the General Meeting, pursuant to and for the purposes of the Plan terms and conditions, made the alterations required to ensure that there is no change in the substantial and financial terms of the Plan, given the dilution caused by the bonus issue approved by the Annual General Meeting of 24 April 2012. The amendments were: (i) adjustment of the initial value of the shares awarded at the Board of Directors meeting of 11 May 2012 to €10.747, and (ii) the award of one new option for each twenty already awarded at the adjusted value in point (i).

The weighted average price of Atlantia's ordinary shares for 2012 (adjusted to take account of Atlantia's bonus issue with effect from 4 June 2012) was €11.30 per share, with the figure for the period 11 May–31 December 2012 amounting to €11.18 per share and, for the period 14 June 2012–31 December 2012, €11.60 per share; as at 14 May 2012 and 14 June 2012 (the date the new options and units were awarded, as described above) the values of Atlantia's ordinary shares were €10.49 and €9.17 per share, respectively, whilst as at 31 December 2012 the value was €13.74 per share.

As a result of implementation of the above plans, as at 31 December 2012 the Group had recognised, in accordance with the requirements of IFRS 2, an increase in equity reserves of €2,768 thousand, based on the accrued fair value of the options and units awarded at that date, with a contra entry in the income statement in staff costs.

7.13 Provisions for construction services required by contract

(non-current) / €4,321,448 thousand (€4,134,960 thousand)

(current) / €489,812 thousand (€551,606 thousand)

Provisions for construction services required by contract represent the residual present value of motorway infrastructure construction and/or upgrade services that certain of the Group's operators, particularly Autostrade per l'Italia, are required to provide and for which no additional economic benefits are received in terms of specific toll increases and/or significant increases in traffic.

The following table shows provisions for construction services required by contract at the beginning and end of the year and changes during the year, showing the non-current and current portions.

The €124,694 thousand increase in the combined current and non-current portions of the provisions is the net of the following:

- €430,030 thousand increase in the present value of future construction services with an analogous increase in concession rights recognised as intangible assets;
- €100,492 thousand increase in finance-related provisions for 2012 being the double entry to the financial expense incurred in connection with discounting to present value;
- the provisions on the books of MG 050 (€40,615 thousand) and Sociedad Concesionaria Autopista Nororiental (€14,014 thousand) as of date of their first-time consolidation in 2012;
- €470,688 thousand release, net of grants, for the year in connection with construction services completed during the first six months and for which no additional benefits are received.

(€000)	31.12.2011			CHANGES DURING THE YEAR	
	BALANCE	NON-CURRENT	CURRENT	CHANGES DUE TO REVISED PRESENT VALUE OF OBLIGATIONS	FINANCIAL PROVISIONS
Provisions for construction services required by contract					
Upgrade of Florence-Bologna section	2,056,550	1,671,436	385,114	176,721	34,462
Third and fourth lanes	21,005	19,409	1,596	922	285
Other construction services	2,609,011	2,444,115	164,896	252,387	65,745
	4,686,566	4,134,960	551,606	430,030	100,492

7.14 Provisions

(non-current) / €1,150,379 thousand (€1,030,769 thousand)

(current) / €189,935 thousand (€171,554 thousand)

The following table shows provisions at the beginning and end of the year and changes in 2012, showing the non-current and current portions.

Provisions for employee benefits

(non-current) / €145,420 thousand (€130,978 thousand)

(current) / €17,376 thousand (€11,728 thousand)

As at 31 December 2012 this item essentially consisted of provisions for post-employment benefits.

Combined current and non-current portions of the provisions for post-employment benefits were up €20,069 thousand essentially due to:

- actuarial losses of €27,496 thousand recognised in comprehensive income;
- operating and financial provisions, totalling €6,826 thousand;
- use of provisions amounting to €10,274 thousand for benefits and advances;
- the deconsolidation of Autostrada Torino-Savona and Port Mobility, resulting in a decrease of €3,723 thousand.

The most important actuarial assumptions used to measure the provision for post-employment benefits at 31 December 2012 are summarised below:

FINANCIAL ASSUMPTIONS	
Annual discount rate (*)	2.05%
Annual inflation rate	2.0%
Annual rate of increase in post-employment benefits	3.0%
Annual rate of increase in real salaries	0.65%
Annual turnover rate	2.0%-5.0%
Annual rate of advances paid	2.0%-3.5%

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

DEMOGRAPHIC ASSUMPTIONS	
Mortality	Government General Accounting Office projections
Disability	INPS tables by age and sex
Retirement age	Mandatory state pension retirement age

	CHANGES DURING THE YEAR				BALANCE	31.12.2012	
	REDUCTIONS FOR COMPLETED WORKS	REVERSAL FOR GRANTS ACCRUED ON COMPLETED WORKS	CURRENCY TRANSLATION DIFFERENCES	CHANGE IN OR ADDITION TO BASIS OF CONSOLIDATION		NON-CURRENT	CURRENT
	-373,256	29,892	-	-	1,924,369	1,587,668	336,701
	-9,992	-	-	-	12,220	11,765	455
	-117,332	-	10,231	54,629	2,874,671	2,722,015	152,656
	-500,580	29,892	10,231	54,629	4,811,260	4,321,448	489,812

Provisions for repair and replacement obligations**(non-current)** / €975,706 thousand (€867,850 thousand)**(current)** / €112,963 thousand (€114,674 thousand)

This item regards the present value of provisions for the repair and replacement of assets operated under concession, in accordance with operators' contractual commitments.

The provisions increased €106,145 thousand being the difference between operating and financial provisions of €523,372 thousand and releases of €419,427 thousand during the year for repairs and replacements.

The increase was due to the provisions on the newly consolidated Chilean and Brazilian companies' books, totalling €29,632, which were almost entirely offset by the €26,059 reduction in provisions caused by the deconsolidation of Autostrada Torino-Savona.

Other provisions**(non-current)** / €29,253 thousand (€31,941 thousand)**(current)** / €59,596 thousand (€45,152 thousand)

These provisions essentially regard liabilities at year-end expected to be incurred in connection with pending litigation and disputes, including those with maintenance contractors regarding contract reserves.

Total other provisions increased by €11,756 thousand primarily due to increased provisioning for the year (€21,212 thousand) principally having regard to Autostrade per l'Italia's provisions for contract disputes and the provisions of €9,473 thousand contributed by the newly consolidated Chilean and Brazilian companies, partially offset by operating releases during the year of €10,495 thousand, principally by Autostrade per l'Italia and Rodovias das Colinas.

(€000)	31.12.2011		CHANGES DURING THE YEAR			
	BALANCE	NON-CURRENT	CURRENT	OPERATING PROVISIONS ⁽¹⁾	FINANCIAL PROVISIONS ⁽¹⁾	DEFERRED ACTUARIAL GAINS/(LOSSES) RECOGNISED IN COMPREHENSIVE INCOME
Provisions for employee benefits						
Post-employment benefits	141,535	130,350	11,185	1,258	5,568	27,496
Other employee benefits	1,010	486	524	498	-	-
Pensions and similar obligations	161	142	19	-24	-	-
	142,706	130,978	11,728	1,732	5,568	27,496
Provisions for repair and replacement obligations						
	982,524	867,850	114,674	481,295	42,077	-
Other provisions						
Provisions for impairments exceeding carrying amounts of investments	3,563	-	3,563	119	-	-
Provisions for disputes, liabilities and sundry charges	73,530	31,941	41,589	21,093	-	-
	77,093	31,941	45,152	21,212	-	-
Total provisions	1,202,323	1,030,769	171,554	504,239	47,645	27,496

(1) Includes Autostrada Tirrenica's contribution reported in the income statement under "Profit/(Loss) from discontinued operations" as required by IFRS 5.

REDUCTIONS DUE TO POST- EMPLOYMENT BENEFITS PAID AND ADVANCES	REDUCTIONS DUE TO REVERSAL OF OVERPROVISIONS	CHANGES DURING THE YEAR					BALANCE	31.12.2012	
		OPERATING USES ¹⁵⁾	RECLASSIFICATIONS AND OTHER CHANGES	CURRENCY TRANSLATION DIFFERENCES	CHANGES IN BASIS OF CONSOLIDATION ADDITIONS	CHANGES IN BASIS OF CONSOLIDATION DISPOSALS		NON-CURRENT	CURRENT
-10,274	-	-	-286	-1	31	-3,723	161,604	144,377	17,227
-	-	-767	-	39	260	-	1,040	919	121
-	-	-	-	15	-	-	152	124	28
-10,274	-	-767	-286	53	291	-3,723	162,796	145,420	17,376
-	-	-419,427	-1,780	1,153	29,632	-26,805	1,088,669	975,706	112,963
-	-	-	10	-	-	-	3,692	-349	4,041
-	-8,179	-10,495	25	-247	9,473	-43	85,157	29,602	55,555
-	-8,179	-10,495	35	-247	9,473	-43	88,849	29,253	59,596
-10,274	-8,179	-430,689	-2,031	959	39,396	-30,571	1,340,314	1,150,379	189,935

7.15 Financial liabilities

(non-current) / €14,391,085 thousand (€10,347,201 thousand)

(current) / €1,359,368 thousand (€666,799 thousand)

Medium/long-term borrowings

(non-current) / €14,391,085 thousand (€10,347,201 thousand)

(current) / €1,293,306 thousand (€449,588 thousand)

The following tables provide an analysis of outstanding medium to long-term financial liabilities with respect to:

- a) par values and current and non-current portions;

(€000)	NOTE	31.12.2012	
		PAR VALUE	CARRYING AMOUNT
Medium/long-term financial liabilities			
Bond issues	(1) (2)	10,875,640	10,716,933
Bank borrowings		4,177,416	4,156,328
Other borrowings		96,078	82,091
Medium/long-term borrowings	(1) (2)	4,273,494	4,238,419
Derivative liabilities	(3)		366,232
Accrued expenses on medium/long-term financial liabilities			362,807
Other financial liabilities			-
Other medium/long-term financial liabilities			362,807
Total			15,684,391

(1) Financial instrument classified as a financial liability measured at amortised cost in accordance with IAS 39.

(2) Details on hedged liabilities is contained in note 9.2.

(3) Instrument classified as a hedging derivative in accordance with IAS 39 and in level 2 of the fair value hierarchy.

31.12.2012					31.12.2011		
CURRENT PORTION	NON-CURRENT PORTION	TERM BETWEEN 13 AND 60 MONTHS	AFTER 60 MONTHS	PAR VALUE	CARRYING AMOUNT	CURRENT PORTION	NON-CURRENT PORTION
550,779	10,166,154	4,738,649	5,427,505	7,649,176	7,507,101	-	7,507,101
375,070	3,781,258	1,185,897	2,595,361	2,749,231	2,729,174	195,117	2,534,057
4,650	77,441	2,620	74,821	73,748	58,986	3,012	55,974
379,720	3,858,699	1,188,517	2,670,182	2,822,979	2,788,160	198,129	2,590,031
-	366,232	30,015	336,217		252,065	1,996	250,069
362,807	-	-	-		249,443	249,443	-
-	-	-	-		20	20	-
362,807	-	-	-		249,463	249,463	-
1,293,306	14,391,085	5,957,181	8,433,904		10,796,789	449,588	10,347,201

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

(€M)	MATURITY	31.12.2012		31.12.2011	
		CARRYING AMOUNT ⁽¹⁾	FAIR VALUE	CARRYING AMOUNT ⁽¹⁾	FAIR VALUE
Medium/long-term financial liabilities					
- listed fixed rate	from 2013 to 2032	9,943,449	10,744,089	7,308,122	7,358,746
- no listed fixed rate	from 2032 to 2038	224,020	301,177	198,979	260,943
- no listed floating rate	2013	549,464	549,464	-	-
Bond issues		10,716,933	11,594,730	7,507,101	7,619,689
- fixed rate	from 2013 to 2036	1,765,607	2,217,547	900,455	1,069,555
- floating rate	from 2013 to 2034	2,129,011	2,267,475	1,488,157	1,578,786
- non-interest bearing	from 2016 to 2017	261,710	261,710	340,562	340,562
Bank borrowings		4,156,328	4,746,732	2,729,174	2,988,903
- fixed rate	from 2013 to 2024	26,870	26,870	15,467	15,467
- floating rate	from 2013 to 2015	14,484	14,484	8,277	8,277
- non-interest bearing	from 2019 to 2020	40,737	40,737	35,242	35,242
Other borrowings		82,091	82,091	58,986	58,986
Medium/long-term borrowings		4,238,419	4,828,823	2,788,160	3,047,889
Derivative liabilities		366,232	366,232	252,065	252,065
Accrued expenses on medium/long-term financial liabilities		362,807		249,443	
Other financial liabilities		-		20	
Other medium/long-term financial liabilities		362,807	-	249,463	-
Total		15,684,391	16,789,785	10,796,789	10,919,643

(1) The value of medium/long-term financial liabilities shown in the table includes both the non-current and current portions.

The fair value of listed bonds was measured on the basis of closing market prices, whilst the fair value of other unlisted obligations was measured by discounting expected future cash flows using the year-end yield curve.

c) comparison of par values and carrying amounts (excluding accrued interest at year-end and derivative financial instruments with negative fair values), by issue currency with, for each currency, the average and effective interest rate for each liability;

(€000)	31.12.2011		31.12.2012			
	PAR VALUE	CARRYING AMOUNT	PAR VALUE	CARRYING AMOUNT	AVERAGE INTEREST RATE APPLIED UNTIL 31.12.2012 ⁽¹⁾	EFFECTIVE INTEREST RATE AS AT 31.12.2012
Euro (Eur)	9,146,491	9,103,605	12,210,076	12,109,656	4.73%	4.63%
Pound sterling (Gbp)	750,000	587,526	750,000	602,505	5.99%	6.47%
Yen (Jpy)	149,176	198,979	149,176	175,429	5.30%	5.48%
Zloty (Pln)	126,889	108,377	129,015	111,927	7.10%	8.00%
Peso (Clp)/unidad de fomento (UF)	226,040	223,953	1,348,595	1,398,519	7.16%	6.40%
Real (Brl)	73,064	72,328	554,419	549,463	9.62%	10.17%
Dollar (Usd)	495	493	7,853	7,853	5.25%	5.25%
Total	10,472,155	10,295,261	15,149,134	14,955,352	5.17%	

(1) Includes interest and foreign exchange hedging costs.

d) movements during the year in the par value of outstanding bonds and medium/long-term borrowings.

(€000)	PAR VALUE AS AT 31.12.2011 ⁽¹⁾	NEW BORROWINGS	REPAYMENTS	DECREASE IN LIABILITY TO ANAS ⁽²⁾	CURRENCY TRANSLATION DIFFERENCES	ADDITIONS TO BASIS OF CONSOLIDATION	ELIMINATION FROM BASIS OF CONSOLIDATION	PAR VALUE AS AT 31.12.2012 ⁽¹⁾
Bond issues	7,649,176	3,085,621	-687,994	-	-11,608	840,445		10,875,640
Bank borrowings	2,749,231	1,180,898	-358,836	-34,791	66,001	618,974	-44,061	4,177,416
Other borrowings	73,748	514	-4,468	-	17,536	8,748		96,078
Total	10,472,155	4,267,033	-1,051,298	-34,791	71,929	1,468,167	-44,061	15,149,134

(1) The medium/long-term financial liabilities shown in the table include both current and non-current portions.

(2) The decreases relate to changes in borrowings in connection with grants related to Autostrade per l'Italia pursuant to Laws 662/1996, 345/1997 and 135/1997, for works on the sections "Florence North", "Florence South" and "Cà Nova-Aglia" (Variante di Valico).

The Group uses derivative financial instruments to hedge existing and future, highly probable, risks associated with certain financial liabilities, including interest rate swaps (IRS) and cross currency swaps (CCS), which are classified as cash flow hedges pursuant to IAS 39. The market value of the hedging instruments as at 31 December 2012 is recognised in "Derivative liabilities" and "Derivative assets".

More detailed information on financial risks and the manner in which they are managed, in addition to details of outstanding financial instruments, is contained in note 9.2 "Financial risk management".

Bond issues

(non-current) / €10,166,154 thousand (€7,507,101 thousand)

(current) / €550,779 thousand (€-)

This item principally refers to bonds issued by Atlantia as part of its €10 billion Medium Term Note (MTN) programme.

The €3,209,832 thousand increase was predominantly caused by:

- a) the placement of bonds with institutional investors under a medium term note programme, which included:
 - 1) three bonds of par values, respectively, €1,000,000 thousand (4.5% coupon, maturing in 2019, carried at €986,603); €750,000 thousand (4.375% coupon, maturing in 2020, carried at €743,432); €35,000 thousand (4.8% coupon, maturing in 2032, carried at par);
 - 2) a zero coupon note carried at €48,591 thousand (interest rate of 5.242%, maturing in 2032 and a par value at maturity of €135,000 thousand);
- b) a new bond issue for retail investors with a par value of €1,000,000 (3.625% coupon and maturity in 2018) carried at €969,144;
- c) €655,800 thousand partial redemption of an Atlantia bond issue redeemable in 2014;
- d) the issue of certain project bonds denominated in unidad de fomento (UF), by Costanera Norte (€349,179 thousand) with a real coupon of 5.21%, maturing through 2016 and a real coupon of 5.71%, maturing through 2024, and by Vespucio Sur (€182,437 thousand), with a real coupon of 4.50%, maturing through 2028;
- e) the issue of new floating rate CDIs plus a 2.45% spread as at 31 December 2012, totalling €549,464 thousand, by the Brazilian companies, Rodovias das Colinas (up €318,064 thousand) and Triangulo do Sol (up €231,400 thousand), maturing on 23 October 2013.

Medium/long-term borrowings

(non-current) / €3,858,699 thousand (€2,590,031 thousand)

(current) / €379,720 thousand (€198,129 thousand)

The non-current portion has increased €1,268,668 thousand primarily as a result of the following:

- a) drawdown of the remaining €500,000 thousand par value medium to long tranche of the 2008 facility provided by the European Investment Bank (EIB) to Autostrade per l'Italia. The interest rate is 4.596%, fixed, with final maturity in 2036; €250,000 thousand loan signing by Autostrade per l'Italia and the EIB (final maturity 2034 and a fixed rate of 3.771%) and a drawdown of a €100,000 thousand tranche of a loan provided by the Cassa Depositi e Prestiti and SACE (2024 final maturity and floating interest rate);
- b) consolidation of borrowings on the books of the recently acquired Chilean companies, totalling €357,255 thousand, and contributed by Litoral Central (floating rate: TAB 90 plus spread of 0.80% repayable by 2025), Nororient (floating rate: TAB 180 plus spread of 0.80% repayable by 2031), and Vespucio Sur (real fixed rate of 5.91% repayable by 2028), and bank financing provided to the intermediate holding company, Grupo Costanera, totalling €172,741 thousand, priced at 1.39% over TAB 90, repayable in 2022.

The current portion increased by €181,591 thousand, primarily representing the net of the reclassification to the current portion of amounts repayable during the next twelve months (€444,787 thousand) and the consolidation of loans on the books of the recently acquired companies (€104,578 thousand), less repayments during the period of €398,095 thousand being the current portion of medium/long-term borrowings.

Medium/long-term borrowings include a term loan facility (€555,567 thousand as at 31 December 2012) entailing certain covenants with which Autostrade per l'Italia must comply over the term of the facility and which have never been breached. The covenants are in the form of minimum ratios: cash flow from operations (CFO)/net financial expenses and cash flow from operations (CFO)/net debt and equity. The method of selecting the variables to compute the ratios is specified in detail in the loan agreement.

Derivative liabilities

(non-current) / €366,232 thousand (€250,069 thousand)

(current) / €- (€1,996 thousand)

This item represents fair value losses on outstanding derivatives as at 31 December 2012, classified as cash flow hedges or fair value hedges depending on the hedged risk, as required by IAS 39.

The non-current portion includes:

- a) cross currency interest rate swaps (CCIRS) entered into by Atlantia to hedge the rate and foreign exchange risk of medium to long-term, par value of £ 500,000 thousand and ¥20,000,000 thousand bond issues, the total fair value of which (€238,968 thousand) includes euro/pound sterling foreign exchange differences of €110,465 offset against the underlying liability;
- b) interest rate swaps (€127,264 thousand) entered into by certain Group companies to hedge interest rate risk on existing and highly probable future non-current financial liabilities (indexed at market rates).

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

Other medium/long-term financial liabilities**(non-current)** / €- (-)**(current)** / €362,807 thousand (€249,463 thousand)

The current portion of other medium/long-term borrowings has increased €113,344 thousand as a result of the increase in accrued interest payable on medium/long-term borrowings.

Short-term borrowings / €66,062 thousand (€217,211 thousand)

An analysis of short-term borrowings is shown below.

(€000)	31.12.2012	31.12.2011
Bank overdrafts	116	10,157
Short-term borrowings	-	161,239
Derivative liabilities	122	-
Intercompany current account payables to unconsolidated group companies	24,794	41,436
Other current financial liabilities	41,030	4,379
Total	66,062	217,211

The €151,149 thousand decrease in short-term borrowings is primarily due to:

- a) repayment of a €161,235 thousand short-term borrowing on the books of Autostrade Holding do Sur;
- b) a decrease in the balance on Società Autostrada Tirrenica's intercompany account;
- c) the €36,651 thousand increase in other borrowings, primarily due to the first-time consolidation of Rodovia MG 050's short-term borrowings of €39,055 thousand.

Net debt in compliance with ESMA (formerly CESR) Recommendation of 10 February 2005

An analysis of consolidated net debt is shown below with amounts payable to and receivable from related parties, as required by CONSOB Ruling DEM/6064293 of 28 July 2006, in accordance with European Securities and Markets Authority ("ESMA", formerly CESR) Recommendation of 10 February 2005, "Recommendations for the consistent implementation of the European Commission's regulation on financial prospectuses".

3. Consolidated financial statements

For items not explained in this note 7.15 please refer to the notes indicated in the table.

(€000)	NOTE	31.12.2012	31.12.2011
Non-current financial liabilities		14,391.1	10,347.2
Bond issues		10,166.2	7,507.1
Medium/long-term borrowings		3,858.7	2,590.0
Derivative liabilities		366.2	250.1
Current financial liabilities		1,359.3	666.8
Bank overdrafts		0.1	10.2
Short-term borrowings		-	161.2
Derivative liabilities		0.1	-
Intercompany current account payables to unconsolidated group companies		24.8	41.4
Current portion of medium/long-term borrowings		1,293.3	449.6
Other financial liabilities		41.0	4.4
Total financial liabilities		15,750.4	11,014.0
Cash and cash equivalents		-2,811.2	-619.9
Cash	7.8	-470.0	-338.1
Cash equivalents	7.8	-2,341.2	-281.7
Cash and cash equivalents related to discontinued operations	7.11	-	-0.1
Other current financial assets		-941.1	-223.6
Current financial assets deriving from concessions	7.4	-386.5	-7.3
Current financial assets deriving from government grants	7.4	-23.8	-51.0
Term deposits convertible within 12 months	7.4	-355.0	-76.6
Current portion of medium/long-term financial assets	7.4	-133.0	-32.8
<i>of which related party</i>		-110.0	-
Other financial assets	7.4	-41.2	-54.2
Financial assets held for sale and related to discontinued operations	7.11	-1.6	-1.7
Total current financial assets		-3,752.3	-843.5
(Net funds)/Net debt in accordance with the ESMA (formerly CESR) Recommendation of 10 February 2005		11,998.1	10,170.5
Non-current financial assets		-1,934.0	-1,200.3
Non-current financial assets deriving from concession rights	7.4	-1,037.7	-452.3
Current financial assets deriving from government grants	7.4	-237.0	-238.7
Term deposits convertible after 12 months	7.4	-307.7	-290.3
Derivative assets	7.4	-	-27.7
Other financial assets	7.4	-351.6	-191.3
<i>of which related party</i>		-	-110.0
Net debt		10,064.1	8,970.2

7.16 Other non-current liabilities / €106,249 thousand (€66,180 thousand)

The €40,069 thousand increase for the year is primarily a result of the first-time consolidation of the Chilean and Brazilian companies (€46,407 thousand) and primarily relates to amounts payable to public administrations and unrealised investment income, which has been deferred.

7.17 Trading liabilities / €1,427,972 thousand (€1,490,460 thousand)

An analysis of trading liabilities is shown below.

(€000)	31.12.2012	31.12.2011
Trade payables	828,347	902,200
Payable to operators of interconnecting motorways	472,922	489,631
Tolls in the process of settlement	114,637	94,060
Contract work in progress	630	1,086
Deferred income, accrued expenses and other trading liabilities	11,436	3,483
Total	1,427,972	1,490,460

The €62,488 thousand decrease for the year is primarily due to:

- a) a €163,228 thousand decrease in trade payables because of lower investment in the Autostrade per l'Italia network mainly concerning sections A14 Rimini North-Porto Sant' Elpidio, A1 Fiano-Settebagni and A9 Lainate-Como;
- b) a €80,896 thousand increase in trade payable for work on the Eco-Taxe project;
- c) a €21,932 thousand increase in trading liabilities on the books of companies consolidated for the first time in 2012.

The breakdown of related party transactions included in "Trade payables", totalling €14,812 thousand at the end of 2012 (€6,980 thousand in 2011), in the "Consolidated financial statements" is provided in note 10.4.

7.18 Other current liabilities / €449,668 thousand (€493,833 thousand)

An analysis of other current liabilities is shown below.

(€000)	31.12.2012	31.12.2011
Concession fee	84,891	151,369
Guarantee deposits by users who pay by direct debit	53,718	56,607
Payable to staff	48,291	44,963
Social security contributions payable	37,923	41,001
Taxation other than income taxes	39,669	26,336
Expropriation fee	58,866	57,585
Other current liabilities	126,310	115,972
Total	449,668	493,833

The €44,165 thousand decrease for the year essentially reflects the fact that payments to the Grantor, the Ministry of the Economy and Finance and ANAS of concession fees payable as at 31 December 2011 were in excess of the concession fees actually payable as a result of lower traffic volumes.

8. Notes to the consolidated income statement

This section contains analyses of the most important income statement items. Amounts for 2011 are shown in brackets. As previously explained, with regard to the comparative period, amounts in the income statement for 2012 have, as shown in note 5, benefitted from consolidation of the Brazilian motorway operator, Triangolo do Sol from 1 July 2011, of Autostrade Sud America and the new Chilean companies from 1 April 2012 and of the new Brazilian companies from 1 July 2012. As amply explained in note 6.1 with reference to the full identification of the fair value of Triangolo do Sol's assets and liabilities on the date of acquisition, in addition to the effect on income of the restatement of asset values at 1 July 2011, a financial gain was recognised as a result of the restatement of the existing 50% interest in the acquiree of €75,148 thousand (compared with the €36,463 thousand initially estimated and provisionally recognised) and a €15,474 thousand gain on the acquisition of a 20% interest, determined in accordance with IFRS 3 and computed at the average exchange rate for the year.

Autostrada Torino-Savona's contribution to consolidated income for 2012 is reported in "Profit/(Loss) from discontinued operations", as required by IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", rather than included in each component of the consolidated income statement for continuing operations. In compliance with IFRS 5, the 2011 comparative of the company's contribution to income has, consequently, been reclassified from the figures reported in the consolidated financial statements for the year ended 31 December 2011.

8.1 Toll revenue / €3,392,149 thousand (€3,271,067 thousand)

Toll revenue of €3,392,149 thousand is a total of €121,082 thousand or 3.7% up on 2011 (€3,271,067 thousand). The increase is primarily attributable to the different consolidation period of Triangolo do Sol (€64,157 thousand) and the newly consolidated Chilean companies from 1 April 2012 (€105,226 thousand) and Brazilian companies (€92,975 thousand). On a like-for-like basis, toll revenue is down €141,276 thousand (4.3%), reflecting a combination of:

- a) the decline in traffic on the Italian network, primarily as a result of the ongoing economic downturn, resulting in an estimated reduction of 6.8% (reducing revenue by €187.5 million), partially offset by the favourable effect of the extra day in February 2012, a leap year, which accounted for an increase of around 0.2% in traffic during the year (resulting in additional toll revenue of €6.7 million), but worsened by exceptionally bad weather, with a series of very heavy snowfalls during the first two months of 2012, and a lorry drivers' strike at the end of January 2012, which overall resulted in a 0.9% (€25.9 million) reduction in toll revenue;
- b) the reduced contribution of toll increases matching the increased concession fees payable by Italian operators, resulting in a decrease of €29,153 thousand compared with 2011 due to a 7.8% decrease in traffic volumes;
- c) application of annual toll increases by the Group's Italian operators from 1 January 2012 (including a 3.51% increase for Autostrade per l'Italia), boosting total toll revenue by €83.6 million.

8.2 Revenue from construction services / €1,066,855 thousand (€940,376 thousand)

An analysis of this revenue is shown below.

(€000)	2012	2011	INCREASE/(DECREASE)
Revenue from construction services for which additional economic benefits are received	740,353	830,554	-90,201
Revenue from investments in financial concession rights	296,610	40,854	255,756
Revenues from construction services: government grants for services for which no additional economic benefits are received	29,892	68,932	-39,040
Revenue from services provided by sub-operators	-	36	-36
Total	1,066,855	940,376	126,479

Revenue from construction services relates to work performed during the period and has increased compared with 2011 due to construction in connection with the commencement of work on the Eco-Taxi project which was, however, partially offset by lower revenues on works for which additional economic benefits are received, predominantly regarding Autostrade per l'Italia. In line with the accounting model adopted pursuant to IFRIC 12, this revenue, which represents the consideration for services rendered, is recognised at fair value based on total costs incurred, represented by operating costs and financial expenses.

Revenue from construction services relates to work performed during the period, and has increased compared with 2011 due to construction in connection with the commencement of work on the Eco-Taxi project (recognised with a contra entry in financial assets deriving from concession rights), partially offset by lower revenues from works for which additional economic benefits are received, predominantly regarding Autostrade per l'Italia. In line with the accounting model adopted pursuant to IFRIC 12, this revenue, which represents the consideration for services rendered, is recognised at fair value based on total costs incurred, represented by operating costs and financial expenses.

Moreover, in 2012 the Group, primarily Autostrade per l'Italia, carried out additional construction services for which no additional benefits are received, amounting to €470,688 thousand (€511,066 thousand in 2011), for which the Group made use of a portion of the specifically allocated "Provisions for construction services required by contract". This is accounted for as a reduction in operating costs for the period, as explained in note 8.9.

Details of investment in motorway infrastructure for the year are provided in note 7.2, above.

8.3 Contract revenue / €30,794 thousand (€51,349 thousand)

Contract revenue is determined on the basis of the stage of completion of contracts and includes the change in work in progress. Contract revenue for the year was less than 2011 due to a reduction in work carried out by Pavimental for non-Group customers.

8.4 Other operating income / €611,451 thousand (€579,652 thousand)

An analysis of other operating income is provided below:

(€000)	2012	2011	INCREASE/(DECREASE)
Revenue from service areas	230,414	250,768	-20,354
Revenue from Telepass and Viacard fees	122,522	116,565	5,957
Maintenance revenue	38,791	30,434	8,357
Revenue on the sale of technology devices and services	22,006	23,498	-1,492
Advertising revenue	6,094	9,555	-3,461
Other recurring operating income	191,624	148,832	42,792
Total	611,451	579,652	31,799

"Other operating income" of €611,451 thousand is up €31,799 thousand (5.5%) on 2011 (€579,652 thousand), with €23,664 thousand of the difference reflecting the changes in the basis of consolidation. The improvement also reflects:

- a) an increase in commercial revenue from payment systems (up €6.3 million), reflecting an increase in Telepass customers (around 207,000 new devices in circulation and approximately 146,000 new subscribers to the Premium options);
- b) a €20.4 million decrease in royalties from service areas;
- c) a rise in other income (up €22.2 million), primarily attributable to Autostrade per l'Italia, consisting above all in increased income from the in-house production of electricity, non-recurring income and contingent assets, penalties received and insurance payouts, offset by reduced income from service area operators.

The breakdown of related party transactions included in "Other operating income", totalling €75,017 thousand in 2012 (€74,480 thousand in 2011), in the "Consolidated financial statements" is provided in note 10.4.

8.5 Raw and consumable materials / €-444,098 thousand (€-368,421 thousand)

This item, which consists of purchases of materials and the change in inventories of raw and consumable materials, increased above and beyond the amounts contributed by newly consolidated Chilean and Brazilian companies (€27,386 thousand) and the different consolidation period of Trangolo do Sol (€3,416 thousand) by €44,875 thousand basically due to:

- a) work on the Eco-Tax project (€67,955 thousand);
- b) Autostrade per l'Italia's increased expropriation costs of €25,892 thousand;
- c) Pavimental's lower volume of business (down €41,909 thousand).

8.6 Service costs / €-1,476,158 thousand (€-1,440,873 thousand)

An analysis of service costs is provided below:

(€000)	2012	2011	INCREASE/(DECREASE)
Construction and similar	-920,495	-1,044,268	123,773
Professional services	-257,898	-134,575	-123,323
Transport and similar	-78,950	-61,851	-17,099
Utilities	-54,877	-46,991	-7,886
Insurance	-23,207	-20,383	-2,824
Statutory Auditors' fees	-1,196	-1,291	95
Other services	-142,676	-135,380	-7,296
Gross service costs	-1,479,299	-1,444,739	-34,560
Capitalised service costs for assets other than concession assets	3,141	3,866	-725
Total	-1,476,158	-1,440,873	-35,285

The €32,325 thousand decrease in service costs, after stripping out the €53,679 thousand on the books of the newly Chilean and Brazilian companies and Triangolo do Sol's different consolidation period, was primarily due to:

- a) the €158,079 thousand decrease in construction and similar services was primarily caused by a lower volume of motorway construction and the substantial completion of the upgrade of concrete safety barriers and differing maintenance requirements for the comparative period;
- b) the €12,181 thousand decrease in other services due to a reduction in the cost of road clean-ups after accidents;
- c) increased professional services (up €118,062 thousand), principally in connection with the Eco-Tax project;
- d) a €16,452 thousand increase in transport costs, essentially caused by the unusually severe snowfall in the first two months of 2012;
- e) a €3,910 thousand increase in utilities costs due to the increase in power prices.

As noted above, in line with the accounting policy adopted through application of IFRIC 12, revenue from construction services is recognised in line with the payments for external services, staff costs and financial expenses (relating to investment in construction services for which additional economic benefits are received under the relevant concession arrangements). Provisions for construction services required by contract are also released in line with payments for construction services for which no additional benefits are received.

8.7 Staff costs / €-675,614 thousand (€-628,308 thousand)

An analysis of staff costs is shown below.

(€000)	2012	2011	INCREASE/(DECREASE)
Wages and salaries	-477,811	-448,392	-29,419
Social security contributions	-133,385	-131,255	-2,130
Post-employment benefits (including payments to supplementary pension funds or INPS)	-25,294	-24,447	-847
Directors' fees	-5,128	-5,435	307
Other staff costs	-38,380	-22,113	-16,267
Gross staff costs	-679,998	-631,642	-48,356
Capitalised staff costs for assets other than concession assets	4,384	3,334	1,050
Total	-675,614	-628,308	-47,306

Staff costs, before deducting capitalised amounts, total €679,998 thousand, up €39,723 thousand or 6.2% on 2011, after stripping out the release, in 2011, of the €8,633 thousand in surplus provisions following closure of the three-year management incentive plan for the period 2008-2010.

The increase was due to:

- first-time consolidation of the Chilean and Brazilian companies, the consolidation of Triangulo do Sol from 1 July 2011, the deconsolidation of Port Mobility, the expansion of Giove Clear's operations and launch of the Eco-Tax project (accounting for an overall increase of 5.5%);
- a decrease of 75 in the average workforce at other Group companies (down 0.7%);
- an increase in the average unit cost for other Group companies (up 1.1%), primarily due to contract renewals at the Group's motorway operators and industrial companies, partly offset by a reduction in the use of temporary staff;
- an increase in other staff costs (up 0.3%), primarily relating to early retirement incentives and staff incentive plans.

Staff costs for 2012 include €2,768 thousand, with the contra entry in equity, corresponding to the fair value of share options vesting during the period under the share incentive plans more fully described in note 7.12.

The following table shows the average number of permanent and temporary employees by category, as described in the section on the "Workforce" in the report on operations:

AVERAGE WORKFORCE	2012	2011	INCREASE/(DECREASE)
Senior managers	206	182	24
Middle managers and administrative staff	5,536	5,040	496
Toll collectors	3,238	2,967	271
Manual workers	2,280	1,865	415
Total	11,260	10,054	1,206

The breakdown of related party transactions included in "Staff costs", totalling €19,157 thousand in 2012 (€18,333 thousand in 2011), in the "Consolidated financial statements" is provided in note 10.4.

8.8 Other operating costs / €-617,223 thousand (€-601,457 thousand)

An analysis of other operating costs is shown below:

(€000)	2012	2011	INCREASE/(DECREASE)
Concession fees	-430,845	-457,285	26,440
Change in provisions for repair and replacement of assets to be handed over	-60,529	-37,735	-22,794
Grants and donations	-41,944	-32,330	-9,614
Provisions	-15,851	-18,922	3,071
Lease expense	-20,632	-18,084	-2,548
Direct and indirect taxes	-12,499	-10,059	-2,440
Other recurring operating costs	-27,268	-17,671	-9,597
Other non-recurring operating costs	-7,655	-9,371	1,716
Total	-617,223	-601,457	-15,766

The €14,130 thousand decrease in other operating costs, after stripping out the €25,707 thousand on the books of the Chilean and Brazilian companies, and the €4,189 increase caused by Triangolo do Sol's different consolidation period, was primarily due to:

- the €31,925 thousand decrease in concession fees as a result of the fall in traffic volumes and the consequent reduction in additional concession fees payable to ANAS;
- a €9,613 thousand increase in grants and donations as a result of the increased costs in 2012 of infrastructure upgrades for other organisations in connection with motorway construction services;
- a €9,208 thousand increase in other recurring operating costs, primarily as a result of the increased costs of service area operations.

8.9 Use of provisions for construction services required by contract / €470,688 thousand (€511,066 thousand)

The releases were brought about by the completion, in 2012, of construction services required by contract with no additional economic benefits, less accrued grants (recognised in revenue from construction services, as explained in note 8.2). Such releases are effectively an indirect adjustment to construction costs classified by nature and incurred by the Group's operators, primarily Autostrade per l'Italia, subject to such contractual obligations.

Further information on construction services and capital expenditure in 2012 is provided in notes 7.2 and 8.2.

8.10 (Impairment losses) and reversals of impairment losses / €-35,746 thousand (€-17,844 thousand)

An analysis of impairment losses and reversal of impairment is shown below:

(€000)	2012	2011	INCREASE/(DECREASE)
(Impairment losses)/Reversals of impairment losses on intangible assets	-7,964	-13,321	5,357
Impairments on other assets	-27,782	-7,060	-20,722
Reversals of impairments on other assets	-	2,537	-2,537
(Impairment losses)/Reversals of impairment losses on other assets	-27,782	-4,523	-23,259
Total	-35,746	-17,844	-17,902

The balance for 2012 consists primarily of:

- a) the impairment of financial assets deriving from concession rights as a result of the updated estimate of the payment due to Autostrade Meridionali for takeover rights (€22,682 thousand);
- b) the residual gain recognised in 2007 on the acquisition of a controlling interest in Electronic Transaction Consultants, allocated to intangible assets (as explained in note 7.2) for an amount of €7,966 thousand, for which an impairment of €13,321 thousand was also recognised in 2011.

8.II Financial income/(expenses) / €-536,720 thousand (€-613,154 thousand)

Financial income / €455,884 thousand (€247,206 thousand)

Financial expenses / €-989,385 thousand (€-860,786 thousand)

Foreign exchange gains/(losses) / €-3,219 thousand (€426 thousand)

An analysis of financial income and expenses is shown below.

(€000)	2012	2011	INCREASE/(DECREASE)
Gains on the restatement of investments at fair value	171,065	104,555	66,510
Income from discounting to present value	55,755	14,626	41,129
Interest and fees on bank and post office deposits	47,636	46,046	1,590
Income from transactions in derivative financial instruments	46,626	41,261	5,365
Gains on the disposal of the investment in IGLI	60,971	-	60,971
Other financial income	73,767	38,616	35,151
Financial income	455,820	245,104	210,716
Dividends received from investee companies	64	2,102	-2,038
Financial income	455,884	247,206	208,678
Expenses from discounting of provisions for construction services required by contract	-147,168	-178,049	30,881
Interest on bonds	-488,363	-409,604	-78,759
Interest on medium/long-term borrowings	-159,461	-89,118	-70,343
Losses on derivative financial instruments	-78,703	-100,422	21,719
Impairments of investments carried at cost or fair value	-23,448	-59,025	35,577
Interest and fees on bank and post office deposits	-3,841	-970	-2,871
Losses on the disposal of investments	-766	-	-766
Other financial expenses	-87,635	-23,598	-64,037
Other financial expenses	-842,217	-682,737	-159,480
Financial expenses	-989,385	-860,786	-128,599
Foreign exchange gains	50,281	39,340	10,941
Foreign exchange losses	-53,500	-38,914	-14,586
Foreign exchange gains/(losses)	-3,219	426	-3,645
Total	-536,720	-613,154	76,434

Financial expenses, after financial income and foreign exchange gains and losses, total €536,720 thousand, marking a decrease of €76,434 thousand (12.5%) on 2011 (€613,154 thousand). The comparisons have been influenced by the accounting effect in both years of the change in the Group's basis of consolidation, particularly with respect to:

- a) recognition of a fair value non recurring gain of €171,065 thousand on the existing 45.765% interest in Autostrade Sud America, following the acquisition of control from 1 April 2012;
- b) the contributions to financial expenses of the newly consolidated Chilean and Brazilian companies (amounting to €8,232 thousand), including reclassification of the foreign currency translation reserve following the measurement of Autostrade Sud America using the equity method (€15,299 thousand), after this company's first-time consolidation;
- c) Triangolo do Sol's contribution to financial expenses following its consolidation from 1 July 2011 (amounting to €20,645 thousand);
- d) the non-recurring gain (€90,622 thousand) recognised in 2011 following the acquisition of control of Triangolo do Sol, and the gain resulting in 2011 from recycling the related foreign currency translation reserve through profit or loss (€17,667 thousand);
- e) the fair value gain (€13,933 thousand) recognised in 2011 on the remaining investment in Società Autostrada Tirrenica, following the sale of the controlling interest.

After stripping out the changes in the basis of consolidation, financial expenses are down €40,004 thousand (5.4%), primarily due to a combination of:

- a) the accounting effects of the management of investments, with a positive overall impact of €96,571 thousand, including the gain (€60,971 thousand) realised on the sale of the investment in IGLI and the reduced impairment loss (€23,400 thousand in 2012, compared with €59,000 thousand in 2011) on the carrying amount of the investment in Alitalia - Compagnia Aerea Italiana;
- b) a €30,881 thousand reduction in expenses from discounting provisions to present value, primarily because of a downward shift in the yield curve used for the discounting of provisions as at 31 December 2011, compared with the previous year;
- c) financial expenses (€33,295 thousand) relating to the premium paid on the partial buyback, in 2012, of bonds issued by Atlantia and maturing in 2014;
- d) interest expense and debt servicing costs linked to funding for the acquisition, in June 2011, of 50% of the motorway operators, Vespucio Sur and Litoral Central (€11,163 thousand), and funding for the Eco-Tax project (€16,673 thousand);
- e) increased net interest expense in 2012, essentially due to an increase in average net debt and a reduction in the average amount of cash invested.

"Financial income and expenses" also include the component relating to the discounting to present value of the financial assets deriving from guaranteed minimum revenue attributable to the Chilean companies, amounting to €41,734 thousand in 2012 (€5,468 thousand in 2011) and the component regarding the discounting to present value of the financial assets deriving from grants for motorway maintenance received by Los Lagos, totalling €8,998 thousand in 2012 (€9,159 thousand in 2011).

A breakdown of related party transactions included in "Financial income", totalling €171,065 thousand in 2012 (€90,622 thousand in 2011), is provided in note 10.4.

8.12 Share of profit/(loss) of associates and joint ventures accounted for using the equity method / €2,874 thousand (€21,442 thousand)

The share of profit/(loss) of associates and joint ventures accounted for using the equity method reports a profit of €2,874 thousand compared with a profit of €21,442 thousand for 2011. The higher 2011 profit was primarily due to Autostrade Sud America and its Chilean subsidiaries (consolidated from 1 April 2012), contribution (€18,869) and to the profit of €5,563 thousand contributed by Triangolo do Sol, consolidated from 1 July 2011.

8.13 Income tax (expense)/benefit / €-328,290 thousand (€-404,630 thousand)

A comparison of the tax charges for the two years is shown below:

(€000)	2012	2011	INCREASE/(DECREASE)
IRES	-214,342	-263,358	49,016
IRAP	-82,419	-88,915	6,496
Other income taxes	-44,137	-16,711	-27,426
Current tax benefit of tax loss carry-forwards	6,611	4,539	2,072
Current tax expense	-334,287	-364,445	30,158
Recovery of previous years' income taxes	35,770	167,488	-131,718
Previous years' income taxes	-2,191	-1,856	-335
Differences on current tax expense for previous years	33,579	165,632	-132,053
Provisions	149,446	132,949	16,497
Releases	-185,289	-186,787	1,498
Changes in prior year estimates	34,383	-163,055	197,438
Deferred tax income	-1,460	-216,893	215,433
Provisions	-17,797	-8,324	-9,473
Releases	36,413	19,510	16,903
Changes in prior year estimates	-44,738	-110	-44,628
Deferred tax expense	-26,122	11,076	-37,198
Total	-328,290	-404,630	76,340

Income tax expense in 2012 amounts to €328,290 thousand, which is €76,340 thousand or 18.9% less than 2011 (€404,630 thousand), as a result of both a refund, recognised in the recovery of prior year income tax, for the deduction of IRAP from IRES of €30,338 thousand (in accordance with Law Decree 16/2012 and the tax authorities' ruling of 17 December 2012) and the decrease in the tax base caused by a reduction in pre-tax profit and the limited impact for tax purposes of gains on the management of investments and of fair value gains.

It showed that:

- Tax expense for 2012 reflects changes to estimates of deferred tax assets and liabilities resulting from the increase in the income tax rate applied in Chile;
- Tax expense for 2011 reflected the impact of the Ministerial Decree of 8 June 2011 (as provided for by the so-called *Milleproroghe*, or "Thousand postponements", decree), the response, received on 9 June 2011, to the request for a ruling submitted to the Italian tax authorities by Autostrade per l'Italia in 2010 and, lastly, of Law III of 15 July 2011, containing urgent measures to promote financial stability. The recovery of prior year income tax primarily related, consequently, to Autostrade per l'Italia assessments actually paid on 2010 income as a result of the changes in legislation. The savings were almost entirely offset by the changes in estimated deferred tax assets and liabilities pursuant to IFRIC 12.

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The following table shows the reconciliation between the statutory and effective IRES charges for the comparative periods.

(€000)	2012			2011		
	TAXABLE INCOME	INCOME TAX	TAX RATE	TAXABLE INCOME	INCOME TAX	TAX RATE
Profit/(Loss) before tax from continuing operations	1,146,252			1,173,226		
Theoretical tax computed using the Parent's tax rate		315,219	27.5%		322,637	27.5%
Temporary differences deductible in future years	485,113	133,406	11.6%	388,733	106,901	9.1%
Temporary differences taxable in future years	-73,175	-20,123	-1.8%	-30,989	-8,522	-0.7%
Reversal of temporary differences arising in previous years	-479,979	-131,994	-11.5%	-500,947	-137,760	-11.7%
Permanent differences	-178,420	-49,066	-4.3%	-31,327	-8,615	-0.7%
Adjustment for the application of different rates in countries other than Italy	16,096	4,426	0.4%	3,230	889	0.1%
IRAP		82,419			88,915	
Total		334,287			364,445	

8.14 Profit/(Loss) from discontinued operations / €11,614 thousand (€138,522 thousand)

The following table shows the details of Profit/(Loss) from discontinued operations for the comparative periods:

(€000)	2012	2011	INCREASE/(DECREASE)
Operating income	60,581	217,127	-156,546
Operating costs	-39,601	-161,686	122,085
Financial income	44	1,172	-1,128
Financial expenses	-1,662	-18,553	16,891
Tax expense	-6,478	-13,969	7,491
Net contribution to IFRS profits of discontinued operations	12,884	24,091	-11,207
Other net profit/(loss) from discontinued operations	-1,354	134,614	-135,968
Gain/(Loss) on sales, after related taxation	84	-20,183	20,267
Profit/(Loss) from discontinued operations	11,614	138,522	-126,908

The €126,908 thousand decrease in profit/(loss) from discontinued operations was due to the recognition in 2011 of after tax gains on the sales of controlling interests in Strada dei Parchi (€96,689 thousand) and Società Autostrada Tirrenica (€37,925 thousand). The €1,354 thousand loss recognised in 2012 relates to the sale of Autostrada Torino-Savona, which partly offset the gain of €12,884 thousand, deriving in part from the cessation of charges for depreciation and amortisation, in accordance with IFRS 5.

In 2012 the account balance included the results of Autostrada Torino-Savona and in 2011 those of Strada dei Parchi and Società Autostrada Tirrenica, prior to deconsolidation.

Finally, other charges in connection with discontinued operations in 2011 related to the €20,183 thousand, after-tax impairment loss on the interest in the Portuguese Lusoponte, following an estimation of the fair value of this investment.

8.15 Earnings per share

The following table shows the calculation of basic and diluted earnings per share with comparative amounts.

	2012	2011
Number of shares outstanding	661,827,592	661,827,592
Weighted average of treasury shares in portfolio	-13,285,616	-13,285,616
Weighted average of shares outstanding for the calculation of basic earnings per share	648,541,976	648,541,976
Weighted average diluted shares held under share based payment plans	241,335	93,486
Weighted average of all shares outstanding for the calculation of diluted earnings per share	648,783,311	648,635,462
Earnings for the year attributable to owners of the parent (€000)	808,078	898,491
Basic earnings per share (€)	1.25	1.39
Diluted earnings per share (€)	1.25	1.39
Profit from continuing operations attributable to owners of the parent (€000)	796,551	760,910
Basic earnings per share from continuing operations (€)	1.23	1.18
Diluted earnings per share from continuing operations (€)	1.23	1.18
Profit from discontinued operations attributable to owners of the parent (€000)	11,527	137,581
Basic earnings/(losses) per share from discontinued operations (€)	0.02	0.21
Diluted earnings/(losses) per share from discontinued operations (€)	0.02	0.21

As required by IAS 33, the weighted average number of shares in issue used for 2011 and the computation of diluted earnings was revised to take account of Atlantia's bonus issue in April 2012, as described in note 7.12 above. The weighted average of diluted shares in 2011 was determined with reference to existing share based payment plans as at 31 December 2011, taking the fair value of continuing employment services and average share prices into account.

9. Other financial information

9.1 Notes to the consolidated statement of cash flows

Consolidated cash flow in 2012, compared with 2011, is analysed below and shown in the statement of cash flows included in the "Consolidated financial statements".

There was a cash inflow of €2,218.0 million in 2012, compared with a net cash outflow of €1,951.6 million in 2011. This essentially reflects the differing cash flows from financial income and expenses in the two comparative periods.

Cash flows from operating activities of €1,117.3 million for 2012 are €760.5 million less than for 2011 (€1,877.8 million), due principally to a reduction in cash flow from ordinary activities and differing contributions from working capital in the two comparative periods (a decrease of €394.9 million for 2012 and a €200.0 million increase in the first half of 2011). The cash outflow in 2012 is essentially due to both the decrease in trading liabilities, reflecting reduced capital expenditure by Autostrade per l'Italia, and the higher amount of tax paid with respect to income tax payable on profit for 2012. The cash inflow for 2011 primarily benefitted from the reduction in tax expense for the year following confirmation of the deductibility of the various components of the financial statements recognised by Autostrade per l'Italia in application of IFRIC 12.

Cash flows used in investing activities amount to €1,723.6 million, down €161.1 million on 2011 (€1,884.7 million). This essentially reflects:

- a) investment in motorway infrastructure operated under concession, after the related government grants and the increases in takeover rights and in other financial assets resulting from construction services (€1,178.1 million);
- b) investments in consolidated companies, almost entirely with respect to the new Chilean and Brazilian companies, less cash acquired (€554.8 million);
- c) completion of the sale of the 30% interest in Grupo Costanera held by Autostrade Sud America (€477.6 thousand) and of the sale of Autostrada Torino-Savona (€255.4 thousand after cash and cash equivalents transferred);
- d) cash of €710.1 million used in current and non-current financing activities, due to a deposit in connection with a loan to be disbursed by the end of 2013 to Bertin Empreendimentos, which controls the project company, SPMAR, in addition to the medium/long-term receivable represented by convertible bonds issued by this company.

The corresponding cash flow for 2011 essentially reflected investment in motorway infrastructure, after the related government grants, and the purchase of investments by the Chilean company, Inversiones Autostrade Holding do Sur, which acquired a 50% interest in Nueva Inversiones, investments in consolidated companies, primarily relating to the acquisition of an additional interest in Trángulo do Sol, after net cash acquired. These were partially offset by the proceeds on the disposal of Strada dei Parchi and Società Autostrada Tirrenica, after cash and cash equivalents transferred.

Cash outflows used in 2011 for current and non-current financial assets essentially consisted of the increase in loans to Società Autostrada Tirrenica following its deconsolidation, which was partially offset by the release of term bank deposits for previous investments and the increase in grants received during the year.

Cash from financing activities in 2012 amounts to €2,834.5 million and was principally generated by bond issues by Atlantia and lines of credit provided by Cassa Depositi e Prestiti and the European Investment Bank (EIB), totalling €4,205.2 million, partially offset by repayments and redemptions of €1,086.1 million during the year. Cash was also used by Atlantia to pay dividends during the year, in addition to dividends paid by other Group companies to non-controlling shareholders (€485.3 million), partially offset by the capital contribution to Grupo Costanera by the Canadian pension fund, CPPIB (€349.2 million).

Cash used in the comparative period was primarily in connection with the redemption of a €2,000 million bond issue in June 2011.

The following table shows the net total cash flows of companies whose consolidated results are reported in "Profit/(Loss) from discontinued operations", as explained in note 8.14. This cash is included in the consolidated statement of cash flows under operating, investing and financing activities.

(€000)	2012	2011
Net cash generated from/(used in) operating activities	8,453	49,448
Net cash generated from/(used in) investing activities	3,985	-67,703
Net cash generated from/(used in) financing activities	-9,489	87,308

The following table, on the other hand, shows the impact on net cash at the end of the two comparative periods:

(€000)	2012	2011	
	AUTOSTRADA TORINO-SAVONA	STRADA DEI PARCHI	SOCIETÀ AUTOSTRADA TIRRENICA
Proceeds on the disposal of controlling interests	223,000	86,007	67,979
Receivables on the disposal as at 31 December	-	-26,559	-
Cash and cash equivalents transferred	-1,340	-27,743	-41,869
Net cash inflow as at 31 December	221,660	31,705	26,110

9.2 Financial risk management

The Atlantia Group's financial risk management objectives and policies

In the normal course of business, the Atlantia Group is exposed to:

- market risk, principally linked to the effect of movements in interest and foreign exchange rates on financial assets acquired and financial liabilities assumed;
- liquidity risk, with regard to ensuring the availability of sufficient financial resources to fund the Group's operating activities and repayment of the liabilities assumed;
- credit risk, linked to both ordinary trading relations and the likelihood of defaults by financial counterparties.

The Atlantia Group's financial risk management strategy is derived from and consistent with the business goals set by the Atlantia Board of Directors that are contained in the various strategic plans approved by the Board.

Market risk

The adopted strategy for each type of risk aims, wherever possible, to eliminate interest rate and currency risks and minimise borrowing costs, whilst taking account of stakeholders' interests, as defined in the Financial Policy as approved by Atlantia's Board of Directors.

Management of these risks is based on prudence and best market practice.

The main objectives set out in this policy are as follows:

- a) to protect the scenario forming the basis of the strategic plan from the effect of exposure to currency and interest rate risks, identifying the best combination of fixed and floating rates;
- b) to pursue a potential reduction of the Group's borrowing costs within the risk limits determined by the Board of Directors;
- c) to manage derivative financial instruments taking account of their potential impact on the results of operations and financial position in relation to their classification and presentation.

The Group's hedges outstanding as at 31 December 2012 are classified either as cash flow or net investment hedges in accordance with IAS 39.

The fair value of financial derivative instruments is based on expected discounted cash flows, using the market yield curve at the measurement date. Amounts in foreign currencies other than the euro are translated at closing exchange rates communicated by the European Central Bank.

The residual average term to maturity of the Group's debt as at 31 December 2012 was approximately 7 years.

The average cost of medium to long-term debt for 2012 was 5.2% (4.8% adjusting for the Chilean and Brazilian companies).

Monitoring is, moreover, intended to assess, on a continuing basis, counterparty creditworthiness and the degree of risk concentration.

a) Interest rate risk

Interest rate risk is linked to uncertainty regarding the performance of interest rates, and takes two forms:

- a) cash flow risk: linked to financial assets and liabilities with cash flows indexed to a market interest rate. In order to reduce floating rate debt, the Group has entered into interest rate swaps (IRS), classified as cash flow hedges. The hedging instruments and the underlying financial liabilities have matching terms to maturity and notional amounts. Tests have shown that the hedges for the year were fully effective. Changes in fair value are recognised in the statement of comprehensive income, with no recognition of any ineffective portion in the income statement. Interest income or expense deriving from the hedged instruments is recognised simultaneously in the income statement;
- b) fair value risk: the risk of losses deriving from an unexpected change in the value fixed rate financial assets and liabilities following an unfavourable shift in the market yield curve. There were no hedges on the books as at 31 December 2012 that could be classified as fair value hedges in accordance with IAS 39.

New interest rate swaps were arranged in 2012 as cash flow hedges in connection with current and future highly probable risks in connection with loans provided to Autostrade per l'Italia by Cassa Depositi e Prestiti and SACE.

As a result of cash flow hedges, 93% of interest bearing debt is fixed rate.

b) Currency risk

Currency risk can result in the following types of exposure:

- a) economic exposure incurred through purchases and sales denominated in currencies other than the company's functional currency;
- b) exposure to translation risk associated with net investments in foreign operations;
- c) transaction exposure incurred by making deposits or obtaining loans in currencies other than the currency in which financial statements are denominated.

The Group's prime objective of currency risk is to minimise transaction exposure through the assumption of liabilities in currencies other than the euro. Cross currency swaps (CCIRS) with notional amounts and maturities matching those of the underlying financial liabilities were entered into specifically to eliminate the currency risk to which the sterling and yen denominated bonds are exposed. These swaps also qualify as cash flow hedges and tests have shown that they are fully effective.

20% of Group debt is denominated in currencies other than the euro. Taking account of foreign exchange hedges and the proportion of debt denominated in the local currency of the country in which the relevant Group company operates (around 13%), the Group is not exposed to currency risk on translation into euros.

Non-deliverable forwards arranged in 2012 have been classified as a net investment hedges in accordance with IAS 39 in connection with the forward sale of Chilean pesos to hedge the translation risk of certain assets and investments located in Chile. The differentials settled in 2012 have been recognised in other comprehensive income. As at 31 December 2012 outstanding hedges regard the assets of Los Lagos.

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The following table summarises outstanding derivative financial instruments as at 31 December 2012 (compared with 31 December 2011) and shows the corresponding market value and the hedged financial asset or liability.

TYPE (€000)	PURPOSE OF HEDGE	CURRENCY
Cash flow hedges ⁽¹⁾		
Cross Currency Swap	Currency	
Cross Currency Swap		Gbp
Cross Currency Swap		Jpy
Interest Rate Swap	Interest rate	
Interest Rate Swap		Eur
Interest Rate Swap		Eur
Interest Rate Swap		Eur
Interest Rate Swap		Eur
Interest Rate Swap		Eur
Interest Rate Swap		Eur
Total		
Derivatives not accounted for as hedges		
FX Forward	Currency	Usd
Total		
Net investment hedges		
Non Deliverable Forward	Currency	Clp
Total		
Total		
<i>of which:</i>		
fair value (asset)		
fair value (liability)		

(1) The fair value of cash flow hedges excludes accruals at the end of the reporting period.

(2) The fair value of these hedges is reported under current financial liabilities.

Sensitivity analysis

Sensitivity analysis describes the impact that the interest rate and foreign exchange movements to which the Group is exposed would have had on the income statement and on equity during the year.

The interest rate sensitivity analysis is based on the exposure of derivative and non-derivative financial instruments at the end of the reporting period, assuming, in terms of the impact on the income statement, a 0.10% (10 bps) shift in the market yield curve at the beginning of the year, whilst, with regard to the impact of changes in fair value on equity, the 10 bps shift in the curve was assumed to have occurred at the measurement date. The results of the analyses were:

- in terms of interest rate risk, an unexpected and unfavourable 0.10% shift in market interest rates would have resulted in a negative impact on the income statement, totalling €625 thousand, and on the statement of comprehensive income, totalling €33,457 thousand, before the related taxation;
- in terms of currency risk, an unexpected and unfavourable 10% shift in the exchange rate would have resulted in a negative impact on the income statement, totalling €1,928 thousand, and on the statement of comprehensive income, totalling €211,635 thousand, due to the adverse effect on the international companies' after tax results and changes in the foreign currency translation reserves.

31.12.2011		31.12.2012		DESCRIPTION	HEDGED FINANCIAL LIABILITY	
FAIR VALUE ASSET/(LIABILITY)	NOTIONAL AMOUNT	FAIR VALUE ASSET/(LIABILITY)	NOTIONAL AMOUNT		PAR VALUE	TERM
-160,356	899,176	-238,968	899,176			
-188,034	750,000	-203,087	750,000	Bond 2004-2022 (Gbp)	750,000	2004-2022
27,678	149,176	-35,881	149,176	Bond 2009-2038 (Jpy)	149,176	2009-2038
-64,031	1,192,789	-127,264	1,635,630			
-32,665	640,000	-30,015	560,000	Term Loan Facility	560,000	2004-2015
-13,057	500,000	-48,056	500,000	Cassa Depositi e Prestiti	500,000	2011-2034
-	-	-917	100,000	Cassa Depositi e Prestiti and SACE	100,000	2012-2024
-	-	-915	100,000	Cassa Depositi e Prestiti and SACE	100,000	2013-2024
-16,266	11,601	-42,956	333,931	Project financings	198,772	2012-2024
-2,043	41,188	-4,405	41,699	50% Project Loan Agreement (Pln)	69,191	2008-2020
-224,387	2,091,965	-366,232	2,534,806			
-	-	-32 ⁽²⁾	18,338			
-	-	-32	18,338			
-	-	-90 ⁽²⁾	67,160	Assets in Chile	67,160	
-	-	-90	67,160			
-224,387	2,091,965	-366,354	2,620,304			
27,678		-				
-252,065		-366,354				

Liquidity risk

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

As at 31 December 2012 project debt allocated to individual companies amounts to €1,918 million. At the same date the Group has cash reserves of €6,547 million, consisting of:

- a) €2,811 million in cash and/or investments maturing within 120 days;
- b) €663 million in term deposits allocated primarily to part finance the execution of specific construction services and to service the debt of some Chilean companies;
- c) €3,073 million in undrawn committed lines of credit with a weighted average residual term to maturity of approximately 9 years and a weighted average residual drawdown period of approximately 3 years:
 - 1) €300 million representing the unused portion of the €300 million loan obtained from the European Investment Bank in December 2010, to be drawn down until December 2014;

- 2) €900 million representing the unused portion of the loan granted by Cassa Depositi e Prestiti and SACE, to be drawn down until September 2014 and maturing in 2024;
- 3) €500 million representing the unused portion of the new loan granted by Cassa Depositi e Prestiti on 21 December 2012 (to be drawn down by November 2016 and maturing in 2027);
- 4) €1,000 million available under a committed Revolving Credit Facility with Mediocredito acting as Agent Bank, unused as at 31 December 2012 and maturing in June 2015;
- 5) €373 million of the Project Loan obtained to finance the Eco-Tax project being carried out by Ecomouv (to be drawn down primarily by October 2013 and maturing in December 2024).

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

BORROWER (€M)	FACILITY	DRAWDOWN PERIOD	FINAL MATURITY	31.12.2012		
				AVAILABLE	DRAWN	UNDRAWN
Autostrade per l'Italia	Medium/long-term committed EIB line - Tranche B	31.12.2014	31.12.2036	300	-	300
Autostrade per l'Italia	Medium/long-term committed CDB/SACE line	23.09.2016	23.12.2024	1,000	100	900
Autostrade per l'Italia	Medium/long-term committed CDB/SACE line	21.11.2016	20.12.2027	500	-	500
Autostrade per l'Italia	Committed Revolving Credit Facility	May 2015	June 2015	1,000	-	1,000
Ecomouv	Bridge Loan/Cassa Depositi e Prestiti	20.10.2013	01.12.2024	582	209	373
Autostrade per l'Italia	Medium/long-term committed EIB line - Tranche A	30.11.2012	31.12.2036	1,000	1,000	-
Autostrade per l'Italia	Medium/long-term committed CDB/EIB line	01.08.2013	19.12.2034	500	500	-
Total				4,882	1,809	3,073

The following schedule shows the distribution of loan maturities outstanding as at 31 December 2012 and 31 December 2011.

(€000)	31.12.2012					
	CARRYING AMOUNT	TOTAL CONTRACTUAL FLOWS	WITHIN 12 MONTHS	BETWEEN 1 AND 2 YEARS	BETWEEN 3 AND 5 YEARS	AFTER 5 YEARS
Non-derivative financial liabilities ⁽¹⁾						
Bond issues (A)	10,716,933	-14,085,006	-1,033,553	-2,635,183	-3,620,008	-6,796,262
Medium/long-term borrowings						
Total bank borrowings	4,156,328	-5,695,561	-742,749	-549,336	-1,205,710	-3,197,766
Total other borrowings	82,091	-95,275	-4,036	-2,492	-14,210	-74,537
Total medium/long-term borrowings (B)	4,238,419	-5,790,836	-746,785	-551,828	-1,219,920	-3,272,303
Total non-derivative financial liabilities (C = A + B)	14,955,352	-19,875,842	-1,780,338	-3,187,011	-4,839,928	-10,068,565
Derivatives ^{(2) (3)}						
Interest rate swap ⁽⁴⁾	-127,264	-260,409	-40,340	-33,947	-64,315	-121,807
Cross currency swap	-238,968	-265,244	-10,363	-10,363	-31,619	-212,899
Total	-366,232	-525,653	-50,703	-44,310	-95,934	-334,706

(€000)	31.12.2011					
	CARRYING AMOUNT	TOTAL CONTRACTUAL FLOWS	WITHIN 12 MONTHS	BETWEEN 1 AND 2 YEARS	BETWEEN 3 AND 5 YEARS	AFTER 5 YEARS
Non-derivative financial liabilities ⁽¹⁾						
Bond issues (A)	-7,507,101	-10,213,718	-379,111	-379,111	-5,112,332	-4,343,164
Medium/long-term borrowings						
Total bank borrowings	-2,729,174	-3,524,862	-293,599	-387,188	-1,134,050	-1,710,025
Total other borrowings	-58,986	-63,669	-4,258	-3,418	-1,895	-54,098
Total medium/long-term borrowings (B)	-2,788,160	-3,588,531	-297,857	-390,606	-1,135,945	-1,764,123
Total non-derivative financial liabilities (C = A + B)	-10,295,261	-13,802,249	-676,968	-769,717	-6,248,278	-6,107,287
Derivatives ^{(2) (3)}						
Interest rate swap ⁽⁴⁾	-64,031	-101,355	-20,099	-17,701	-25,123	-38,432
Cross currency swap	-160,356	-260,516	-11,077	-10,600	-32,240	-206,599
Total	-224,387	-361,871	-31,176	-28,301	-57,363	-245,031

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

(2) Expected contractual cash flows relate to hedged financial liabilities outstanding as at 31 December 2011.

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

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

The amounts in the above tables include interest payments and exclude the impact of any offset agreements.

The time distribution of terms to maturity is based on the residual contract term or on the earliest date on which repayment of the liability may be required, unless a better estimate is available.

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

3. Consolidated financial statements

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

(€000)	31.12.2012					
	CARRYING AMOUNT	EXPECTED CASH FLOWS ⁽¹⁾	WITHIN 12 MONTHS	BETWEEN 1 AND 2 YEARS	BETWEEN 3 AND 5 YEARS	AFTER 5 YEARS
Interest rate swaps						
Derivative liabilities	-127,264	-130,633	-42,152	-35,194	-51,374	-1,913
Cross currency swaps						
Derivative assets	-	-	-	-	-	-
Derivative liabilities	-238,968	-243,000	-10,431	-10,560	-31,899	-190,110
Total cash flow hedges	-366,232	-373,633	-52,583	-45,754	-83,273	-192,023
Accrued expenses on cash flow hedges	-29,175					
Accrued income on cash flow hedges	21,774					
Total cash flow hedge derivative assets/ liabilities	-373,633	-373,633	-52,583	-45,754	-83,273	-192,023

(€000)	31.12.2012				
	EXPECTED CASH FLOWS ⁽¹⁾	WITHIN 12 MONTHS	BETWEEN 1 AND 2 YEARS	BETWEEN 3 AND 5 YEARS	AFTER 5 YEARS
Interest rate swaps					
Losses on cash flow hedges	-127,264	-45,164	-34,714	-47,658	272
Cross currency swaps					
Income on cash flow hedges	1,067,295	42,695	42,553	125,029	857,018
Losses on cash flow hedges	-1,306,263	-53,358	-53,197	-156,980	-1,042,728
Total income (losses) on cash flow hedges	-366,232	-55,827	-45,358	-79,609	-185,438

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

Credit risk

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

Credit risk deriving from outstanding derivative financial instruments can also be considered marginal in that the counterparties involved are major financial institutions. The Group is not party to margin agreements calling for the exchange of cash collateral when a predefined threshold for fair value has been exceeded.

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

	CARRYING AMOUNT	EXPECTED CASH FLOWS ⁽¹⁾	31.12.2011			AFTER 5 YEARS
			WITHIN 12 MONTHS	BETWEEN 1 AND 2 YEARS	BETWEEN 3 AND 5 YEARS	
	-64,031	-65,575	24,155	-71,604	-31,361	13,235
	27,678	27,562	-2,471	-2,473	-6,675	39,181
	-188,034	-192,615	-8,419	-7,798	-23,025	-153,373
	-224,387	-230,628	13,265	-81,875	-61,061	-100,957
	-27,585					
	21,344					
	-230,628	-230,628	13,265	-81,875	-61,061	-100,957

	EXPECTED CASH FLOWS ⁽¹⁾	31.12.2011			AFTER 5 YEARS
		WITHIN 12 MONTHS	BETWEEN 1 AND 2 YEARS	BETWEEN 3 AND 5 YEARS	
	-64,031	25,772	-75,797	-28,329	14,323
	1,078,187	41,981	41,871	121,998	872,337
	-1,238,543	-52,599	-52,149	-151,225	-982,570
	-224,387	15,154	-86,075	-57,556	-95,910

10. Other information

10.1 Analysis by geographical segment

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

(€000)	REVENUE		NON-CURRENT ASSETS ^(*)	
	2012	2011	31.12.2012	31.12.2011
Italy	4,308,088	4,620,862	17,160,109	17,006,739
France	296,623	44,011	6,850	3,332
Brazil	261,580	73,274	1,545,677	578,033
Chile	144,017	15,209	2,353,695	19,883
United States	45,653	42,049	19,175	24,070
Poland	45,196	45,575	266,579	263,759
India	92	1,464	1	1
	5,101,249	4,842,444	21,352,086	17,895,817

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

Impairment losses on the trademark and other intangible assets recognised in 2007, following the acquisition of Electronic Transaction Consultants, were recognised in 2012, as described in note 7.2.

10.2 Guarantees

The Group has certain guarantees in issue to third parties as at 31 December 2012. These include, listed by importance:

- the guarantee issued by Atlantia in favour of credit institutions on behalf of Strada dei Parchi as a safeguard against the impact on cash flow hedges of movements in interest rates. The amount of the guarantee, based on the fair value of the hedges, has been capped at €40,000 thousand as at 31 December 2011. Toto Costruzioni Generali is under an obligation to assume Atlantia's guarantee obligations, as a result of its acquisition of the controlling interest in Strada dei Parchi, within 36 months from the date of the issuance of the guarantee, which was 27 November 2010, and has issued its counterindemnity for the amount of its obligation subject, however, to the above cap;
- bank guarantees provided by Tangenziale di Napoli (€32,213 thousand) to the Ministry of Infrastructure and Transport, as required by the commitments assumed under the concession arrangement;
- Atlantia's corporate counterindemnity issued on behalf of the subsidiary, Electronic Transaction Consultants, to the insurance companies (denominated "Surety") which have issued performance bonds totalling €94,340 thousand for free-flow tolling projects.

Also as at 31 December 2012 the shares of certain of the Group's overseas companies have been pledged to providers of project financing to the same companies, as have shares in Pune Solapur Expressways, Lusoponte and Bologna & Fiera Parking.

10.3 Reserves

Group companies' contract reserves as at 31 December 2012 amount to approximately €1,600 million (€1,030 million as at 31 December 2011).

Any amount paid will substantially be recognised as an increase in the cost of intangible assets deriving from concession rights.

In the case of other contract reserves not related to investing activities (contract work and maintenance), any future charges are covered by existing provisions for disputes.

10.4 Related party transactions

In implementation of the provisions of art. 2391-bis of the Italian Civil Code, the Regulations adopted by the Commissione Nazionale per le Società e la Borsa (the CONSOB) in Resolution 17221 of 12 March 2010, as subsequently amended, on 11 November 2010 Atlantia's Board of Directors - with the prior approval of the Independent Directors on the Related Party Transactions Committee - approved the new Procedure for Related Party Transactions entered into directly by the Company and/or through subsidiaries.

This Procedure, which is available for inspection at the Company's website www.atlantia.it, sets out the criteria to be used in identifying related parties and the related reporting requirements.

The procedure underwent a periodic review in 2012 with the aim of making any necessary changes and/or additions.

As a result of the review, on 14 December 2012 the Board of Directors, acting in agreement with the opinion of the Independent Directors on the Related Party Transactions Committee, deemed it not necessary to make any changes to the procedure.

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

Related party trading and other transactions

NAME (€M)	31.12.2012		2012		31.12.2011		2011	
	ASSETS	LIABILITIES	INCOME	EXPENSES	ASSETS	LIABILITIES	INCOME	EXPENSES
Parents								
Sintonia ⁽¹⁾	18.1	-	-	-	11.5	-	-	-
Total parents	18.1	-	-	-	11.5	-	-	-
Associates								
Società Autostrada Tirrenica	7.9	5.6	2.1	-	13.0	4.3	-	-
Bologna & Fiera Parking	1.2	-	-	-	1.1	-	-	-
Società Infrastrutture Toscane	-	-	-	-	-	-	-	-
Total associates	9.1	5.6	2.1	-	14.1	4.3	-	-
Joint ventures								
Pune Solapur Expressways Private Limited	0.2	-	0.2	-	-	-	-	-
Total joint ventures	0.2	-	0.2	-	-	-	-	-
Affiliates								
Autogrill	37.1	1.4	72.9	1.6	37.5	2.4	74.5	3.3
United Colors of Communication	-	8.4	-	5.4	-	0.3	-	2.4
Total affiliates	37.1	9.8	72.9	7.0	37.5	2.7	74.5	5.7
Pension funds								
Pension funds (CAPIDI and ASTRI)	-	5.6	-	13.9	-	5.2	-	13.4
Total pension funds	-	5.6	-	13.9	-	5.2	-	13.4
Atlantia key management personnel ⁽²⁾								
Atlantia key management personnel ⁽²⁾	-	1.7	-	5.2	-	1.7	-	5.0
Total key management personnel	-	1.7	-	5.2	-	1.7	-	5.0
Total	64.3	22.7	75.0	26.1	63.1	13.9	74.5	24.1

Related party financial transactions

NAME (€M)	31.12.2012		2012		31.12.2011		2011	
	ASSETS	LIABILITIES	INCOME	EXPENSES	ASSETS	LIABILITIES	INCOME	EXPENSES
Associates								
Società Autostrada Tirrenica ⁽³⁾	110.0	24.6	5.4	0.2	110.0	41.2	-	-
Società Infrastrutture Toscane	-	0.2	-	-	-	0.2	-	-
Total associates	110.0	24.8	5.4	0.2	110.0	41.4	-	-
Affiliates								
Autogrill	-	-	1.8	-	-	-	1.4	-
Total affiliates	-	-	1.8	-	-	-	1.4	-
Total	110.0	24.8	7.2	0.2	110.0	41.4	1.4	-

(1) The 31 December 2011 balance relates to Schemaventotto, which was merged with and into Sintonia in 2012.

(2) Atlantia's key management personnel means the Directors, Statutory Auditors and other senior management.

Expenses for each year include emoluments, salaries, non-monetary benefits, bonuses and other incentives (including the fair value of share-based incentive plans) for Atlantia staff and in relevant subsidiaries and associates.

The financial statements additionally include contributions of €0.6 million paid on behalf of the Directors, Statutory Auditors and other senior management and a liability of €0.2 million, substantially consistent with the figures for 2011.

(3) Information on the loan provided to Società Autostrada Tirrenica is given in note 7.4.

In addition to the information in the tables, details of remuneration paid during the year to members of Atlantia's corporate bodies and its key management personnel are provided in the "Remuneration Report 2012", published on the Company's website at www.atlantia.it and prepared pursuant to art. 123-ter of Legislative Decree 58/1998 (the CFA), as subsequently amended.

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

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

The Atlantia Group's transactions with its parents

As at 31 December 2012 the Group is owed €18.0 million by the parent, Sintonia, which absorbed Schemaventotto in 2012. This amount regards tax refunds due from Schemaventotto in respect of income taxes paid during the period in which this company headed the Group's tax consolidation arrangement.

During 2012 the Atlantia Group did not engage in material trading or financial transactions with its direct or indirect parents.

The Atlantia Group's transactions with other related parties

For the purposes of the above CONSOB Resolution, which applies the requirements of IAS 24, the Autogrill group, which is under the common control of Edizione Srl, is treated as a related party. With regard to relations between the Atlantia Group's motorway operators and the Autogrill group, it should be noted that, as at 31 December 2012, Autogrill holds 132 food service concessions for service areas along the Group's motorway network.

In 2012 the Group earned revenue of approximately €72.9 million on transactions with Autogrill, including €62.5 million in royalties deriving from management of service areas. This recurring income is generated by contracts entered into over various years, of which a large part was awarded as a result of transparent and non-discriminatory competitive tenders.

As at 31 December 2012 trading assets receivable from Autogrill amount to €37.1 million and were for the most part collected in early 2013.

10.5 Significant regulatory aspects

The Ministry of Transport and Infrastructure's Department for Motorway Concessions

Law Decree 98/2011, converted into Law 111/2011, set up the Highways Agency within the Ministry of Infrastructure and Transport. The Agency will take over the role of grantor for existing highway concessions from ANAS, exercising every aspect of the role previously assigned to the latter organisation. Given that adoption – pursuant to the provisions of Law Decree 216/2011, as amended on conversion into Law 14/2012 and by Law Decree 95/2012, converted into Law 135/2012 – of the Agency's bylaws and organisational and operational regulations had not taken place by 30 September 2012, the Agency was abolished by law and its activities and responsibilities transferred, from 1 October 2012, to the Ministry of Transport and Infrastructure, which thus took over the role of grantor from ANAS.

Ministerial Decree 341 of 1 October 2012 set up the Department for Motorway Concessions within the Ministry of Transport and Infrastructure's Department for Infrastructure, General Affairs and Personnel, to which the staff and resources of the Motorway Concession Inspectorate previously forming part of ANAS were transferred.

The Office of Transport Regulation

Law Decree 201/2011 converted, with amendments, into Law 214/2011, has set up the Office of Transport Regulation to oversee conditions of access and prices for rail, airport and port infrastructure and for the related urban transport links to stations, airports and ports.

This legislation was subsequently amended by art. 36 of Law Decree 1/2012 converted, with amendments, into Law 27/2012, which extended the scope of the new regulator's responsibilities to include the motorway sector. The staff of the new entity have yet to be appointed at the date of approval of this report. Whilst awaiting the Office's start-up of operations – to be established by resolution yet to be issued by the Office itself – its functions and responsibilities continue to be carried out by the relevant public administrations and bodies in the various affected sectors.

Update of Autostrade per l'Italia's financial plan

Art. 11 of the Single Concession Arrangement requires the financial plan annexed to the arrangement to be updated by the Operator by 30 September 2012, and thereafter by the 30 September of the last year of every subsequent five-year period. In compliance with the above requirement, Autostrade per l'Italia has submitted its five-yearly update of the financial plan to the Grantor. Completion of the process is in progress.

Toll increases with effect from 1 January 2013

A decree issued by the Minister of Infrastructure and Transport, in agreement with the Minister of the Economy and Finance, provided that Autostrade per l'Italia could proceed to increase its tolls by 3.47% from 1 January 2013, compared with the 3.54% increase requested by the company. The same decree also provided that, when conducting the five-yearly update of its financial plan, the company could also apply, with effect from 1 January 2013, an increase based on the K component to cover the shortfall of 0.07%. Autostrade per l'Italia has challenged the above decree before Lazio Regional Administrative Court, contesting the part in which it delays application of the K component until the update of the financial plan.

Other motorway regulations

Law Decree 1/2012, converted, with amendments, into Law 27/2012, as amended, contains a range of provisions impacting, among other things, on motorway concessions, including (i) the regulation that, from 1 January 2014, has raised the minimum percentage of works to be contracted out to third-party contractors by the providers of construction services under concession to 60%; (ii) the regulation that has introduced a new regime for the holders of fuel service licences, who may now sell food and drink on their premises. With regard to motorway service areas, the terms and conditions of sub-concession arrangements in force at 31 January 2012 are unaffected, as are the restrictions linked to competitive tenders for motorway areas under concession, conducted in accordance with the format required by the Office of Transport Regulation.

Snow events in February 2012

On 19 June 2012 the Grantor sent Autostrade per l'Italia a notice of violation regarding its handling of the following snow events: (i) on 3 February 2012 on the AI (the DI8-Capua intersection) and DI9 (the entire section) and (ii) on 6/7 February 2012 along the AI6 (the Candela-Cerignola West section).

On 8 January 2013 the Grantor notified the company that it was imposing two administrative fines of €25 thousand each. Appropriate provision has been made in the consolidated financial statements for the year ended 31 December 2012.

In both cases, the violation regards the failure to comply with the "Motorway service requirements for winter", with specific reference to inadequate information provided via variable message panels

Autostrade per l'Italia has challenged the penalty imposed in relation to the snow event of 6/7 February 2012, requesting Lazio Regional Administrative Court to quash the related fine.

Ecomouv

Ecomouv Sas completed the design and service preparation phase in late 2012 of its €296.6 million investment programme for the development of tolling, central and control systems.

Ecomouv and the MEEDE worked together in October 2012 on a revision of intermediate project milestones whilst confirming the system completion date of 20 July 2013 (*Plan d'Aménagement*). This work, which was conducted with respect to the timing of the project's general execution schedule, followed an iterative process to establish general and detailed system specifications and was four months longer than contractually agreed, resulted in the issuance by the French government in August 2012 of a revised version of the *Guide des Procédures* (the operating procedures for the collection of tolls required by French customs that are needed for development of the system).

Subsequently, whilst Ecomouv continued system development, the French government worked on the legal framework required to charge the Eco-Tax which is, to date, still in progress.

On 24 January, Ecomouv and the MEEDE separately appeared before the Senate to present the project's state of completion and clarify, among other things, the methods and time needed for the arrangement of the Eco-Tax service. The Director General of the MEEDE subsequently advised Ecomouv on 13 February 2013 that the Senate had unanimously approved the amendment cancelling the Eco-Tax in Alsace on 12 February 2013, but that a second vote on the same amendment was still required in the Assemblée Nationale. The Director General also emphasised the political necessity to strengthen and prolong the system's experimental phase prior to its commissioning, in consequence of the cancellation of the system in Alsace, and to avoid the system being commissioned during the holiday period. Ecomouv provided the Ministry with the internal system testing report ("Recette") on 18 February 2013, thus meeting an essential milestone pursuant to the *Plan d'Aménagement*: completion of the Recette by 15 February 2012.

The Recette report identified certain defects found during internal testing, which, in Ecomouv's opinion, did not prejudice the overall functioning of the device, its repair and the contractual implementation schedule for the commencement of testing (*Vérification d'Attitude au Bon Fonctionnement - VABF*) by the State in a designated area in time for completion according to contract.

The Minister in charge of the MEEDE made an announcement on 28 February 2013, making official the French government's desire to cancel the Alsace trial in favour of nationwide, voluntary trials to start in July and to commission the system on 1 October 2013.

The Minister formally requested Ecomuov, on the same date, to correct the defects it had reported in the Recette (internal testing) and to conduct additional testing to assure system reliability prior to commencing the VABF, also in an effort to reduce test times.

The Minister also requested a new test and national trial plan until system delivery, as a result of elimination of the Alsace trial and ensuring a reasonable test period.

Ecomuov will consider the Minister's request, bearing in mind that the revision of the delivery schedule will also require the approval of the lenders in order to avoid financing problems.

ETC

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

MDX, in turn, notified ETC of its decision to terminate the service contract and sue for compensation for alleged, yet unquantified, damages for breach of contract by ETC.

Litigation is currently pending and pre-trial hearings are currently awaited. The court is expected to rule by the end of the first half of 2014.

Award of the concession for the A3 Naples-Pompeii-Salerno motorway

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

Council of State sentence regarding award of the concession to Pedemontana Veneta

Following the Council of State sentence that upheld the appeal brought by the permanent consortium led by SIS Scpa, and the ensuing decision by Veneto Regional Authority to award the concession to the afore-mentioned SIS Scpa, the temporary consortium that includes Pedemontana Veneta SpA (in which Autostrade per l'Italia holds a direct 28% interest) appealed the above Council of State sentence before Lazio Regional Administrative Court on 16 December 2009, requesting the exclusion of SIS Scpa from the tender process for failing to meet the necessary requirements for participation in the tender.

At the hearing on the merits scheduled for 8 June 2011, Lazio Regional Administrative Court turned down the appeal and, on 30 July 2011, an appeal was lodged with the Council of State, requesting reversal and cancellation of the above Lazio Regional Administrative Court sentence. This appeal was thrown out on 16 March 2012. In view of the company's inability to achieve its business purpose, the extraordinary general meeting of shareholders held on 9 May 2012 voted to place the company in liquidation, appointing a receiver.

Update on other significant pending litigation

With regard to the actions brought by Autostrade per l'Italia challenging the Grantor's decision regarding approval of the revised design for the A4 motorway between Milan and Bergamo (Lots 1, 2 and 3) - in respect of the decision not to recognise, for the purposes of fixing the related tolls, the increased costs resulting from the changes - at the hearing of 23 January 2013 the Commission adjourned proceedings until 19 June 2013.

With regard to tolls, court order 4330 of March 2012 dismissed the actions filed with Lazio Regional Administrative Court by Codacons and other consumers' associations challenging the toll increases introduced in 2003.

On 21 March 2011 Autostrade per l'Italia - together with Genoa Provincial Authority, the Municipality of Genoa, the Ministry of Infrastructure and Transport, Genoa Port Authority and ANAS - were notified of legal action brought before Liguria Regional Administrative Court by several hundred members of the public requesting an injunction annulling the Memorandum of Understanding signed on 8 February 2010, relating to construction of the "Genoa Road and Motorway Interchange" (the so-called *Gronda di Ponente*). The plaintiffs have subsequently presented further challenges during 2012 regarding regional authority resolutions and decisions, as well as the related ministerial documents and/or documents linked to the Memorandum of Understanding arising subsequent to the filing of the legal action. A date for the related hearing has yet to be set.

Finally, Autostrade per l'Italia is the defendant in a number of legal actions regarding expropriations, tenders and claims for damages deriving from motorway use.

At the present time, the outcomes of the above litigation proceedings are not expected to result in significant charges to be incurred by Group companies, in addition to the amounts already provided in the consolidated statement of financial position as at 31 December 2012.

10.6 Events after 31 December 2012

Merger of Gemina and Atlantia

On 8 March 2013 the Boards of Directors of Atlantia and Gemina SpA ("Gemina") approved the plan to merge Gemina with and into Atlantia (the "Merger"), based on the companies' financial statements for the year ended 31 December 2012.

The Boards of Directors of the companies participating in the Merger, with the support of leading financial advisors, have applied generally accepted valuation methods for transactions between companies with similar characteristics to Atlantia and Gemina.

Having examined and endorsed the opinions of their respective advisors, and having noted the favourable opinions of the respective Committees of Independent Directors, the Boards of Directors of Atlantia and Gemina thus approved the exchange ratio, after taking account of Atlantia's expected payment, in May 2013, and in any event prior to the effective date of the Merger, of a dividend of €0.391 per share (a dividend that will therefore not be paid to the shareholders of Gemina who will become shareholders of Atlantia as a result of the Merger), without any cash payment, as follows:

- a) in respect of Gemina's ordinary shares, 1 ordinary share in Atlantia with a par value of €1 each, ranking equally in all respects with Atlantia's existing ordinary shares at the effective date of the Merger, for every 9 ordinary shares in Gemina;
- b) in respect of Gemina's savings shares, 1 ordinary share in Atlantia with a par value of €1 each, ranking equally in all respects with Atlantia's existing ordinary shares at the effective date of the Merger, for every 9 of Gemina's savings shares.

The Merger Plan also envisages that Atlantia will effect a capital increase with a maximum par value of €164,025,376 via the issue of up to 164,025,376 new ordinary shares with a par value of €1 each, in application of the Exchange Ratio.

In addition to approval by the Extraordinary General Meetings of the shareholders of Gemina and Atlantia and by the Special General Meeting of the holders of Gemina's savings shares (the holders of savings shares who have not taken part in deliberation of the Merger Plan will have the right of withdrawal pursuant to and for the purposes of article 2437, paragraph 1, letter g) of the Italian Civil Code), completion of the Merger is subject to fulfilment of a number of conditions relating to the Antitrust Authority, Italy's Civil Aviation Authority ("ENAC"), the Italian Court of Auditors with regard to registration of Aeroporti di Roma's Concession Arrangement, and the creditor banks of Atlantia, Gemina and Aeroporti di Roma.

The Merger is expected to be completed at the latest by the end of the current year.

Annex I

The Atlantia Group's basis of consolidation and investments as at 31 December 2012

NAME	REGISTERED OFFICE	BUSINESS	CURRENCY
Parent Company			
Atlantia SpA	Rome	Holding Company	Euro
Subsidiaries consolidated on a line-by-line basis			
AD Moving SpA	Rome	Advertising services	Euro
Atlantia Bertin Concessões SA	São Paulo (Brazil)	Holding Company	Real
Autostrada Mazowsze SA	Katowice (Poland)	Motorway services	Zloty
Autostrade Concessões e Participações Brasil Limitada	São Paulo (Brazil)	Holding Company	Real
Autostrade dell'atlantico Srl	Rome	Holding Company	Euro
Autostrade Holding do Sur SA	Santiago (Chile)	Holding Company	Peso
Autostrade Indian Infrastructure Development Private Limited	Mumbai - Maharashtra (India)	Holding Company	Rupee
Autostrade Meridionali SpA	Naples	Motorway operation and construction	Euro
Subsidiaries consolidated on a line-by-line basis			
Autostrade per l'Italia SpA	Rome	Motorway operation and construction	Euro
Autostrade Portugal - Concessões de Infraestruturas SA	Sintra (Portugal)	Holding Company	Euro
Autostrade Sud America Srl	Rome	Holding Company	Euro
Autostrade Tech SpA	Rome	Information systems and equipment for the control and automation of traffic and road safety	Euro
Concessionária da Rodovia MG 050 SA	São Paulo (Brazil)	Motorway operation and construction	Real
Ecomouv' D&B Sas	Paris (France)	Design/construction/distribution of equipment required for Eco-Taxi	Euro

(1) The Atlantia Group holds 50% plus one share in the companies and exercises control on the basis of partnership and governance agreements.

(2) Company listed on Borsa Italiana SpA's Expandi market.

ISSUED CAPITAL/ CONSORTIUM FUND AS AT 31.12.2012	HELD BY	% INTEREST IN ISSUED CAPITAL/CONSORTIUM FUND 31.12.2012	OVERALL GROUP INTEREST (%)	NOTE
661,827,592				
1,000,000	Autostrade per l'Italia SpA	100	100	
678,253,135	Triangulo do Sol Participações SA	100	50.00	(1)
20,000,000		100	88.36	
	Atlantia SpA	70.00		
	Stalexport Autostrady SA	30.00		
729,590,863		100	100	
	Autostrade Portugal - Concessões de Infraestruturas SA	30.31		
	Autostrade dell'Atlantico Srl	47.91		
	Autostrade Holding do Sur SA	21.78		
1,000,000	Autostrade per l'Italia SpA	100	100	
51,496,771,000		100	100	
	Autostrade dell'Atlantico Srl	99.99		
	Autostrade per l'Italia SpA	0.01		
500,000		100	100	
	Autostrade per l'Italia SpA	99.99		
	Spea Ingegneria Europea SpA	0.01		
9,056,250	Autostrade per l'Italia SpA	58.98	58.98	(2)
622,027,000	Atlantia SpA	100	100	
30,000,000	Autostrade dell'Atlantico Srl	100	100	
100,000,000	Autostrade per l'Italia SpA	100	100	
1,120,000	Autostrade per l'Italia SpA	100	100	
45,976,020	Atlantia Bertin Concessões SA	100	50.00	(1)
500,000	Autostrade per l'Italia SpA	75.00	75.00	

3. Consolidated financial statements

NAME	REGISTERED OFFICE	BUSINESS	CURRENCY
Ecomouv' Sas	Paris (France)	Financing/design/construction/operation of equipment required for Eco-Taxe	Euro
Electronic Transaction Consultants Co.	Richardson (Texas - USA)	Automated tolling services	US Dollar
EsseDiesse Società di Servizi SpA	Rome	General administrative services	Euro
Giove Clear Srl	Rome	Cleaning services	Euro
Grupo Costanera SpA	Santiago (Chile)	Holding Company	Peso
Infoblu SpA	Rome	Traffic information	Euro
Infra Bertin Participações SA	São Paulo (Brazil)	Holding Company	Real
Mizard Srl	Rome	Acquisition, sale and management of investments in information services/radio and television/telecommunications companies	Euro
Newpass SpA	Verona	Transport control and automated information systems and equipment	Euro
Pavimental Polska Spzoo	Warsaw (Poland)	Motorway and airport construction and maintenance	Zloty
Pavimental SpA	Rome	Motorway and airport construction and maintenance	Euro
Raccordo Autostradale Valle d'Aosta SpA	Rome	Motorway operation and construction	Euro
Rodovias das Colinas SA	São Paulo (Brazil)	Motorway operation and construction	Real
Sociedad Concesionaria AMB SA	Santiago (Chile)	Motorway operation and construction	Peso
Sociedad Concesionaria Autopista Nororient SA	Santiago (Chile)	Motorway operation and construction	Peso
Sociedad Concesionaria Autopista Nueva Vespucio Sur SA	Santiago (Chile)	Holding Company	Peso
Sociedad Concesionaria Costanera Norte SA	Santiago (Chile)	Motorway operation and construction	Peso
Sociedad Concesionaria de Los Lagos SA	Santiago (Chile)	Motorway operation and construction	Peso
Sociedad Concesionaria Litoral Central SA	Santiago (Chile)	Motorway operation and construction	Peso
Sociedad Concesionaria Vespucio Sur SA	Santiago (Chile)	Motorway operation and construction	Peso
Sociedad Gestión Vial SA	Santiago (Chile)	Construction and maintenance of roads and traffic services	Peso
Sociedad Operacion y Logística de Infraestructuras SA	Santiago (Chile)	Concession construction and services	Peso

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

ISSUED CAPITAL/ CONSORTIUM FUND AS AT 31.12.2012	HELD BY	% INTEREST IN ISSUED CAPITAL/CONSORTIUM FUND 31.12.2012	OVERALL GROUP INTEREST (%)	NOTE
30,000,000	Autostrade per l'Italia SpA	70,00	70,00	
16,692	Autostrade dell'Atlantico Srl	61,41	61,41	
500,000	Autostrade per l'Italia SpA	100	100	
10,000	Autostrade per l'Italia SpA	100	100	
465,298,430,418	Autostrade Sud America Srl	50,01	50,01	
5,160,000	Autostrade per l'Italia SpA	75,00	75,00	
643,166,231	Autostrade Concessões e Participações Brasil Limitada	50,00	50,00	(1)
10,000	Atlantia SpA	100	100	
1,747,084	Autostrade per l'Italia SpA	51,00	51,00	
3,000,000	Pavimental SpA	100	99,40	
10,116,452	Autostrade per l'Italia SpA	99,40	99,40	
343,805,000	Società Italiana pA per il Traforo del Monte Bianco	47,97	24,46	(3)
226,145,401	Atlantia Bertin Concessões SA	100	50,00	(1)
5,875,178,700		100	50,01	
	Grupo Costanera SpA	99,98		
	Sociedad Gestión Vial SA	0,02		
22,738,904,654		100	50,01	
	Grupo Costanera SpA	99,90		
	Sociedad Gestión Vial SA	0,10		
166,967,672,229		100	50,01	
	Grupo Costanera SpA	99,99996		
	Gestión Vial SA	0,00004		
58,859,765,519		100		
	Grupo Costanera SpA	99,99804	50,01	
	Gestión Vial SA	0,001961		
37,433,282,600		100	100	
	Autostrade Holding do Sur SA	99,95238		
	Autostrade dell'Atlantico Srl	0,04762		
18,368,224,675		100	50,01	
	Grupo Costanera SpA	99,99		
	Sociedad Gestión Vial SA	0,01		
52,967,792,704		100	50,01	
	Sociedad Concesionaria Autopista Nueva Vespucio Sur SA	99,99750	50,01	
	Sociedad Gestión Vial SA	0,00250		
397,237,788		100	50,01	
	Grupo Costanera SpA	99,99		
	Sociedad Operacion y Logistica de infraestructuras SA	0,01		
11,736,819		100	50,01	
	Grupo Costanera SpA	99,99		
	Sociedad Gestión Vial SA	0,01		

3. Consolidated financial statements

NAME	REGISTERED OFFICE	BUSINESS	CURRENCY
Società Italiana pA per il Traforo del Monte Bianco	Pré Saint-Didier (Aosta)	Mont Blanc tunnel operation and construction	Euro
Spea do Brasil Projetos e Infra Estruturass Ltda	São Paulo (Brazil)	Integrated technical engineering services	Real
Spea Ingegneria Europea SpA	Milan	Integrated technical engineering services	Euro
Stalexport Autoroute Sàrl	Luxembourg	Motorway services	Euro
Stalexport Autostrada Dolnolska SA	Katowice (Poland)	Motorway services	Zloty
Stalexport Autostrada Malopolska SA	Myslowice (Poland)	Motorway operation and construction	Zloty
Stalexport Autostrady SA	Katowice (Poland)	Polish Holding Company	Zloty
Tangenziale di Napoli SpA	Naples	Motorway operation and construction	Euro
Tech Solutions Integrators Sas	Paris (France)	Construction, installation and maintenance of electronic tolling systems	Euro
Telepass France Sas	Paris (France)	Electronic tolling and Eco-Tax payment Systems	Euro
Telepass SpA	Rome	Automated tolling services	Euro
TowerCo SpA	Rome	Tower management services	Euro
Triangulo do Sol Auto-Estradas SA	Matao (Brazil)	Motorway operation and construction	Real
Triangulo do Sol Participações SA	São Paulo (Brazil)	Holding Company	Real
Via4 SA	Myslowice (Poland)	Motorway services	Zloty
Investments accounted for using the equity method			
Associates and joint ventures			
Arcea Lazio SpA	Rome	Road and motorway construction and concessions in Lazio	Euro
Atlantia Bertin Participações SA	São Paulo (Brazil)	Holding Company	Real
Autostrade for Russia GmbH	Vienna (Austria)	Holding Company	Euro
Bologna & Fiera Parking SpA	Bologna	Design, construction and management of multi-level public car parks	Euro
Biuro Centrum Spzoo	Katowice (Poland)	Administrative services	Zloty
GEIE del Traforo del Monte Bianco	Courmayeur (Aosta)	Maintenance and operation of Mont Blanc tunnel	Euro
Pedemontana Veneta SpA (in liquidation)	Verona	Operation and construction of Pedemontana Veneta motorway	Euro
Pune Solapur Expressways Private Limited	New Delhi (India)	Motorway operation and construction	Rupee
Società Autostrada Tirrenica pA	Rome	Motorway operation and construction	Euro
Società Infrastrutture Toscane SpA	Florence	Design, construction and operation of Prato to Signa motorway link	Euro
Tangenziali Esterne di Milano SpA	Milan	Construction and operation of the Milan ring road	Euro

(4) Company listed on the Warsaw stock exchange.

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

ISSUED CAPITAL/ CONSORTIUM FUND AS AT 31.12.2012	HELD BY	% INTEREST IN ISSUED CAPITAL/CONSORTIUM FUND 31.12.2012	OVERALL GROUP INTEREST (%)	NOTE
109,084,800	Autostrade per l'Italia SpA	51.00	51.00	
25,000		100	100	
	Spea Ingegneria Europea	99.99		
	Austostrade Concessões e Participacoes Brasil Ltda	0.01		
5,160,000	Autostrade per l'Italia SpA	100	100	
56,149,500	Stalexport Autostrady SA	100	61.20	
10,000,000	Stalexport Autostrady SA	100	61.20	
66,753,000	Stalexport Autoroute Sàrl	100	61.20	
185,446,517	Autostrade per l'Italia SpA	61.20	61.20	(4)
108,077,490	Autostrade per l'Italia SpA	100	100	
2,000,000	Autostrade per l'Italia SpA	100	100	
1,000,000	Telepass SpA	100	100	
26,000,000		100	100	
	Autostrade per l'Italia SpA	96.15		
	Autostrade Tech SpA	3.85		
20,100,000	Atlantia SpA	100	100	
71,000,000	Atlantia Bertin Concessões SA	100	50.00	(1)
1.027,052,252	Infra Bertin Participacoes SA	100	50.00	(1)
500,000	Stalexport Autoroute Sàrl	55.00	33.66	
1,983,469.00	Autostrade per l'Italia SpA	34.00		
97,121,733.00	Autostrade Concessões e Participações Brasil Ltda	50.00		
60,000.00	Autostrade Tech SpA	25.50		
9,000,000.00	Autostrade per l'Italia SpA	32.50		
80,000.00	Stalexport Autostrady SA	40.63		
2,000,000.00	Società Italiana pA per il Traforo del Monte Bianco	50.00		
6,000,000.00	Autostrade per l'Italia SpA	29.77		
100,000,000.00	Atlantia SpA	50.00		
24,460,800.00	Autostrade per l'Italia SpA	24.98		
30,000,000.00		46.60		
	Autostrade per l'Italia SpA	46.00		
	Spea Ingegneria Europea SpA	0.60		
53,616,421.50	Autostrade per l'Italia SpA	26.40		(5)

3. Consolidated financial statements

NAME	REGISTERED OFFICE	BUSINESS	CURRENCY
Investments accounted for at cost or fair value			
Unconsolidated subsidiaries			
Pavimental Est AO	Moscow (Russian Federation)	Motorway operation and construction	Ruble
Petrostal SA (in liquidation)	Warsaw (Poland)	Real estate services	Zloty
Stalexport Wielkopolska Spzoo W Upadolci	Komorniki (Poland)	Steel trading	Zloty
Other Investments			
Alitalia - Compagnia Aerea Italiana SpA	Milan	Airline	Euro
Emittenti Titoli SpA	Milan	Borsa SpA shareholder	Euro
Other subsidiaries			
Firenze Parcheggio SpA	Florence	Car park management	Euro
Huta Jedno SA	Siemianowice (Poland)	Steel trading	Zloty
Instal Nasielsk Spzoo (in liquidation)	Nasielsk (Poland)	Production of steel structures	Zloty
Inwest STAR SA (in liquidation)	Starachowice (Poland)	Steel trading	Zloty
Italmex SpA (in liquidation)	Milan	Trading agency	Euro
Konsorcjum Autostrada Isk SA	Katowice (Poland)	Motorway operation and construction	Zloty
Società di Progetto Brebemi SpA	Brescia	Concession for the construction and operation of the Brescia-Milan link	Euro
Tangenziale Esterna SpA	Milan	Design, construction and operation of the new Milan outer ring road	Euro
Uirnet SpA	Rome	Operation of national logistics network	Euro
Veneto Strade SpA	Venice	Construction and maintenance of roads and traffic services	Euro
Walcownia Rur Jedno Spzoo	Siemianowice (Poland)	Steel trading	Zloty
Zakłady Metalowe Dezamet SA	Nowa Dba (Poland)	Steel trading	Zloty
Consortia			
Consorcio Anhanguera Norte	Riberao Preto (Brazil)	Construction Consortium	Real
Consorzio Autostrade Italiane Energia	Rome	Power Supplies	Euro
Consorzio Costruttori Teem	Milan	Motorway operation and construction	Euro
Consorzio Fastigi	Civitavecchia (Rome)	Tunnel safety research and studies	Euro
Consorzio Galileo Scarl (in liquidation)	Todi (Perugia)	Construction of airport aprons	Euro
Consorzio Italtecnasud (in liquidation)	Rome	Control of Irpinia earthquake funds	Euro
Consorzio Midra	Florence	Scientific research for device base technologies	Euro
Consorzio Miteco	Peschiera Borromeo (Milan)	Execution of services and works assigned by Tangenziale Esterna SpA	Euro
Consorzio Nuova Romea Engineering	Limena (Padua)	Motorway designs	Euro
Consorzio Pedemontana Engineering	Verona	Design of Pedemontana Veneta motorway	Euro
Consorzio Ramonti Scarl	Tortona (Alessandria)	Motorway construction	Euro
Consorzio R.F.C.C. (in liquidation)	Tortona (Alessandria)	Construction of Moroccan road network	Euro

ISSUED CAPITAL/ CONSORTIUM FUND AS AT 31.12.2012	HELD BY	% INTEREST IN ISSUED CAPITAL/CONSORTIUM FUND 31.12.2012	NOTE
4,200,000.00	Pavimental SpA	100	
2,050,500.00	Stalexport Autostrady SA	100	
8,080,475.00	Stalexport Autostrady SA	97.96	
668,355,344.00	Atlantia SpA	8.85	
4,264,000.00	Atlantia SpA	6.02	
25,595,157.50	Atlantia SpA	5.36	
27,200,000.00	Stalexport Autostrady SA	2.40	
664,797.00	Stalexport Autostrady SA	0.56	
11,700,000.00	Stalexport Autostrady SA	0.26	
1,464,000.00	Stalexport Autostrady SA	4.24	
1,987,300.00	Stalexport Autostrada Dolnolska SA	5.43	
180,000,000.00	Spea Ingegneria Europea SpA	0.10	
100,000,000.00		1.25	(5)
	Autostrade per l'Italia SpA	0.25	
	Pavimental SpA	1.00	
987,000.00	Autostrade per l'Italia SpA	1.62	
5,163,200.00	Autostrade per l'Italia SpA	5.00	
220,590,000.00	Stalexport Autostrady SA	0.01	
18,789,410.00	Stalexport Autostrady SA	0.27	
-	Autostrade Concessões e Participacoes Brasil	13.13	
107,112.35		36.90	
	Autostrade per l'Italia SpA	29.00	
	Autostrada Torino-Savona SpA	2.00	
	Tangenziale di Napoli SpA	2.00	
	Società Italiana pA per il Traforo del Monte Bianco	1.90	
	Raccordo Autostradale Valle d'Aosta SpA	1.10	
	Autostrade Meridionali SpA	0.90	
10,000.00	Pavimental SpA	1.00	
40,000.00	Autostrade per l'Italia SpA	12.50	
10,000.00	Pavimental SpA	40.00	
51,645.69	Spea Ingegneria Europea SpA	20.00	
73,988.79	Autostrade Tech SpA	33.33	
10,000.00	Pavimental SpA	1.30	
60,000.00	Spea Ingegneria Europea SpA	16.67	
20,000.00	Spea Ingegneria Europea SpA	23.30	
10,000.00	Pavimental SpA	49.00	
510,000.00	Pavimental SpA	30.00	

3. Consolidated financial statements

NAME	REGISTERED OFFICE	BUSINESS	CURRENCY
Consorzio Tangenziale Engineering	Milan	Integrated Technical Engineering Services - Milan External Ringroad East	Euro
Consorzio Trinacria Scrl	Limena (Padua)	Construction of airport aprons	Euro
Consorzio 2050	Rome	Motorway design	Euro
Costruzioni Impianti Autostradali Scrl	Rome	Construction of public works and infrastructure	Euro
Elmas Scrl	Rome	Construction and maintenance of airport runways and aprons	Euro
Idroelettrica Scàrl	Châtillon (Aosta)	Electricity generation	Euro
Lambro Scàrl	Milan	Operation and construction on behalf of Teem construction consortium	Euro
Quadrante 300	Rome	Repaving of airport aprons	Euro
Investments recognised as current assets			
Dom Maklerski Bdm SA	Bielsko-Biala (Poland)	Holding Company	Pln
Ideon SA	Katowice (Poland)	Steel trading	Pln
Lusoponte - Concessionaria para a Travessia do Tejo SA	Montijo (Portugal)	Motorway operation	Euro
Strada dei Parchi SpA	Rome	Motorway operation and construction	Euro

ISSUED CAPITAL/ CONSORTIUM FUND AS AT 31.12.2012	HELD BY	% INTEREST IN ISSUED CAPITAL/CONSORTIUM FUND 31.12.2012	NOTE
20,000.00	Spea Ingegneria Europea SpA	30.00	
10,000.00	Pavimental SpA	53.00	
50,000.00	Spea Ingegneria Europea SpA	0.50	
10,000.00		100	
	Pavimental SpA	75.00	
	Autostrade Tech SpA	20.00	
	Pavimental Polska Spzoo	5.00	
10,000.00	Pavimental SpA	60.00	
50,000.00	Raccordo Autostradale Valle d'Aosta SpA	0.10	
200,000.00	Pavimental SpA	2.78	
10,000.00	Pavimental SpA	40.00	
19,796,924.00	Stalexport Autostrady SA	2.71	
343,490,781.00		2.78	
	Stalexport Autostrady SA	2.63	
	Biuro Centrum Spzoo	0.15	
25,000,000.00	Autostrade Portugal - Concessões de Infraestruturas SA	17.21	
67,764,700.00	Autostrade per l'Italia SpA	2.00	

Annex 2

Disclosure pursuant to art.149-duodecies of the CONSOB Regulations for Issuers II97I/1999

Parent Company

TYPE OF SERVICE	SERVICE PROVIDER	NOTE	FEES (€000)
Audit	Parent Company's auditor		50
Certification	Parent Company's auditor	(1)	23
Other services	Parent Company's auditor	(2)	308
Total Parent Company			381

Subsidiaries

TYPE OF SERVICE	SERVICE PROVIDER	NOTE	FEES (€000)
Audit	Parent Company's auditor		1,126
Audit	Network of Parent Company's auditor		148
Certification	Parent Company's auditor	(3)	61
Tax advisory	Parent Company's auditor	(4)	30
Other services	Parent Company's auditor	(5)	206
Other services	Network of Parent Company's auditor	(6)	6
Total subsidiaries			1,577
Total Atlantia Group			1,958

(1) Opinion on payment of the interim dividend.

(2) Comfort letters on offering circulars for EMTN programme and retail bond issue, signature of Consolidated Tax Return and Form 770, verification of documentation required by public tenders in India in which the Group participated during the year, agreed upon procedures regarding accounting data and information.

(3) Opinion on payment of interim dividends and review of Sustainability Report.

(4) Tax certificates.

(5) Signature of Consolidated Tax Return and Form 770, agreed upon procedures on accounting data and information, services relating to internal control system.

(6) Agreed upon procedures regarding accounting data and information.

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Atlantia SpA's
separate financial statements and notes

4

Atlantia SpA's financial statements

Statement of financial position

ASSETS (€000)	NOTE	31.12.2012	31.12.2011
NON-CURRENT ASSETS			
Property, plant and equipment	4.1	7,832	7,488
Property, plant and equipment		1,414	775
Investment property		6,418	6,713
Intangible assets	4.2	233	235
Other intangible assets		233	235
Investments	4.3	6,018,091	6,039,677
Other financial assets	4.4	10,086,939	7,914,817
Non-current derivative assets		245,326	219,273
<i>of which due from related parties</i>		245,326	191,595
Other non-current financial assets		9,841,613	7,695,544
<i>of which due from related parties</i>		9,841,563	7,695,447
TOTAL NON-CURRENT ASSETS		16,113,095	13,962,217
CURRENT ASSETS			
Trading assets	4.5	1,493	1,039
Trade receivables		1,493	1,039
<i>of which due from related parties</i>		1,414	804
Cash and cash equivalents	4.6	362,503	293,063
Cash		1,269	805
Intercompany current account receivables		361,234	292,258
Other current financial assets	4.4	282,602	238,957
Current portion of medium/long-term financial assets		277,182	235,483
<i>of which due from related parties</i>		255,408	214,095
Other current financial assets		5,420	3,474
<i>of which due from related parties</i>		5,235	3,421
Current tax assets	4.7	92,044	114,093
<i>of which due from related parties</i>		6,217	110,655
Other current assets	4.8	647	2,335
<i>of which due to related parties</i>		223	143
Non-current assets held for sale and related to discontinued operations		-	-
TOTAL CURRENT ASSETS		739,289	649,487
TOTAL ASSETS		16,852,384	14,611,704

EQUITY AND LIABILITIES (€000)	NOTE	31.12.2012	31.12.2011
EQUITY			
Issued capital		661,828	630,312
Reserves and retained earnings		5,787,974	5,803,414
Treasury shares		-215,644	-215,644
Profit for the year after payment of interim dividend		302,380	265,178
TOTAL EQUITY	4.9	6,536,538	6,483,260
NON-CURRENT LIABILITIES			
Non-current provisions	4.10	348	288
Provisions for employee benefits		348	288
Non-current financial liabilities	4.11	9,908,725	7,739,898
Bond issues		9,669,757	7,551,809
Non-current derivative liabilities		238,968	188,034
Other non-current financial liabilities		-	55
Deferred tax liabilities	4.12	39,353	44,436
TOTAL NON-CURRENT LIABILITIES		9,948,426	7,784,622
CURRENT LIABILITIES			
Trading liabilities	4.13	7,578	4,246
Trade payables		7,578	4,246
<i>of which due to related parties</i>		3,528	714
Current financial liabilities	4.11	266,769	228,323
Bank overdrafts		3	-
Current portion of medium/long-term financial liabilities		266,626	228,233
Other current financial liabilities		140	90
Current tax liabilities	4.7	90,210	108,818
<i>of which due to related parties</i>		90,210	3,236
Other current liabilities	4.14	2,863	2,435
Liabilities related to discontinued operations		-	-
TOTAL CURRENT LIABILITIES		367,420	343,822
TOTAL LIABILITIES		10,315,846	8,128,444
TOTAL EQUITY AND LIABILITIES		16,852,384	14,611,704

Income statement

(€000)	NOTE	2012	2011
REVENUE			
Operating income	5.1	801	871
<i>of which from related parties</i>		703	703
TOTAL REVENUE		801	871
COSTS			
Raw and consumable materials	5.2	-22	-24
Purchase of materials		-22	-24
Service costs	5.3	-5,061	-7,020
<i>of which due to related parties</i>		-1,748	-1,691
Staff costs	5.4	-2,496	-1,818
Other operating costs	5.5	-2,271	-2,266
Lease expense		-173	-95
Other operating costs		-2,098	-2,171
Depreciation and amortisation		-404	-405
Depreciation of property, plant and equipment	4.1	-107	-107
Depreciation of investment property	4.1	-295	-296
Amortisation of other intangible leases	4.2	-2	-2
TOTAL COSTS		-10,254	-11,533
OPERATING PROFIT/(LOSS)		-9,453	-10,662
Financial income		1,113,208	1,073,766
Financial income		546,851	519,518
<i>of which from related parties</i>		492,018	467,906
Dividends from subsidiaries		566,357	554,248
Financial expenses		-562,546	-571,113
Financial expenses from discounting of provisions		-12	-13
Other financial expenses		-539,134	-512,096
<i>of which to related parties</i>		-26,655	-29,732
Impairment losses on financial assets		-23,400	-59,004
Foreign exchange gains/(losses)		-112	-284
FINANCIAL INCOME/(EXPENSES)	5.6	550,550	502,369
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		541,097	491,707
Income tax (expense)/benefit	5.7	-8,485	-7,260
Current tax expense		-8,660	-6,647
Differences on current tax expense for previous years		184	-53
Deferred tax income and expense		-9	-560
PROFIT FROM CONTINUING OPERATIONS		532,612	484,447
Profit/(Loss) from discontinued operations		-	-
PROFIT FOR THE YEAR	5.8	532,612	484,447

(€)	NOTE	2012	2011
Basic earnings per share	5.8	0.82	0.75
<i>of which:</i>			
from continuing operations		0.82	0.75
from discontinued operations/assets held for sale		-	-
Diluted earnings per share	5.8	0.82	0.75
<i>of which:</i>			
from continuing operations		0.82	0.75
from discontinued operations/assets held for sale		-	-

Statement of comprehensive income

(€000)	NOTE	2012	2011
Profit for the year (A)		532,612	484,447
Fair value gains/(losses) on cash flow hedges	4.9	-10,312	33,763
Actuarial gains/(losses) (IAS 19)	4.9	-49	-
Other comprehensive income for the period, after related taxation (B)		-10,361	33,763
Comprehensive income for the year (A + B)		522,251	518,210

Statement of changes in equity

(€000)	ISSUED CAPITAL	RESERVES AND RETAINED EARNINGS			
		SHARE PREMIUM RESERVE	LEGAL RESERVE	EXTRAORDINARY RESERVE	RESERVE FOR PURCHASE OF TREASURY SHARES
Balance at 31 December 2010	600,297	154	261,410	4,743,836	215,644
Total comprehensive income	-	-	-	-	-
Owner transactions and other changes					
Appropriation of profit for previous year	-	-	-	71,066	-
Final dividend approved	-	-	-	-	-
Bonus issue	30,015	-	-	-30,015	-
Interim dividend	-	-	-	-	-
Share-based incentive plans	-	-	-	-	-
Balance at 31 December 2011	630,312	154	261,410	4,784,887	215,644
Total comprehensive income	-	-	-	-	-
Owner transactions and other changes					
Appropriation of profit for previous year	-	-	-	23,673	-
Final dividend approved	-	-	-	-	-
Bonus issue	31,516	-	-	-31,516	-
Interim dividend	-	-	-	-	-
Share-based incentive plans	-	-	-	-	-
Balance at 31 December 2012	661,828	154	261,410	4,777,044	215,644

	RESERVES AND RETAINED EARNINGS				TREASURY SHARES	PROFIT FOR THE YEAR	TOTAL EQUITY
	RESERVE FOR NEGATIVE GOODWILL	CASH FLOW HEDGE RESERVE	RESERVE FOR ACTUARIAL GAINS AND LOSSES ON POST- EMPLOYMENT BENEFITS	OTHER RESERVES			
	448,999	54,740	-332	486	2,311	-215,644	6,412,971
	-	33,763	-	-	-	484,447	518,210
	-	-	-	-	-	-71,066	-
	-	-	-	-	-	-230,004	-230,004
	-	-	-	-	-	-	-
	-	-	-	-	-	-219,269	-219,269
	-	-	-	1,352	-	-	1,352
	448,999	88,503	-332	1,838	2,311	-215,644	6,483,260
	-	-10,312	-49	-	-	532,612	522,251
	-	-	-	-	-	-23,673	-
	-	-	-	-	-	-241,505	-241,505
	-	-	-	-	-	-	-
	-	-	-	-	-	-230,232	-230,232
	-	-	-	2,764	-	-	2,764
	448,999	78,191	-381	4,602	2,311	-215,644	6,536,538

Statement of cash flows

(€000)	NOTE	2012	2011
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES			
Profit for the year		532,612	484,447
Adjusted by:			
Depreciation and amortisation	4.1, 4.2	404	405
Provisions		1	1
Financial expenses from discounting non-current liabilities		12	13
Impairment losses/(Reversal of impairment losses) on non-current financial assets, including investments accounted for at cost or fair value		23,400	59,004
Impairment losses/(Reversal of impairment losses) on non-current assets		766	-
Net change in deferred tax (assets)/liabilities		9	559
Other non-cash items		247	-67
Change in working capital and other changes		8,438	-920
Net cash generated from/(used in) operating activities (A)	6.1	565,889	543,442
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES			
Purchases of property, plant and equipment	4.1	-746	-238
Purchases of investments, net of unpaid called-up issued capital	4.3	-92	-7,795
Proceeds from sales of property, plant and equipment, intangible assets and investments		27	-
Change in current and non-current financial assets not held for trading purposes		-2,202,033	1,999,424
<i>of which due from related parties</i>		-2,189,243	2,015,725
Net cash generated from/(used in) investing activities (B)	6.1	-2,202,844	1,991,391
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES			
Dividends paid		-471,723	-449,259
Bond issues		2,780,498	-
Redemption of bonds		-655,800	-2,000,000
Net change in other current and non-current financial liabilities		53,417	9,903
Net cash generated from/(used in) financing activities (C)	6.1	1,706,392	-2,439,356
Increase/(Decrease) in cash and cash equivalents (A + B + C)		69,437	95,477
Net cash and cash equivalents at beginning of year		293,063	197,586
Net cash and cash equivalents at end of year		362,500	293,063

Additional information on the statement of cash flows

(€000)	NOTE	2012	2011
Income tax paid		241,866	7,567
Tax rebates from tax consolidation arrangement		-236,857	-
Interest income and other financial income collected		493,338	514,019
Interest expense and other financial expenses paid		489,789	516,514
Dividends received	5.6	566,357	554,248
Foreign exchange gains collected		252	211
Foreign exchange losses incurred		268	632

Reconciliation of net cash and cash equivalents

(€000)	NOTE	2012	2011
Net cash and cash equivalents at beginning of year		293,063	197,586
Cash and cash equivalents	4.6	293,063	197,587
Bank overdrafts repayable on demand		-	-1
Net cash and cash equivalents at end of year		362,500	293,063
Cash and cash equivalents	4.6	362,503	293,063
Bank overdrafts repayable on demand		-3	-

Notes to Atlantia SpA's financial statements

1. Introduction

Atlantia SpA (also the "Company") was formed in 2003. The Company's registered office is in Rome, at Via Nibby, 20. The Company does not have branch offices.

The Company operates solely as a holding company, and is listed on the screen-based trading system (Mercato Telematico Azionario) operated by Borsa Italiana SpA. It is responsible for developing growth and financial strategies in the infrastructure sector, but does not have a direct operational role.

The duration of the Company is currently until 31 December 2050.

At the date of preparation of these consolidated financial statements Sintonia SpA is the shareholder that holds a relative majority of the issued capital of Atlantia SpA. Sintonia SpA, which is in turn a subsidiary of Edizione Srl, does not exercise management and coordination of Atlantia SpA.

These financial statements were approved by the Company's Board of Directors at its meeting of 8 March 2013.

Due to the fact that the Company has significant controlling interests in other companies, it also prepares Group consolidated financial statements that are presented together with the Company's separate financial statements.

2. Basis of preparation

The financial statements as at and for the year ended 31 December 2012 have been prepared on a going concern basis. They have been prepared in compliance with articles 2 and 4 of Legislative Decree 38/2005 and in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and endorsed by the European Commission, as in force at that date. These standards reflect the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), in addition to previous International Accounting Standards (IAS) and interpretations issued by the Standard Interpretations Committee (SIC) and still in force at the end of the reporting period. For the sake of simplicity, all the above standards and interpretations are hereinafter referred to as "IFRS". Moreover, reference was made to the measures introduced by the CONSOB, in application of paragraph 3 of article 9 of Legislative Decree 38/2005.

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

IFRS have been applied in accordance with the indications provided in the "Framework for the Preparation and Presentation of Financial Statements", and no events have occurred that would require exemptions pursuant to paragraph 19 of IAS 1.

CONSOB Resolution 15519 of 27 July 2006 requires that, in addition to the specific requirements of IAS 1 and other IFRS, financial statements must, where material, include separate sub-items providing (i) disclosure of amounts deriving from related party transactions; and, with regard to the income statement, (ii) separate disclosure of income and expenses deriving from events and transactions that are non-recurring in nature, or transactions or events that do not occur on a frequent basis during the normal course of business. In this regard, it should be noted that no material non-recurring, atypical or unusual transactions were entered into during 2012, either with third or related parties.

Atlantia SpA's financial statements and the notes are shown in thousands of euros, unless otherwise indicated. The euro is both the Company's functional currency and its presentation currency.

Each item in the financial statements is compared with the corresponding amount for the previous year. These comparative amounts have not been restated and/or reclassified with respect to amounts previously presented in the financial statements as at and for the year ended 31 December 2011, as there have been no events or changes to the accounting standards applied that would require such restatements or reclassifications.

3. Accounting policies

The following most significant accounting policies were used in preparing the financial statements as at and for the year ended 31 December 2012. They are consistent with those applied in preparation of the financial statements for the previous year, as no new accounting standards, interpretations or amendments to existing accounting standards, having a material impact on the financial statements, came into effect during 2012.

Property, plant and equipment

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

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

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

The annual rates of depreciation used for buildings and other assets (furniture, fittings and electronic office equipment) in 2012 are 3% and from 12%-20%, respectively.

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

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

Intangible assets

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

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

Intangible assets are recognised at cost, measured in the same manner as property, plant and equipment, provided that the assets can be identified and their cost reliably determined, are under the entity's control and are able to generate future economic benefits.

Amortisation of intangible assets with finite useful lives begins when the asset is ready for use and is based on remaining economic benefits to be obtained in relation to their residual useful lives.

Gains and losses deriving from the disposal of an intangible asset are determined as the difference between the disposal proceeds, less costs to sell, and the carrying amount of the asset and are recognised as income or expense in the income statement at the time of the disposal.

Investments

Investments in subsidiaries, associates and joint ventures are accounted for at cost and include any directly attributable transaction costs.

Investments in other companies, which qualify as available-for-sale financial instruments, as defined by IAS 39, are initially accounted for at cost at the settlement date, in that this represents fair value, including any directly attributable transaction costs. After initial recognition, these investments are measured at fair value, to the extent reliably determinable, through other comprehensive income and hence in a specific equity reserve. On realisation or recognition of an impairment loss in the income statement, the accumulated gains and losses in that reserve are taken to the income statement.

Impairment losses, identified as described below in the note on "Impairment of assets and reversals (impairment testing)", are reversed to other comprehensive income in the event the circumstances giving rise to the impairment cease to exist. When fair value cannot be reliably determined, investments classified as available-for-sale financial instruments are measured at cost less any impairment losses. In this case impairment losses may not be reversed.

Provisions are made to cover the risk that the losses of an investee company could exceed the carrying amount of the investment, to the extent that the Company is required to comply with actual or constructive obligations to cover such losses. Available-for-sale investments, or those in the process of being sold, are recognised at the lower of their carrying amount and fair value, less any costs to sell.

Receivables and payables

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

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

Cash and cash equivalents

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

Derivative financial instruments

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

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

Changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income, net of any deferred taxation. The gain or loss relating to the ineffective portion is recognised in the income statement.

Changes in the fair value of derivatives serving as fair value hedges are recognised in the income statement. Analogously, the hedged assets and liabilities are restated at fair value through the income statement.

Changes in the fair value of derivative instruments that do not qualify for hedge accounting under IAS 39 are recognised in the income statement.

Other financial assets and liabilities

Financial assets that the Company intends and is able to hold to maturity, in accordance with IAS 39, and financial liabilities are recognised at the fair value of the purchase consideration at the settlement date, with assets being increased and liabilities being reduced by transaction costs directly attributable to the purchase of the asset or issuance of a financial liability. After initial recognition, financial assets are measured at amortised cost using the original effective interest method.

Financial assets and liabilities are derecognised when, following their sale or settlement, the Company is no longer involved in their management and has transferred all risks and rewards of ownership.

Financial assets held for trading are accounted for and measured at fair value through the income statement. Other categories of financial asset are classified as available-for-sale financial instruments, which are accounted for and measured at fair value through other comprehensive income and, consequently, in a specific equity reserve. The financial instruments in these categories have, to date, never been reclassified.

Fair value hierarchy of financial instruments

IFRS 7 "Financial Instruments: Disclosures" requires that financial instruments recognised at fair value in the statement of financial position be classified with reference to a hierarchy of levels, based on the source of the inputs used to derive the fair value.

The standard classifies financial instruments recognised at fair value based on the following levels:

- a) Level 1 – quoted prices in active markets;
- b) Level 2 – inputs other than quoted prices included in level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- c) Level 3 – inputs that are not based on observable market data.

No transfers between the various levels of the fair value hierarchy have ever taken place.
The Company does not hold financial instruments classifiable in level 3.

Provisions

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

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

Employee benefits

Short-term employee benefits, provided during the period of employment, are accounted for at the accrued liability at the end of the reporting period.

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

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

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

Revenue

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

- a) to the extent, for sales of goods, that significant risks and rewards of ownership are transferred to the buyer;
- b) the provision of services is prorated to percentage of completion of work based on the same criteria as used for construction contracts. When the amount of the revenue cannot be reliably determined, revenue is recognised only to the extent that expenses are considered to be recoverable;
- c) rental income or royalties, on an accruals basis, based on the agreed terms and conditions of the contract;
- d) interest income (and interest expense) is accrued with reference to amount of the financial asset or liability, in accordance with the effective interest method;
- e) dividend income is recognised when the right to receive payment is established.

Income taxes

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

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

- a) deferred tax assets are only recognised to the extent that it is probable that future taxable profit will be available against which the asset can be utilised;
- b) deferred tax liabilities are always recognised.

Atlantia SpA operates a tax consolidation arrangement, on the basis of Legislative Decree 344/2003. In addition to the direct subsidiaries, Autostrade per l'Italia SpA and TowerCo SpA, the following indirect subsidiaries participate in the arrangement: Tangenziale di Napoli SpA, EsseDiEsse Società di Servizi SpA, Spea Ingegneria Europea SpA, AD Moving SpA, Autostrade Meridionali SpA, Autostrade dell'Atlantico Srl, Pavimental SpA, Giove Clear SpA, Telepass SpA, Infoblu SpA, Autostrade Tech SpA and Newpass SpA.

As a result, these companies' current tax assets and liabilities for IRES, which are included in the consolidation, are reported as current tax assets and liabilities, with recognition of a matching receivable or payable due from or to the subsidiary, in connection with the transfer of funds to be carried out as a result of the tax consolidation.

Relations between the companies are regulated by a specific contract. This contract establishes that participation in the tax consolidation arrangement may not, under any circumstances, result in economic or financial disadvantages for the participating companies compared with the situation that would have arisen had they not participated in the arrangement. Should such disadvantages arise, they are to be offset by a corresponding indemnity to be paid to the participating companies concerned.

Share-based payments

The cost of services provided by employees and/or directors and remunerated in the form of share options and/or grants is based on the fair value of the rights at the grant date. Fair value is computed using actuarial assumptions and with reference to all characteristics, at the grant date, of the rights (term, any consideration, conditions of exercise, etc.) and the plan's underlying securities. The obligation is determined by independent actuaries.

The cost is recognised in the income statement, with a contraentry in equity, over the vesting period, based on a best estimate of the number of options that will vest.

Impairment of assets and reversals (impairment testing)

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

If there are indications that these assets have been impaired, the recoverable amounts of such assets are estimated in order to verify and eventually measure the amount of the impairment loss. Irrespective of whether there is an indication of impairment, intangible assets with indefinite lives and those which are not yet available for use are tested for impairment at least annually, or more frequently, if an event has occurred or there has been a change in circumstances that could cause an impairment.

If it is not possible to estimate the recoverable amounts of individual assets individually, the recoverable amount of the cash-generating unit to which a particular asset belongs is estimated.

The subsequent test entails estimating the recoverable amount of the asset (represented by the higher of the asset's fair value less costs to sell and its value in use) and comparing it with the carrying amount. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount. In calculating value in use, expected future pre-tax cash flow is discounted using a pre-tax rate that reflects current market assessments of the cost of capital which embodies the time value of money and the risks specific to the business.

Impairment losses are recognised in the income statement, and classified according to the nature of the impaired asset.

Losses are reversed if the circumstances that resulted in the loss no longer exist, provided that the reversal does not exceed the cumulative impairment losses previously recognised, unless the impairment loss relates to goodwill and investments measured at cost, where the related fair value cannot be reliably determined.

Estimates and judgements

Preparation of financial statements in compliance with IFRS involves the use of estimates and judgements, which are reflected in the measurement of the carrying amounts of assets and liabilities and in the disclosures provided in the notes to the financial statements, including contingent assets and liabilities at the end of the reporting period. These estimates are especially important in determining amortisation and depreciation, impairment testing of assets (including the measurement of receivables), provisions, employee benefits, the fair value of financial assets and liabilities, and current and deferred tax assets and liabilities.

The amounts subsequently recognised may, therefore, differ from these estimates. Moreover, these estimates and judgements are periodically reviewed and updated, and the resulting effects of each change immediately recognised in the financial statements.

Translation of foreign currency items

Transactions in currencies other than the functional currency are recognised by application of the exchange rate at the transaction date. Assets and liabilities denominated in currencies other than the functional currency are, subsequently, remeasured by application of the exchange rate at the end of the reporting period. Any exchange differences on remeasurement are recognised in the income statement. Non-monetary assets and liabilities denominated in foreign currencies and recognised at historical cost are translated using the exchange rate at the date of initial recognition.

Earnings per share

Basic earnings per share is computed by dividing profit by the weighted average number of shares outstanding during the accounting period.

Diluted earnings per share is computed by taking into account, for both profit for the period and the above weighted average, the effects deriving from the subscription and/or conversion of all potential shares that may be issued as a result of the exercise of any outstanding share options.

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

There were no new accounting standards or interpretations, or amendments and interpretations to existing standards, in 2012 that had a significant effect on the financial statements.

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

IFRS 9 - Financial Instruments

The IASB issued the first part of IFRS 9 on 12 November 2009 which only revised requirements for the classification and measurement of financial assets currently regulated by IAS 39. It subsequently released a revised version of IFRS 9 on 28 October 2010 containing requirements for the classification and measurement of financial liabilities. Other changes were made to the published version on 16 December 2011.

The standard, which must be retrospectively applied for accounting periods beginning on or after 1 January 2015, forms the first part of a project in phases that aims to replace IAS 39 in its entirety and introduce new criteria for the classification and measurement of financial assets and liabilities.

IFRS 9 requires that financial assets now only be classified into two categories. There are, furthermore, two alternate methods of measurement: amortised cost and fair value.

Classifications should be made with reference to the business model for managing the financial asset and the characteristics of its contractual cash flows.

Initial recognition and subsequent measurement at amortised cost are subject to both of the following conditions:

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

If either one of the above two conditions is not satisfied, the financial asset is required to be initially recognised and subsequently measured at fair value.

All financial assets in the form of shares are to be measured at fair value. Unlike IAS 39, the revised standard does not admit exception to the general rule. As a result, it is not possible to measure unlisted shares, for which fair value cannot be reliably determined, at cost.

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

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

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

The requirements of IAS 39 which have been changed are:

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

Phases 2 and 3 of the project regarding financial instruments, relating respectively to the impairment of financial assets and hedge accounting, are still in progress. The IASB is also considering limited improvements to IFRS 9 regarding the part dealing with the classification and measurement of financial assets.

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

The IASB issued the new IFRS 10 on 12 May 2011 on the conclusion of the project to redefine the concept of control in order to divergencies in its application. Whereas the old IAS 27 — Consolidated and Separate Financial Statements defined the control of an entity as the power to determine its financial and operating policies and to obtain the relevant benefits, SIC 12 — Consolidation: Special Purpose Entities interpreted the requirements of IAS 27 placing greater emphasis on risks and benefits.

The new IFRS 10, which was issued at the same time as the new IAS 27 - Separate Financial Statements, replaces certain of the provisions of the old IAS 27 and SIC 12 with a new definition of control but retains the provisions of IAS 27 for the preparation of IFRS compliant consolidated financial statements.

IFRS 10 provides that an investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to influence those returns through its power over the investee. The

concept of control is, consequently, based on three factors: (i) power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect the amount of the investor's returns.

Pursuant to IFRS 10, this concept of control must be applied in all of the following circumstances:

- a) when voting or similar rights give an investor power, including situations where the investor holds less than a majority of voting rights and in circumstances involving potential voting rights;
- b) when an investee is organised in such a manner that voting rights are not determinant in deciding who controls the investee, such as when any voting rights relate to administrative tasks only with more strategic activities being directed through contract;
- c) agency relationships;
- d) when the investor has control of specific activities of an investee.

Furthermore, IFRS 10 refers to the disclosure requirements contained in the new IFRS 12 – Disclosure of Interests in Other Entities (issued at the same time). IFRS 12, in fact, contains a series of disclosure requirements pertaining to investments in subsidiaries and associates, as well as other joint arrangements (cf. IFRS 11 below). The new IAS 27 – Separate Financial Statements is only applicable to the accounting treatment and disclosure requirements for investments in subsidiaries and the requirements for entities to present separate (non-consolidated) financial statements. The new standards also introduced revisions to certain parts of the old IAS 27. The new standards, IFRS 10, IFRS 12 and IAS 27 were endorsed in December 2012 for application in the EU with mandatory adoption for accounting periods beginning on or after 1 January 2014.

IFRS 11 – Joint Arrangements

The new IFRS 11 was issued on 12 May 2011 together with IFRS 10, IFRS 12 and IAS 27 on the conclusion of a revision of IAS 31 – Interests in Joint Ventures commenced in 2005 and including the new concept of control established by IFRS 10.

The new standard replaces IAS 31 – Interests in Joint Ventures and SIC 13 – Jointly Controlled Entities – Non-Monetary Contributions by Venturers.

IFRS 11 requires that a party to a joint arrangement determines the nature of the agreement in which that party is involved by evaluation of its rights and obligations arising thereunder. A joint arrangement is an arrangement by which two or more parties have joint control, which, in turn, is defined by the standard as a contractually agreed sharing of control of an arrangement. Such arrangements only exist when decisions about activities that significantly affect the returns of the arrangement require the unanimous consent of the parties sharing control.

IFRS 11 requires that joint arrangements be classified as one of two types:

- a) joint operations – joint arrangements whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement;
- b) joint ventures – joint arrangements whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement, such as, for example, companies with a separate legal personality.

In determining the type of arrangement in which it is involved, an entity must identify the rights and obligations arising under the arrangement taking into consideration its structure and legal form, the contractual terms and conditions agreed by the parties and, if applicable, any other facts and circumstances.

The accounting treatment required by IFRS 11 for joint operations is the prorated recognition of assets, liabilities, revenues and costs arising under the arrangement to be measured in accordance with the relevant standards. The accounting treatment for joint ventures, on the other hand, is based on the methods established by IAS 28.

IFRS 11 was endorsed in December 2012 for application in the EU with mandatory adoption for accounting periods beginning on or after 1 January 2014.

IFRS 13 – Fair Value Measurement

IFRS 13, issued on 12 May 2011, explains fair value measurements and the related disclosures and is applicable to all IFRS requiring or permitting fair value measurements or the presentation of information based on fair value.

Application of the new standard, endorsed for application in the EU in December 2012, which emphasises the use, where possible, of market sources, is mandatory for accounting periods beginning on or after 1 January 2013.

IAS 1 – Presentation of Comprehensive Income

The IASB published an amendment to IAS 1 on 16 June 2011 to clarify the presentation of comprehensive income.

The amendment does not relate to the items to be included in comprehensive income but only to the presentation of comprehensive income by nature and classified into two categories: (i) those that will be reclassified to profit or loss, and (ii) those that will be reclassified to profit or loss subject to certain conditions required by IFRS.

The amendments to IAS 1 became effective for financial years beginning on or after 1 July 2012 (therefore, 2013 for Atlantia) and were endorsed for application in the EU in June 2012.

IAS 12 - Income Taxes

The IASB approved certain amendments to IAS 12 on 20 December 2010 having regard to the recovery of deferred taxes in connection with certain activities in addition to withdrawing SIC 21 - Income Taxes—Recovery of Revalued Non-Depreciable Assets. The amendments, which abrogate the current general provision of IAS 12 requiring the method of the reversal of deferred taxes through use of an asset or liability rather than their transfer, introduce the presumption that deferred taxes relating to investment property, property, plant and equipment and intangible assets carried at fair value will be fully reversed on sale of the asset unless there is unambiguous proof that such recovery has been through use.

The amendments to IAS 12 were endorsed for application in the EU in December 2012 and are mandatory for accounting periods beginning after December 2012 and, consequently for the Atlantia Group on 1 January 2013.

IAS 19 - Employee Benefits

The IASB approved the amended IAS 19 on 16 June 2011 having regard to the payment of benefits to employees.

Many aspects of the standard are modified by the amendment. The most significant of the changes to IAS 19 are:

- a) immediate recognition of all actuarial gains and losses in other comprehensive income at the reporting date. As a consequence, the option to defer recognition of such gains and losses in application of the corridor method and the option to recognise them in the income statement is no longer permitted. Since the Atlantia Group's existing accounting policy is to immediately recognise actuarial gains and losses in other comprehensive income the amendment to the standard is not expected to affect the Group's financial statements;
- b) any past service costs arising from changes to plans must be recognised in the year in which the plan was changed making it no longer possible for such costs to be deferred to future service years;
- c) any benefit entailing a service obligation subsequent to the termination of employment may not be classified as a termination benefit with the consequent reduction in the number of settlements that can be included in this category. Furthermore, an obligation to pay termination benefits may only be recognised to the extent that the entity also recognised the relative restructuring costs or when it is not possible to avoid offering termination benefits. This could result in the recognition of such benefits subsequent to date required by the original standard.

The new IAS 19 was endorsed for application in the EU in June 2012. Its adoption is mandatory for accounting periods beginning on or after 1 January 2013.

IAS 28 - Investments in Associates and Joint Ventures

On 12 May 2011, the IASB issued the new standards IFRS 10, IFRS 11, IFRS 12 and IAS 27 as well as a revision to IAS 28 - Investments in Associates and Joint Ventures to take account of certain amendments introduced by the new standards. The amended standard replaces the original IAS 28 - Investments in Associates, without, however, making substantial changes. Indeed, the amended standard did not change the concept of significant influence contained in the original

standard.

In accordance with the conditions of its endorsement by the EU in December 2012, the new standard is required to be adopted by 1 January 2014 along with new standards IFRS 10, IFRS 11, IFRS 12 and IAS 27.

IAS 32 and IFRS 7 - Offset of Financial Assets and Financial Liabilities

Amendments to IAS 32 and IFRS 7 were issued by the IASB on 16 December 2011 having regard to the manner of presenting set-offs of financial assets and financial liabilities and the relevant disclosures.

The amendments to IAS 32 provide that the entity presenting financial statements only has a legal right of set-off of previously recognised financial assets and financial liabilities to the extent that such right:

- a) is not conditional on the occurrence or otherwise of a future event;
- b) may be exercised regardless of whether the entity preparing financial statements and other parties involved are going concerns or is in default, insolvency or bankruptcy.

The amended IAS 32 is retroactively mandatory for financial years beginning on or after 1 January 2014 (earlier adoption permitted) whereas the amended IFRS 7 is mandatory for financial years commencing on or after 1 January 2013. The two standards were endorsed for application in the EU in December 2012.

Annual improvements to IFRS

The IASB published the “Annual Improvements to IFRSs: 2009-2011 Cycle” on 17 May 2012 amending standards deemed necessary but not urgent as part of its annual improvements programme. The amendments that could be relevant to the Company are:

- a) IAS 1 Presentation of Financial Statements – clarifies that voluntary additional comparative information must be presented in accordance with IFRS. In addition, the opening statement of financial position must be presented in the following circumstances: when an entity changes its accounting policies; makes retrospective restatements or makes reclassifications. There is no requirement, however, for notes on such addition statement of financial position except for the restated or reclassified items;
- b) IAS 16 Property, Plant and Equipment – clarifies the classification of servicing equipment as property, plant and equipment to the extent available for use in more than one accounting period whereas it should be treated as inventories if used in only one period;
- c) IAS 32 Financial Instruments: Presentation – clarifies that income taxes arising from distributions to equity holders and equity instrument transaction costs are to be accounted for in accordance with IAS 12.

Although the amendments are required to be applied in accounting periods beginning on or after 1 January 2013, they have not yet been endorsed for the EU.

The effect of the future application of newly issued standards and interpretations as well as all revisions and amendments to existing standards is currently being evaluated by the Company, with the exception of the amendments to IAS 19 which, as explained above, are in line with current Group accounting policies.

4. Notes to the statement of financial position

The following notes provide information on items in the statement of financial position as at 31 December 2012. Comparative amounts as at 31 December 2011 are shown in brackets.

4.1 Property, plant and equipment / €7,832 thousand (€7,488 thousand)

As at 31 December 2012 property, plant and equipment totals €7,832 thousand, representing an increase of €344 thousand compared with 31 December 2011. The increase is due to investment (€746 thousand) in the construction of a company crèche, partially offset by depreciation for the year (€402 thousand).

There were no changes in the expected useful lives of these assets during 2012.

Property, plant and equipment as at 31 December 2012 is free of mortgages, liens or other collateral guarantees restricting their use.

The following tables show changes in property, plant and equipment during the year, including amounts at the beginning and end of the year.

(€000)	31.12.2011			CHANGES DURING THE YEAR		31.12.2012		
	GROSS AMOUNT	ACCUMULATED DEPRECIATION	CARRYING AMOUNT	ADDITIONS DUE TO PURCHASES AND CAPITALISATIONS	ADDITIONS	GROSS AMOUNT	ACCUMULATED DEPRECIATION	CARRYING AMOUNT
Property, plant and equipment								
Land	33	-	33	-	-	33	-	33
Buildings	3,017	-2,545	472	-	-91	3,017	-2,636	381
Other assets	107	-75	32	-	-16	107	-91	16
Property, plant and equipment under construction and advances	238	-	238	746	-	984	-	984
Total	3,395	-2,620	775	746	-107	4,141	-2,727	1,414
Investment property								
Land	1,130	-	1,130	-	-	1,130	-	1,130
Buildings	9,853	-4,270	5,583	-	-295	9,853	-4,565	5,288
Total	10,983	-4,270	6,713	-	-295	10,983	-4,565	6,418
Total property, plant and equipment	14,378	-6,890	7,488	746	-402	15,124	-7,292	7,832

In addition to the above investment in the construction of a company crèche (€984 thousand), property, plant and equipment of €1,414 thousand as at 31 December 2012 (€775 thousand as at 31 December 2011) primarily consists of a portion of the buildings located at Via Nibby (€381 thousand) used as an operating headquarters and the surrounding land (€33 thousand).

Investment property consists of buildings owned by the Company, together with the surrounding land, and leased to other Group companies. Villa Fassini and a portion of the building in Via Nibby, both located in Rome, fall into this category. Investment property generated rental income of €688 thousand in 2011.

The fair value of these assets, estimated by independent property appraisers on the basis of the market for properties of this type, is approximately €9.2 million for Villa Fassini and approximately €4.1 million for the building in Via Nibby.

4.2 Intangible assets / €233 thousand (€235 thousand)

Intangible assets consist solely of building rights for land owned by the Municipality of Florence, which are amortised over the term of the rights.

(€000)	31.12.2011		CHANGES DURING THE YEAR		31.12.2012		
	GROSS AMOUNT	ACCUMULATED AMORTISATION	CARRYING AMOUNT	ACCUMULATED AMORTISATION ADDITIONS	GROSS AMOUNT	ACCUMULATED AMORTISATION	CARRYING AMOUNT
Other intangible assets							
Building licences	262	-27	235	-2	262	-29	233
Total	262	-27	235	-2	262	-29	233
Total intangible assets	262	-27	235	-2	262	-29	233

4.3 Investments / €6,018,091 thousand (€6,039,677 thousand)

The following table shows an analysis of investments as at 31 December 2012, together with the Company's percentage interest and relevant carrying amount:

	REGISTERED OFFICE	CURRENCY
Investments in subsidiaries		
Autostrade per l'Italia SpA	Rome	Euro
TowerCo SpA	Rome	Euro
Autostrade Mazowsze SA	Katowice (Poland)	Zloty
Mizard Srl	Rome	Euro
Total		
Investments in associates and joint ventures		
Pune Solapur Expressways Private Ltd	New Delhi (India)	Rupee
Total		
Investments in other Group companies		
Firenze Parcheggio SpA	Florence	Euro
Emittente Titoli SpA	Milan	Euro
Alitalia - Compagnia Aerea Italiana SpA	Milan	Euro
Total		
Total		

(1) The figures presented have been extracted from the most recent financial statements approved by its boards of directors (31 March 2012).

(2) The figures presented have been extracted from the most recent financial statements approved by its boards of directors (31 December 2011).

This item consists of the carrying amounts of investments in subsidiaries, associates, joint ventures and other companies, as determined through application of the accounting policy described in note 3 "Accounting policies".

Investments amount to €6,018,091 thousand (€6,039,677 thousand as at 31 December 2011) and include investments in subsidiaries, totalling €5,981,230 thousand, primarily consisting of the investment in Autostrade per l'Italia, investments in associates, totalling €16,402 thousand, and investments in other companies, totalling €20,459 thousand.

The investment in Autostrade per l'Italia has been tested for impairment and the recoverability of the carrying amount, based on its value in use, confirmed. Value in use was determined by using the long-term business plan approved by the Board of Directors, which was based on the updated financial plan annexed to the concession arrangement entered into with the Grantor. This contains projections for traffic, investment, costs and revenues through to the end of the related concession term on 31 December 2038, and a future average inflation rate of approximately 1.5%. The company's estimated after-tax cash flows were discounted to present value using a discount rate of 5.9%, which is the Group's (after-tax) WACC (6.1% in 2011). After-tax cash flows and discount rates were used as this produces results that are substantially the same as those deriving from the use of pre-tax figures.

NUMBER OF SHARES/ PERCENTAGE HELD	PAR VALUE (€)	ISSUED CAPITAL/ CONSORTIUM FUND	INTEREST	NUMBER OF SHARES	TOTAL EQUITY AS AT 31.12.2012 (THOUSANDS OF CURRENCY)	PROFIT/(LOSS) FOR THE YEAR (THOUSANDS OF CURRENCY)	CARRYING AMOUNT (€000)
622,027,000	1	622,027,000	100%	622,027,000	2,099,015	644,587	5,958,398
20,100,000	1	20,100,000	100%	20,100,000	26,998	5,370	20,100
200,000	100	20,000,000	70%	140,000	25	-71	2,711
1	10,000	10,000	100%	1	18	-2	21
							5,981,230
10,000,000	10	100,000,000	50%	5,000,000	3,012,328 ⁽¹⁾	-	16,402
							16,402
495,550	51.65	25,595,158	5.36%	26,560	36,411 ⁽²⁾	77 ⁽²⁾	2,582
8,200,000	0.52	4,264,000	6.02%	494,000	6,867	1,090	277
668,355,344	1	668,355,344	8.85%	59,175,680	432,626	-225,130	17,600
							20,459
							6,018,091

The main changes during 2012 regard:

- a) an impairment loss of €23,400 thousand with respect to the carrying amount of the investment in Alitalia - Compagnia Aerea Italiana, based on the Company's pro-rata interest in equity, given that there is insufficient information on which to base a reliable calculation of fair value. The impairment reflects the fact that the airline continues to be loss-making. The remaining value of the investment as at 31 December 2012 is thus €17,600 thousand;
- b) the sale of the investment in Autostrade for Russia GmbH (€791 thousand);
- c) the increase in the carrying amount of the investment in Autostrade per l'Italia, reflecting share incentive plans for the management of this company and a number of its subsidiaries (€2,612 thousand).

4. Separate financial statements

The following table shows carrying amounts at the beginning and end of the year and changes in investments during the year.

(€000)	31.12.2011			
	GROSS AMOUNT	CAPITAL REDUCTIONS AND SHARE OPTIONS	ACCUMULATED IMPAIRMENTS	CARRYING AMOUNT
Investments in subsidiaries				
Autostrade per l'Italia SpA	5,954,076	1,710	-	5,955,786
TowerCo SpA	20,100	-	-	20,100
Autostrade Mazowsze SA	2,732	-	-	2,732
Mizard Srl	25	-4	-	21
Total	5,976,933	1,706	-	5,978,639
Investments in associates and joint ventures				
Autostrade for Russia GmbH	791	-	-	791
Pune Solapur Expressways Private Ltd	16,386	-	-	16,386
Total	17,177	-	-	17,177
Investments in other companies				
Firenze Parcheggio SpA	2,582	-	-	2,582
Emittente Titoli SpA	277	-	-	277
Alitalia - Compagnia Aerea Italiana SpA	100,000	-	-59,000	41,000
Autopista do Pacifico SA	2	-	-	2
Total	102,861	-	-59,000	43,861
Total investments	6,096,971	1,706	-59,000	6,039,677

4.4 Other financial assets

(non-current) / €10,086,939 thousand (€7,914,817 thousand)

(current) / €282,602 thousand (€238,957 thousand)

The following table shows the composition of other financial assets as at 31 December 2012:

(€000)	31.12.2012			31.12.2011		
	TOTAL FINANCIAL ASSETS	CURRENT PORTION	NON-CURRENT PORTION	TOTAL FINANCIAL ASSETS	CURRENT PORTION	NON-CURRENT PORTION
Intercompany loans ⁽¹⁾	10,075,389	233,826	9,841,563	7,888,592	193,145	7,695,447
Derivative assets ⁽²⁾	288,682	43,356	245,326	261,538	42,265	219,273
Accrued income on medium/long-term financial assets ⁽¹⁾	-	-	-	128	73	55
Personal loans ⁽¹⁾	-	-	-	26	-	26
Other receivables ⁽¹⁾	50	-	50	16	-	16
Medium/long-term financial assets	10,364,121	277,182	10,086,939	8,150,300	235,483	7,914,817
Other financial assets ⁽¹⁾	5,420	5,420	-	3,474	3,474	-
Other short-term financial assets	5,420	5,420	-	3,474	3,474	-
Total	10,369,541	282,602	10,086,939	8,153,774	238,957	7,914,817

(1) These assets are classified as "loans and receivables" in accordance with IAS 39.

(2) These assets are classified as hedging derivatives and in level 2 of the fair value hierarchy.

	CHANGES DURING THE YEAR				31.12.2012				
	NEW ACQUISITIONS AND PURCHASES OF ADDITIONAL SHARES	COST INCREASES DUE TO SHARE INCENTIVE PLANS	REDUCTIONS DUE TO DISPOSALS	CURRENCY TRANSLATION DIFFERENCES	IMPAIRMENTS ADDITIONS	GROSS AMOUNT	CAPITAL REDUCTIONS AND SHARE OPTIONS	ACCUMULATED IMPAIRMENTS	CARRYING AMOUNT
	-	2,612	-	-	-	5,954,076	4,322	-	5,958,398
	-	-	-	-	-	20,100	-	-	20,100
	92	-	-	-113	-	2,711	-	-	2,711
	-	-	-	-	-	25	-4	-	21
	92	2,612	-	-113	-	5,976,912	4,318	-	5,981,230
	-	-	791	-	-	-	-	-	-
	-	-	-	16	-	16,402	-	-	16,402
	-	-	791	16	-	16,402	-	-	16,402
	-	-	-	-	-	2,582	-	-	2,582
	-	-	-	-	-	277	-	-	277
	-	-	-	-	-23,400	100,000	-	-82,400	17,600
	-	-	2	-	-	-	-	-	-
	-	-	2	-	-23,400	102,859	-	-82,400	20,459
	92	2,612	793	-97	-23,400	6,096,173	4,318	-82,400	6,018,091

Medium/long-term financial assets, totalling €10,364,121 thousand, are up €2,213,821 thousand following an increase in intercompany loans of €2,186,797 thousand. This essentially reflects new loans to the subsidiary, Autostrade per l'Italia, replicating, at intercompany level, the bonds issued by the Company during 2012 (€2,833,600 thousand), after repayments during the period (€655,800 thousand). The following medium/long-term loans have been disbursed to the subsidiary:

- a loan with a face value of €1,000,000 thousand on 9 February 2012, paying interest at a rate of 4.9% and maturing in 2019;
- a loan with a face value of €48,600 thousand on 2 April 2012, paying interest at a rate of 5.242% and maturing in 2032;
- a loan with a face value of €35,000 thousand on 11 June 2012, paying interest at a rate of 4.95% and maturing in 2032;
- a loan with a face value of €750,000 thousand on 14 September 2012, paying interest at a rate of 4.668% and maturing in March 2020;
- a loan with a face value of €1,000,000 thousand on 30 November 2012 (accounted for at €978,156 thousand), paying interest at a rate of 3.932% and maturing in 2018.

Derivative assets, totalling €288,682 thousand (€261,538 thousand as at 31 December 2011) essentially regard the fair value as at 31 December 2012 of certain derivative financial instruments entered into with Autostrade per l'Italia and banks to hedge interest rate and currency risks. The increase of €27,144 thousand essentially derives from the lower interest rates used for measurement as at 31 December 2012 compared with those used as at 31 December 2011.

The non-current portion (€245,326 thousand) regards the fair value of outstanding derivatives hedging the medium/long-term loan of €750,000 thousand granted to the subsidiary, Autostrade per l'Italia.

The current portion (€43,356 thousand) includes accrued income in the form of cash flows from the derivatives.

Details of derivatives held for hedging purposes and the Company's hedging strategy are contained in note 6.3, "Financial risk management".

Other short-term financial assets of €5,420 thousand principally relate to other short-term loans and receivables due from the subsidiary, Autostrade per l'Italia.

The loans granted to Autostrade per l'Italia are on the same terms as those applied to the Company's bank borrowings, increased by a spread that takes account of the cost of managing the loans.

The following two tables show financial assets outstanding at year end. The following tables show:

- a) the composition of the carrying amount showing the related maturity (current and non-current) and intercompany relations:

(€000)	MATURITY	31.12.2012	
		FACE VALUE	CARRYING AMOUNT
Intercompany loans			
Autostrade per l'Italia loan issued 2004	2014	2,094,200	2,094,200
Autostrade per l'Italia loan issued 2004	2024	1,000,000	1,000,000
Autostrade per l'Italia loan issued 2009	2016	1,500,000	1,536,431
Autostrade per l'Italia loan issued 2009	2038	149,176	149,176
Autostrade per l'Italia loan issued 2010	2017	1,000,000	1,000,000
Autostrade per l'Italia loan issued 2010	2025	500,000	500,000
Autostrade per l'Italia loan issued 2012	2019	1,000,000	1,000,000
Autostrade per l'Italia loan issued 2012	2020	750,000	750,000
Autostrade per l'Italia loan issued 2012	2032	35,000	35,000
Autostrade per l'Italia loan issued 2012	2032	48,600	48,600
Autostrade per l'Italia loan issued 2012	2018	1,000,000	978,156
- Fixed rate		9,076,976	9,091,563
Autostrade per l'Italia loan 2022	2022	750,000	750,000
- Floating rate	(1)	750,000	750,000
Total intercompany loans	(2)	9,826,976	9,841,563
Derivative assets	(3)	245,326	245,326
Other financial assets		5,420	5,420
Accrued income on medium/long-term financial assets		277,182	277,182
Total intercompany financial assets		10,354,904	10,369,491
Other financial assets due from third parties		50	50
Total financial assets		10,354,954	10,369,541

(1) As at 31 December 2012 interest rate hedges with a notional amount of €750 million were in place. These are classified as cash flow hedges in accordance with IAS 39.

(2) These assets are classified as "loans and receivables" in accordance with IAS 39.

(3) These assets are classified as hedging derivatives and in level 2 of the fair value hierarchy.

31.12.2012				31.12.2011			
CURRENT PORTION	NON-CURRENT PORTION	TERM BETWEEN 13 AND 60 MONTHS	AFTER 60 MONTHS	FACE VALUE	CARRYING AMOUNT	CURRENT PORTION	NON-CURRENT PORTION
-	2,094,200	2,094,200	-	2,750,000	2,750,000	-	2,750,000
-	1,000,000	-	1,000,000	1,000,000	1,000,000	-	1,000,000
-	1,536,431	1,536,431	-	1,500,000	1,546,271	-	1,546,271
-	149,176	-	149,176	149,176	149,176	-	149,176
-	1,000,000	1,000,000	-	1,000,000	1,000,000	-	1,000,000
-	500,000	-	500,000	500,000	500,000	-	500,000
-	1,000,000	-	1,000,000	-	-	-	-
-	750,000	-	750,000	-	-	-	-
-	35,000	-	35,000	-	-	-	-
-	48,600	-	48,600	-	-	-	-
-	978,156	-	978,156	-	-	-	-
-	9,091,563	4,630,631	4,460,932	6,899,176	6,945,447	-	6,945,447
-	750,000	-	750,000	750,000	750,000	-	750,000
-	750,000	-	750,000	750,000	750,000	-	750,000
-	9,841,563	4,630,631	5,210,932	7,649,176	7,695,447	-	7,695,447
-	245,326	-	245,326	219,273	219,273	-	219,273
5,420	-	-	-	3,421	3,421	3,421	-
277,182	-	-	-	235,483	235,483	235,483	-
282,602	10,086,889	4,630,631	5,456,258	8,107,353	8,153,624	238,904	7,914,720
-	50	50	-	150	150	53	97
282,602	10,086,939	4,630,681	5,456,258	8,107,503	8,153,774	238,957	7,914,817

4. Separate financial statements

- b) the carrying amount and fair value in the two comparative periods:

(€000)	MATURITY	31.12.2012		31.12.2011	
		CARRYING AMOUNT ⁽¹⁾	FAIR VALUE ⁽²⁾	CARRYING AMOUNT ⁽¹⁾	FAIR VALUE ⁽²⁾
Intercompany loans					
Autostrade per l'Italia loan issued 2004	2014	2,094,200	2,307,604	2,750,000	3,097,611
Autostrade per l'Italia loan issued 2004	2024	1,000,000	1,501,920	1,000,000	1,420,133
Autostrade per l'Italia loan issued 2009	2016	1,536,431	1,822,916	1,546,271	1,823,299
Autostrade per l'Italia loan issued 2009	2038	149,176	250,589	149,176	235,549
Autostrade per l'Italia loan issued 2010	2017	1,000,000	1,143,772	1,000,000	1,103,438
Autostrade per l'Italia loan issued 2010	2025	500,000	663,865	500,000	619,902
Autostrade per l'Italia loan issued 2012	2019	1,000,000	1,278,230	-	-
Autostrade per l'Italia loan issued 2012	2020	750,000	943,619	-	-
Autostrade per l'Italia loan issued 2012	2032	35,000	51,882	-	-
Autostrade per l'Italia loan issued 2012	2032	48,600	74,775	-	-
Autostrade per l'Italia loan issued 2012	2018	978,156	1,176,926	-	-
- fixed rate		9,091,563	11,216,098	6,945,447	8,299,932
Autostrade per l'Italia loan 2022	2022	750,000	829,883	750,000	834,129
- floating rate		750,000	829,883	750,000	834,129
Total intercompany loans		9,841,563	12,045,981	7,695,447	9,134,061
Derivative assets		245,326	245,326	219,273	219,273
Other financial assets		5,470	5,470	3,571	3,571
Accrued income on medium/long-term financial assets		277,182	277,182	235,483	235,483
Total		10,369,541	12,573,959	8,153,774	9,592,388

(1) The value of medium/long-term financial assets shown in the table includes both the non-current and current portions.

(2) The fair value shown is measured by discounting expected future cash flows, using the market yield curve at the end of the year.

- c) the face value and carrying amount (which does not include the value of accrued interest during the year or fair value gains on derivatives), showing the average nominal yield and the effective interest rate:

(€000)	FACE VALUE	31.12.2012		EFFECTIVE INTEREST RATE AS AT 31.12.2012	31.12.2011	
		CARRYING AMOUNT	AVERAGE INTEREST RATE APPLIED TO 31.12.2012 ⁽¹⁾		FACE VALUE	CARRYING AMOUNT
Intercompany loans	9,826,976	9,841,563	5.16%	4.92%	7,649,176	7,695,447
Total	9,826,976	9,841,563	5.16%	4.92%	7,649,176	7,695,447

(1) This amount includes the effect of interest rate hedges outstanding as at 31 December 2012.

- d) the change in the face value of intercompany loans during the year:

(€000)	FACE VALUE AS AT 31.12.2011 ⁽¹⁾	NEW LOANS	REPAYMENTS	FACE VALUE AS AT 31.12.2012 ⁽¹⁾
Intercompany loans	7,649,176	2,833,600	-655,800	9,826,976
Total	7,649,176	2,833,600	-655,800	9,826,976

(1) The value of the loans shown in the table includes both the non-current and current portions.

The Company's financial risks and risk management policies are described in note 6.3, "Financial risk management". There are no indications of impairment of any financial assets.

4.5 Trading assets / €1,493 thousand (€1,039 thousand)

This item essentially regards trade receivables (€1,493 thousand), which are up €454 thousand on the figure for 31 December 2011 (€1,039 thousand), primarily due to increased amounts due from subsidiaries. The breakdown of related party transactions (€1,414 thousand as at 31 December 2012) is provided in note 7.2.

4.6 Cash and cash equivalents / €362,503 thousand (€293,063 thousand)

As at 31 December 2012 cash amounts to €1,269 thousand, whilst balances receivable on intercompany current accounts with the subsidiary, Autostrade per l'Italia, total €361,234 thousand (€292,258 thousand as at 31 December 2011). This is up €68,976 thousand, essentially reflecting the fact that dividends received from subsidiaries were higher than those paid to shareholders during 2012.

4.7 Current tax assets and liabilities

Current tax assets / €92,044 thousand (€114,093 thousand)

Current tax liabilities / €90,210 thousand (€108,818 thousand)

Current tax assets and liabilities are shown below:

(€000)	ASSETS		LIABILITIES	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
IRAP	1,812	3,438	-	-
IRES	84,015	-	-	105,582
IRES from tax consolidation ⁽¹⁾	6,217	110,655	90,210	3,236
Total	92,044	114,093	90,210	108,818

(1) Intercompany tax assets and liabilities.

As described in note 3, Atlantia SpA operates a tax consolidation arrangement, on the basis of Legislative Decree 344/2003

As a result, these companies' current tax assets and liabilities for IRES, which are included in the consolidation, are reported as current tax assets and liabilities in Atlantia SpA, with recognition of a matching receivable or payable due from or to the subsidiary, in connection with the transfer of funds to be carried out or already done as a result of the tax consolidation. The breakdown of receivables and payables as at 31 December 2012 (receivables of €6,217 thousand and payables of €90,210 thousand), is provided in note 7.2 "Related party transactions".

The balance as at 31 December 2012 primarily includes refundable IRES of €84,105 thousand, with a matching net payable due to companies participating in the tax consolidation arrangement of €83,993 thousand.

4.8 Other current assets / €647 thousand (€2,335 thousand)

This item consists of receivables and other current assets that are not eligible for classification as trading or financial and is down €1,688 thousand compared with 31 December 2011 following agreement with INAIL in 2012 over an amount payable by the institute to the subsidiary, Autostrade per l'Italia.

4.9 Equity / €6,536,538 thousand (€6,483,260 thousand)

Atlantia's issued capital as at 31 December 2012 is fully subscribed and paid-in and consists of 661,827,592 ordinary shares with a par value of €1 each, amounting to €661,828 thousand.

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The issued capital increased by €31,516 thousand during the year by capitalising a matching amount in the extraordinary reserve, following the bonus issue approved by the Extraordinary General Meeting of 24 April 2012, which issued shareholder with 1 new share for every 20 shares held. This resulted in an increase in treasury shares of 632,648, with the total number of treasury shares held rising from 12,652,968 to 13,285,616.

Equity amounts to €6,536,538 thousand (€6,483,260 thousand as at 31 December 2011), marking an increase of €53,278 thousand, primarily due to the following:

- a) net comprehensive income for the year of €522,251 thousand, consisting of profit for the year (€532,612 thousand) offset by net losses from other components of comprehensive income, totalling €10,361 thousand, generated primarily by losses on the fair value measurement of cash flow hedges, after the related taxation;
- b) payment of the final dividend for 2011, totalling €241,505 thousand (€0.391 per share), and of the interim dividend for 2012, totalling €230,232 thousand (€0.355 per share).

Atlantia's aims to manage its capital in order to create value for shareholders, ensure the Company remains a going concern, safeguard the interest of stakeholders, and guarantee efficient access to external sources of funding to adequately support the growth of the Group's businesses.

The table below shows an analysis of issued capital and equity reserves, showing their permitted uses.

DESCRIPTION (€000)	AMOUNT AS AT 31.12.2012	PERMITTED USES (A, B, C) ^(*)	AVAILABLE PORTION	USES DURING THE PAST THREE YEARS	
				TO COVER LOSSES	FOR OTHER REASONS
Issued capital	661,828 ⁽¹⁾	B	-	-	-
Reserves					
Legal reserve	261,410 ⁽²⁾	A, B	129,044	-	-
Share premium reserve	154	A, B, C	154	-	-
Extraordinary reserve	4,777,044 ⁽³⁾	A, B, C	4,777,044	-	90,116 ⁽⁵⁾
Reserve for purchase of treasury shares	215,644		-	-	-
Treasury shares in portfolio	-215,644		-	-	-
Reserve for negative goodwill	448,999 ⁽⁴⁾	A, B, C	448,999	-	-
Reserve for actuarial gains and losses on post-employment benefits	-381	B	-	-	-
Cash flow hedge reserve	78,191	B	-	-	-
Other reserves and retained earnings	6,913	A, B, C	6,913	-	-
Total reserves	5,572,330				
Total capital and reserves	6,234,158		5,362,154	-	90,116
of which:					
Non-distributable			-		
Distributable			5,362,154		

(*) Key:

A: capital increases

B: to cover losses

C: shareholder distributions

(1) Including €566,687 thousand relating to the capital increase generated by the merger of Autostrade with and into the former NewCo28 SpA in 2003. With reference to art. 172, paragraph 5 of the Consolidated Income Tax Act, this capital increase is restricted to the following reserves that are taxable on distribution:

- revaluation reserve pursuant to Law 72/1982, amounting to €556,960 thousand;
- revaluation reserve pursuant to Law 413/1991, amounting to €6,807 thousand;
- revaluation reserve pursuant to Law 342/2000, amounting to €2,920 thousand.

(2) The available portion is equal to one-fifth of the issued capital, totalling €129,044 thousand.

(3) Including €1,250,000 thousand that may be used to purchase treasury shares, with a corresponding transfer to the reserve for the purchase of treasury shares, as approved by the AGM of 24 April 2012.

(4) With reference to art. 172, paragraph 5 of the Consolidated Income Tax Act, the merger surplus generated by the merger described in note (1) is restricted to and accounted for in the following reserves that are taxable on distribution:

- reserve for capital contributions, amounting to €8,113 thousand;
- revaluation reserve pursuant to Law 72/1982, amounting to €368,840 thousand;
- revaluation reserve pursuant to Law 413/1991, amounting to €50,416 thousand;
- revaluation reserve pursuant to Law 342/2000, amounting to €21,630 thousand.

(5) This reserve was used for bonus issues carried out in the first half of 2010 (€28,585 thousand), in 2011 (€30,015 thousand) and in 2012 (€31,516 thousand).

Other components of comprehensive income

The section "Financial statements" includes the "Statement of comprehensive income", which includes other comprehensive income, after the related taxation.

The following table shows gross amounts for components of other comprehensive income and the related taxation.

(€000)	2012			2011		
	BEFORE TAX	TAX EFFECT	AFTER TAX	BEFORE TAX	TAX EFFECT	AFTER TAX
Fair value gains/(losses) on cash flow hedges	-15,407	5,095	-10,312	51,350	-17,587	33,763
Actuarial gains/(losses)	-49	-	-49	-	-	-
Other comprehensive income for the year	-15,456	5,095	-10,361	51,350	-17,587	33,763

Disclosures regarding share-based payments

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

There were no substantial changes in 2012 to the existing incentive plans approved by shareholders at the General Meetings of 20 April 2011 and 23 April 2009.

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

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	NUMBER OF OPTIONS/ UNITS AWARDED	VESTING DATE	EXERCISE/ GRANT DATE	EXERCISE PRICE (€)	FAIR VALUE OF EACH OPTION OR UNIT AT GRANT DATE (€)	EXPECTED EXPIRATION AT GRANT DATE (YEARS)	RISK FREE INTEREST RATE USED	EXPECTED VOLATILITY (BASED ON HISTORIC MEAN)	EXPECTED DIVIDENDS AT GRANT DATE
2009 SHARE OPTION PLAN									
Options outstanding as at 1 January 2011									
- 8 May 2009 grant	534,614	23.04.2013	30.04.2014	11.20	1.66	5.0	2.52%	26.5%	3.44%
- 16 July 2009 grant	174,987	23.04.2013	30.04.2014	12.09	1.32	4.8	2.41%	25.8%	3.09%
- 15 July 2010 grant	140,399	23.04.2013	30.04.2014	13.68	1.42	3.8	1.62%	26.7%	3.67%
- 13 May 2011 grant	26,731	23.04.2013	30.04.2014	11.20	(*)	(*)	(*)	(*)	(*)
	8,749	23.04.2013	30.04.2014	12.09	(*)	(*)	(*)	(*)	(*)
	76,476	23.04.2013	30.04.2014	13.68	1.60	3.0	2.45%	26.3%	4.09%
- 14 October 2011 grant	28,067	23.04.2013	30.04.2014	11.20	(*)	(*)	(*)	(*)	(*)
	9,187	23.04.2013	30.04.2014	12.09	(*)	(*)	(*)	(*)	(*)
	10,844	23.04.2013	30.04.2014	13.68	(*)	(*)	(*)	(*)	(*)
	1,010,054								
Changes in options in 2012									
- 14 June 2012 grant	29,470	23.04.2013	30.04.2014	11.20	(*)	(*)	(*)	(*)	(*)
	9,646	23.04.2013	30.04.2014	12.09	(*)	(*)	(*)	(*)	(*)
	11,386	23.04.2013	30.04.2014	13.68	(*)	(*)	(*)	(*)	(*)
Options outstanding as at 31 December 2012	1,060,556								
2011 SHARE OPTION PLAN									
Options outstanding as at 1 January 2011									
- 13 May 2011 grant	279,860	13.05.2014	14.05.2017	14.78	3.48	6.0	2.60%	25.2%	4.09%
- 14 October 2011 grant	13,993	13.05.2014	14.05.2017	14.78	(*)	(*)	(*)	(*)	(*)
	293,853								
Changes in options in 2012									
- 14 June 2012 grant	14,693	13.05.2014	14.05.2017	14.78	(*)	(*)	(*)	(*)	(*)
	345,887	14.06.2015	15.06.2018	9.66	2.21	6.0	1.39%	28.0%	5.05%
Options outstanding as at 31 December 2012	654,433								
2011 SHARE GRANT PLAN									
Units outstanding as at 1 January 2012									
- 13 May 2011 grant	192,376	13.05.2014	13.05.2015 and 13.05.2016	N/A	12.90	4.0 -5.0	2.45%	26.3%	4.09%
- 14 October 2011 grant	9,619	13.05.2014	13.05.2015 and 13.05.2016	N/A	(*)	(*)	(*)	(*)	(*)
	201,995								
Changes in units in 2012									
- 14 June 2012 grant	10,100	13.05.2014	13.05.2015 and 13.05.2016	N/A	(*)	(*)	(*)	(*)	(*)
	348,394	14.06.2015	14.06.2016 and 14.06.2017	N/A	7.12	4.0-5.0	1.12%	29.9%	5.05%
- expired units	-5,537								
Units outstanding as at 31 December 2012	554,952								
MBO SHARE GRANT PLAN									
Changes in units in 2012									
- 14 May 2012 grant	96,282	14.05.2015	14.05.2015	N/A	13.81	3.0	0.53%	27.2	4.55%
- 14 June 2012 grant	4,814	14.05.2015	14.05.2015	N/A	(*)	(*)	(*)	(*)	(*)
Units outstanding as at 31 December 2012	101,096								

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

The main features of the plans are given below incorporating the modifications introduced in 2012. Detailed information on the plans is contained in an Information Memorandum published on the Group's website at www.atlantia.it and prepared pursuant to art. 84-bis of CONSOB Regulation 11971/1999, as subsequently amended.

In general, the options and units awarded under any of the existing plans may not form part of *inter vivos* transfers by beneficiaries, and may not be subject to restrictions or be part of any disposition for any reason. The options and units cease to be exercisable or convertible on the unilateral termination of employment or in the event of dismissal for cause of the beneficiary prior to expiration of the vesting period.

2009 Share Option Plan

The 2009 Share Option Plan, approved by shareholders at the General Meeting of 23 April 2009, originally envisaged the grant of options on up to 850,000 ordinary shares. Each of the options granted gives the right to acquire one Atlantia ordinary share, held in treasury at that date, at a price equal to the normal value of the shares at the date on which Atlantia's Board of Directors selects the beneficiary and establishes the number of options to be granted.

Exercising the powers conferred on it by shareholders at the General Meeting of 20 April 2011, meeting on 14 June 2012 the Board of Directors of Atlantia, in execution of the authority conferred on them by the General Meeting, pursuant to and for the purposes of the Plan terms and conditions, made the alterations required to ensure that there is no change in the substantial and financial terms of the Plan, given the dilution caused by the bonus issue approved by the Annual General Meeting of 24 April 2012 and executed on 4 June 2012. This entailed the Board of Directors' approval of resolutions (i) granting beneficiaries one new option for each 20 already held; (ii) a 5% adjustment to the exercise price of options already granted; and, (iii) the adjustment of the plan's "Final Value", being the value of the share needed to determine the percentage of vested options. As a result of these alterations, the options effectively awarded correspond to a maximum of 1,060,556 ordinary shares.

In execution of the rights granted, beneficiaries can purchase Atlantia shares at a price of €12.97 per share. The options will vest only if, at the end of the vesting period, Final Value (the market value of each share, by convention calculated on the basis of the average official price of Atlantia's ordinary shares at the end of each trading day in the period from 23 January 2013 to 23 April 2013, plus any dividends paid from the grant date to the end of the vesting period) is equal to or greater than €12.958. Should Final Value be less than €12.958, beneficiaries will definitively lose their right to exercise the options granted, unless otherwise decided by the Board of Directors. Should Final Value be equal to or greater than €12.958, the number of vested options will be equal to a percentage of the options granted, based Final Value, as shown in the following table.

FINAL VALUE (€)	PERCENTAGE OF OPTIONS GRANTED THAT HAVE VESTED
12.958	20%
13.821	27%
14.685	35%
15.550	42%
16.412	49%
17.277	56%
18.141	64%
19.004	71%
19.869	78%
20.732	85%
21.596	93%
22.460	100%
Over 22.460	A percentage calculated on the basis of the following formula: $\frac{[(22.460 - \text{Exercise Price}) / (\text{Final Value} - \text{Exercise Price})] \times 100}{}$

The terms and conditions of the SOP expressly state that any capital gains resulting from the exercise of vested options may under no circumstances exceed twice (three in the case of the Chairman, the previous Chairman and the Chief Executive Officer) the beneficiary's gross annual fixed salary (i) as at 1 January 2009 or, solely for beneficiaries selected after the approval date, (ii) as at the date of employment (or election in the case of executive Directors).

2011 Share Option Plan

As approved by the Annual General Meeting of 20 April 2011, the Plan entails the award of up to 1,300,000 options free of charge in three annual award cycles (2011, 2012 and 2013). Each option will grant beneficiaries the right to purchase one ordinary Atlantia share held in treasury, with settlement involving either physical delivery or, at the beneficiary's option, a cash payment equivalent to the proceeds from the sale of the shares on the stock exchange organised and managed by Borsa Italiana SpA, after deduction of the full exercise price. The exercise price is equivalent to the average of the official prices of Atlantia's ordinary shares in the month prior to the date on which Atlantia's Board of Directors announces the beneficiary and the number of options to be awarded.

The options granted will vest in accordance with the Plan terms and conditions and, in particular, only if, on expiration of the vesting period (three years from the date of award of the options to beneficiaries by the Board of Directors), the Company's cumulative FFO (total operating cash flow for each of the three financial years preceding expiration of the vesting period, adjusted for a number of specific items) is higher than a pre-established target, unless otherwise decided by the Board of Directors, which has the authority to assign beneficiaries further targets. Vested options may be exercised, in part, from the first day following expiration of the vesting period and, in part, from the end of the first year following expiration of the vesting period and, in any event, in the three years following expiration of the vesting period (subject to the clause in the Plan terms and conditions requiring executive Directors and key management personnel to maintain a minimum holding). The number of exercisable options will be calculated on the basis of a mathematical algorithm that takes account, among other things, of the current value and the exercise price, plus any dividends paid, so as to cap the realisable gain.

On 14 June 2012 Atlantia's Board of Directors, within the scope of the second annual award cycle (2012), identified the awardees and approved the award of 345,887 options to certain of the Group's directors and employees. These options vest between 14 June 2012 and 14 June 2015 and are exercisable in the period between 15 June 2015 and 15 June 2018 at an exercise price per share of €9.663. Furthermore, the Board of Directors of Atlantia, in execution of the authority conferred on them by the General Meeting, pursuant to and for the purposes of the Plan terms and conditions, made the alterations required to ensure that there is no change in the substantial and financial terms of the Plan, given the dilution caused by the bonus issue approved by the Annual General Meeting of 24 April 2012. The amendments were essentially: (i) adjustment of the exercise price of the options awarded at the Board of Directors meeting of 13 May 2011 to €14.777, and (ii) the award of one new option for each twenty already awarded at the adjusted exercise price in point (i).

2011 Share Grant Plan

The Plan approved by the Annual General Meeting of 20 April 2011 entails the grant of up to 700,000 units free of charge in three annual award cycles (2011, 2012 and 2013). Each unit will grant beneficiaries the right to receive one Atlantia SpA ordinary share held in treasury, with settlement involving either physical delivery or, at the beneficiary's option, a cash payment equivalent to the proceeds from the sale of the shares on the stock exchange organised and managed by Borsa Italiana SpA.

The units granted will vest in accordance with the Plan terms and conditions and, in particular, only if, on expiration of the vesting period (three years from the date the units are granted to beneficiaries by the Board of

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

On 13 May 2011 Atlantia's Board of Directors, within the scope of the first annual award cycle (2011), approved the grant of 192,376 units to certain of the Group's directors and employees.

On 14 June 2012 Atlantia's Board of Directors, within the scope of the second annual award cycle (2012), approved the grant of 348,394 units to certain of the Group's directors and employees. These units vest between 14 June 2012 and 14 June 2015 and are convertible, in accordance with the above terms and conditions, on 14 June 2016 and 14 June 2017.

Furthermore, the Board of Directors of Atlantia, in execution of the authority conferred on them by the General Meeting, pursuant to and for the purposes of the Plan terms and conditions, made the alterations required to ensure that there is no change in the substantial and financial terms of the Plan, given the dilution caused by the bonus issue approved by the Annual General Meeting of 24 April 2012. The amendments were: (i) adjustment of the initial value of the shares awarded at the Board of Directors meeting of 13 May 2011 to €14.777, and (ii) the award of one new option for each twenty already awarded at the adjusted value in point (i).

MBO Share Grant Plan

As approved by the Annual General Meeting of 20 April 2011, the MBO Share Grant Plan, serving as part payment of the annual bonus for the achievement of objectives assigned to each beneficiary under the Management by Objectives (MBO) plan adopted by the Group, entails the grant of up to 300,000 units free of charge annually for three years (2012, 2013 and 2014). Each unit will grant beneficiaries the right to receive one ordinary Atlantia SpA share held in treasury.

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

On 11 May 2012, Atlantia's Board of Directors approved the award on 14 May 2012 of 96,282 units to Group directors and employees selected at the Board of Directors' meeting of 13 May 2011 based on the achievement of the 2011 targets. The units vest on 14 May 2015 and may be converted into shares from that date. The Board of Directors also selected the plan beneficiaries for 2012 at the same Board meeting of 11 May 2012. However, given the above need to confirm achievement of the objectives assigned to each beneficiary prior to any grant, it is not at the moment possible to quantify the number of units to be granted for the second annual MBO share grant cycle, or, indeed, the fair value of each of the benefits. As, however, certain of these benefits have already vested since the grant date, the fair value of units awarded has been estimated for the purposes of these consolidated financial statements in order to accrue the amounts for the period.

On 14 June 2012, the Board of Directors of Atlantia, in execution of the authority conferred on them by the General Meeting, pursuant to and for the purposes of the Plan terms and conditions, made the alterations required to ensure that

there is no change in the substantial and financial terms of the Plan, given the dilution caused by the bonus issue approved by the Annual General Meeting of 24 April 2012. The amendments were: (i) adjustment of the initial value of the shares awarded at the Board of Directors meeting of 11 May 2012 to €10.747, and (ii) the award of one new option for each twenty already awarded at the adjusted value in point (i).

The weighted average price of Atlantia's ordinary shares for 2012 (adjusted to take account of Atlantia's bonus issue with effect from 4 June 2012) was €11.30 per share, with the figure for the period 11 May-31 December 2012 amounting to €11.18 per share and, for the period 14 June 2012-31 December 2012, €11.60 per share; as at 14 May 2012 and 14 June 2012 (the date the new options and units were awarded, as described above) the values of Atlantia's ordinary shares were €10.49 and €9.17 per share, respectively, whilst as at 31 December 2012 the value was €13.74 per share.

As a result of implementation of the above plans, as at 31 December 2012 the Company had recognised, in accordance with the requirements of IFRS 2, an increase in equity reserves of €2,764 thousand, based on the accrued fair value of the options and units awarded at that date. The contra entry for this amount includes €152 thousand in staff costs, attributable to the benefits awarded to the Company's Directors and employees, and a €2,612 thousand increase in the value of the investment in the subsidiary, Autostrade per l'Italia, representing the benefits awarded to the directors and employees of this company and its subsidiaries.

4.10 Provisions

(non-current) / €348 thousand (€288 thousand)
(current) / €- (-)

As at 31 December 2012 this item refers solely to provisions for employee benefits, consisting of post-employment benefits.

The main actuarial assumptions applied in estimating provisions for post-employment benefits at 31 December 2012 are shown below:

FINANCIAL ASSUMPTIONS	
Annual discount rate (*)	2.05%
Annual inflation rate	2.0%
Annual rate of increase in post-employment benefits	3.0%
Annual rate of increase in real salaries	0.65%
Annual turnover rate	2.0%-5.0%
Annual rate of advances paid	2.0%-3.5%

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

DEMOGRAPHIC ASSUMPTIONS	
Mortality	Government General Accounting Office projections
Disability	INPS tables by age and sex
Retirement age	Mandatory state pension retirement age

As at 31 December 2012 there are no further potential material liabilities or commitments for which it is necessary to make provision.

4.II Financial liabilities

(non-current) / €9,908,725 thousand (€7,739,898 thousand)

(current) / €266,769 thousand (€228,323 thousand)

Medium/long-term borrowings

(non-current) / €9,908,725 thousand (€7,739,898 thousand)

(current) / €266,626 thousand (€228,233 thousand)

The following tables provide an analysis of outstanding medium to long-term financial liabilities with respect to:

- a) the composition of the carrying amount showing the related maturity (current and non-current):

(€000)	MATURITY	31.12.2012	
		PAR VALUE	CARRYING AMOUNT
Medium/Long-term financial liabilities			
Bond issues			
Bond issue 2004	2014	2,094,200	2,087,301
Bond issue (Gbp) 2004	2022	750,000	612,173
Bond issue 2004	2024	1,000,000	991,530
Bond issue 2009	2016	1,500,000	1,532,636
Bond issue 2010	2017	1,000,000	993,111
Bond issue 2010	2025	500,000	494,807
Bond issue 2012	2019	1,000,000	986,603
Bond issue 2012	2020	750,000	743,432
Bond issue 2012	2032	35,000	35,000
Bond issue (retail) 2012	2018	1,000,000	969,144
- Listed fixed rate		9,629,200	9,445,737
Bond issue (Jpy) 2009	2038	149,176	175,429
Bond issue (Zcb) 2012	2032	48,591	48,591
- Unlisted fixed rate		197,767	224,020
Total bond issues ^{(1) (2) (3)}		9,826,967	9,669,757
Derivative liabilities ⁽⁴⁾		238,968	238,968
Accrued expenses on medium/long-term financial liabilities		266,626	266,626
Other non-current financial liabilities		-	-
Total financial liabilities		10,332,561	10,175,351

(1) As at 31 December 2012 interest rate and currency hedges with a notional amount of €899 million were in place. These are classified as cash flow hedges in accordance with IAS 39.

(2) The par value in euro was determined using the exchange rate on the date that the cross currency swap was concluded.

(3) These financial instruments are classified as financial liabilities measured at amortised cost in accordance with IAS 39.

(4) These financial instruments are classified as hedging derivatives and in level 2 of the fair value hierarchy.

31.12.2012					31.12.2011		
CURRENT PORTION	NON-CURRENT PORTION	TERM BETWEEN 13 AND 60 MONTHS	AFTER 60 MONTHS	PAR VALUE	CARRYING AMOUNT	CURRENT PORTION	NON-CURRENT PORTION
-	2,087,301	2,087,301	-	2,750,000	2,735,984	-	2,735,984
-	612,173	-	612,173	750,000	598,050	-	598,050
-	991,530	-	991,530	1,000,000	991,022	-	991,022
-	1,532,636	1,532,636	-	1,500,000	1,541,479	-	1,541,479
-	993,111	993,111	-	1,000,000	991,787	-	991,787
-	494,807	-	494,807	500,000	494,508	-	494,508
-	986,603	-	986,603	-	-	-	-
-	743,432	-	743,432	-	-	-	-
-	35,000	-	35,000	-	-	-	-
-	969,144	-	969,144	-	-	-	-
-	9,445,737	4,613,048	4,832,689	7,500,000	7,352,830	-	7,352,830
-	175,429	-	175,429	149,176	198,979	-	198,979
-	48,591	-	48,591	-	-	-	-
-	224,020	-	224,020	149,176	198,979	-	198,979
-	9,669,757	4,613,048	5,056,709	7,649,176	7,551,809	-	7,551,809
-	238,968		238,968	188,034	188,034	-	188,034
266,626	-	-	-	228,233	228,233	228,233	-
-	-	-	-	55	55	-	55
266,626	9,908,725	4,613,048	5,295,677	8,065,498	7,968,131	228,233	7,739,898

b) the carrying amount and the fair value in the two comparative periods:

(€000)	MATURITY	31.12.2012		31.12.2011	
		CARRYING AMOUNT ⁽¹⁾	FAIR VALUE ⁽²⁾	CARRYING AMOUNT ⁽¹⁾	FAIR VALUE ⁽²⁾
MEDIUM/LONG-TERM FINANCIAL LIABILITIES					
Bond issues					
Bond issue 2004	2014	2,087,301	2,205,528	2,735,984	2,799,280
Bond issue (Gbp) 2004	2022	612,173	666,744	598,050	1,046,320
Bond issue 2004	2024	991,530	1,168,360	991,022	1,550,160
Bond issue 2009	2016	1,532,636	1,666,845	1,541,479	594,712
Bond issue 2010	2017	993,111	1,037,100	991,787	934,402
Bond issue 2010	2025	494,807	519,615	494,508	433,872
Bond issue 2012	2019	986,603	1,085,950	-	-
Bond issue 2012	2020	743,432	794,333	-	-
Bond issue 2012	2032	35,000	51,000	-	-
Bond issue (retail) 2012	2018	969,144	1,017,000	-	-
- Listed fixed rate		9,445,737	10,212,474	7,352,830	7,358,747
Bond issue (Jpy) 2009	2038	175,429	213,391	198,979	260,943
Bond issue (Zcb) 2012	2032	48,591	87,786	-	-
- Unlisted fixed rate		224,020	301,177	198,979	260,943
Total bond issues		9,669,757	10,513,651	7,551,809	7,619,689
Derivative liabilities		238,968	238,968	188,034	188,034
Accrued expenses on medium/ long-term financial liabilities		266,626	-	228,233	-
Other non-current financial liabilities		-	-	55	-
Total financial liabilities		10,175,351	10,752,619	7,968,131	7,807,723

(1) The value of medium/long-term financial liabilities shown in the table includes both the non-current and current portions.

(2) Il fair value dei prestiti obbligazionari è determinato in base ai prezzi di mercato a fine esercizio. mentre quello delle altre passività finanziarie tramite attualizzazione dei flussi di cassa attesi, utilizzando la curva dei tassi di interesse di mercato a fine esercizio.

c) the par value and carrying amount (which does not include the value of accrued expenses during the year and fair value losses on derivatives), showing the currency of issue, and the average and effective interest rates:

(€000)	PAR VALUE	31.12.2012			31.12.2011	
		CARRYING AMOUNT	INTEREST RATE APPLIED TO 31.12.2012 ⁽¹⁾	EFFECTIVE INTEREST RATE AS AT 31.12.2012	PAR VALUE	CARRYING AMOUNT
Euro	8,927,791	8,882,155	4.83%	4.90%	6,750,000	6,754,780
Gbp	750,000	612,173	5.99%	6.26%	750,000	598,050
Jpy	149,176	175,429	5.30%	5.48%	149,176	198,979
Total	9,826,967	9,669,757	4.94%		7,649,176	7,551,809

(1) This amount includes the effect of interest rate and currency hedges outstanding as at 31 December 2012.

d) changes in the par value of bond issues during the year:

(€000)	PAR VALUE AS AT 31.12.2011 ⁽¹⁾	NEW BORROWINGS	REPAYMENTS	PAR VALUE AS AT 31.12.2012 ⁽¹⁾
Bond issues	7,649,176	2,833,591	-655,800	9,826,967
Total	7,649,176	2,833,591	-655,800	9,826,967

(1) The value of the bond issues shown in the table includes both the non-current and current portions.

Non-current financial liabilities, net of the related borrowing costs, where incurred, include:

- a) bonds totalling €9,669,757 thousand (€7,551,809 thousand as at 31 December 2011), up €2,117,948 thousand following the bond issues described below, partially offset the partial buyback (€655,800 thousand) of bonds ahead of their maturity in 2014:
- 1) the placement with institutional investors, on 9 February 2012, of new bonds with a par value of €1,000,000 thousand (carried at €986,603 thousand), maturing in 2019 and paying coupon interest of 4.50%, as part of Atlantia's €10 billion Medium Term Note (MTN) programme;
 - 2) the issue, on 2 April 2012, of a zero coupon bond with a par value on maturity of €135,000 thousand (carried at €48,591 thousand), maturing in 2032 and yielding 5.242%, as part of the Medium Term Note (MTN) programme;
 - 3) the issue, on 11 June 2012, of bonds with a par value of €35,000 thousand, maturing in 2032 and paying fixed annual coupon interest of 4.80% as part of the Medium Term Note (MTN) programme;
 - 4) the placement with institutional investors, on 14 September 2012, of bonds with a par value of €750,000 thousand (carried at €743,432 thousand), maturing in March 2020 and paying coupon interest of 4.375% as part of the Medium Term Note (MTN) programme;
 - 5) the issue, on 30 November 2012, of bonds for retail investors with a par value of €1,000,000 thousand (carried at €969,144 thousand), maturing in 2018 and paying coupon interest of 3.625%;
- b) fair value losses on interest rate and exchange rate hedges, amounting to €238,968 thousand (€188,034 thousand as at 31 December 2011), matching the change in the underlying financial liability (the sterling and yen denominated bonds). The increase of €50,934 thousand compared with 31 December 2011 essentially reflects movements in interest rates and exchange rates at the end of the year.

Short-term financial liabilities / €143 thousand (€90 thousand)

This item primarily regards dividends payable to shareholders (€81 thousand) and accrued financial expenses (€59 thousand) in the form of fees on sureties.

4.12 Net deferred tax liabilities / €39,353 thousand (€44,436 thousand)

The following tables show deferred tax liabilities, after offsetting against deferred tax assets, and the related changes in 2012.

(€000)	31.12.2012	31.12.2011
Deferred tax liabilities	-81,922	-64,188
Deferred tax assets	42,569	19,752
Net deferred tax liabilities	-39,353	-44,436

4. Separate financial statements

(€000)	31.12.2011	CHANGES DURING THE YEAR			31.12.2012
		PROVISIONS	RELEASES	DEFERRED TAX ASSETS/LIABILITIES ON GAINS AND LOSSES RECOGNISED IN COMPREHENSIVE INCOME	
Deferred tax liabilities on:					
Measurement of cash flow hedges	-63,361	-	-	-17,771	-81,132
Other temporary differences	-827	-4	41	-	-790
Deferred tax liabilities	-64,188	-4	41	-17,771	-81,922
Deferred tax assets on:					
Measurement of cash flow hedges	19,633	-	-	22,863	42,496
Post-employment benefits	15	18	-13	-	20
Other temporary differences	104	52	-103	-	53
Deferred tax assets	19,752	70	-116	22,863	42,569
Net deferred tax liabilities	-44,436	66	-75	5,092	-39,353

The reduction of €5,083 thousand in net deferred tax liabilities is essentially due to the decrease in fair value gains on cash flow hedges.

4.13 Trading liabilities / €7,578 thousand (€4,246 thousand)

Trading liabilities of €7,578 thousand (€4,246 thousand as at 31 December 2011) consist of amounts payable to suppliers (€4,050 thousand), primarily relating to professional services, and trade payables due to Group companies (€3,528 thousand). The breakdown of this item is provided in note 7.2 "Related party transactions".

The carrying amount of trade payables approximates to fair value, in that the effect of discounting to present value is not material.

4.14 Other current liabilities / €2,863 thousand (€2,435 thousand)

The composition of this item is shown in the following table:

(€000)	31.12.2012	31.12.2011
Social security contributions payable	294	297
Payable to staff	568	582
Taxation other than income taxes	980	971
Other current liabilities	1,021	585
Total	2,863	2,435

5. Notes to the income statement

This section describes the composition of and principal changes in items for the two years. Amounts for 2011 are shown in brackets, with costs and losses indicated with a “-” sign in the headings and tables.

5.1 Operating income / €801 thousand (€871 thousand)

Operating income of €801 thousand primarily regards rental income from subsidiaries (€688 thousand).

5.2 Raw and consumable materials / -€22 thousand (-€24 thousand)

These costs for the year related essentially to purchases of office materials.

5.3 Service costs / -€5,061 thousand (-€7,020 thousand)

The composition of this item and details of changes during the year are shown in the following table:

(€000)	2012	2011	INCREASE/(DECREASE)
Professional services	-4,080	-5,397	1,317
Remuneration of Statutory Auditors	-328	-335	7
Transport and similar	-131	-110	-21
Insurance	-72	-187	115
Utilities	-54	-87	33
Construction and similar	-30	-40	10
Maintenance	-26	-60	34
Other services	-340	-804	464
Total	-5,061	-7,020	1,959

The decrease of €1,959 thousand compared with 2011 primarily reflects a reduction in the cost of professional services and consultants' fees.

5.4 Staff costs / -€2,496 thousand (-€1,818 thousand)

The composition of this item and details of changes during the year are shown in the following table:

(€000)	2012	2011	INCREASE/(DECREASE)
Wages and salaries	-1,424	-2,729	1,305
Social security contributions	-351	-711	360
Post-employment benefits (including payments to supplementary pension funds and INPS)	-75	-73	-2
Recovery of seconded staff costs	883	2,655	-1,772
Release of excess provision for long-term staff incentive plans	-	411	-411
Directors' fees	-1,232	-1,224	-8
Other staff costs	-297	-147	-150
Total	-2,496	-1,818	-678

Staff costs of €2,496 thousand primarily consist of Directors' remuneration and the portion of employee salaries and wages not recovered from Group companies. The increase is primarily due to expiry of the three-year staff incentive plan for the period 2008-2010 and recognition in 2011 of excess provisions made for this purpose.

The average workforce breaks down as follows by category:

(NO.)	2012	2011	INCREASE/(DECREASE)
Senior managers	2	2	-
Middle managers and administrative staff	5	4	1
Total	7	6	1

5.5 Other operating costs / -€2,271 thousand (-€2,266 thousand)

Other operating costs consist of the following items:

(€000)	2012	2011	INCREASE/(DECREASE)
Direct and indirect taxes	-1,757	-1,789	32
Grants and donations	-157	-138	-19
Lease expense	-173	-95	-78
Other recurring operating costs	-15	-35	20
Other non-recurring operating costs	-169	-209	40
Total	-2,271	-2,266	-5

Direct and indirect taxes essentially regard non-deductible VAT (€1,517 thousand).

5.6 Financial income/(expenses) / €550,550 thousand (€502,369 thousand)

Financial income / €1,113,208 thousand (€1,073,766 thousand)

Financial expenses / -€562,546 thousand (-€571,113 thousand)

Foreign exchange gains/(losses) / -€112 thousand (-€284 thousand)

Net financial income breaks down as follows:

(€000)	2012	2011	INCREASE/(DECREASE)
Related party financial income:			
Income from financial assets due from Group companies	452,035	400,338	51,697
Income from transactions in derivative financial instruments with Group companies	32,866	60,649	-27,783
Interest and fees received on intercompany current accounts	6,592	5,892	700
Income from changes in fair value of financial assets due from Group companies	-	-	-
Other financial income received from Group companies	525	1,027	-502
Third party financial income:			
Income from transactions in derivative financial instruments	44,386	41,232	3,154
Other financial income	10,447	10,380	67
Financial income	546,851	519,518	27,333
Dividends received from subsidiaries	566,357	554,248	12,109
Financial income	1,113,208	1,073,766	39,442
Financial expenses from discounting of provisions	-12	-13	1
Related party financial expenses:			
Losses on transactions in derivative financial instruments with Group companies	-3,564	-6,573	3,009
Interest and fees paid on intercompany current accounts	-12,693	-12,789	96
Other financial expenses payable to Group companies	-10,398	-10,370	-28
Third party financial expenses:			
Interest on bonds	-454,625	-398,250	-56,375
Losses on transactions in derivative financial instruments	-55,551	-81,933	26,382
Losses on sales of investments	-766	-	-766
Interest and fees paid on bank and post office deposits	-1,003	-1,034	31
Other	-534	-1,147	613
Other financial expenses	-539,134	-512,096	-27,038
Impairment losses on financial assets	-23,400	-59,004	35,604
Financial expenses	-562,546	-571,113	8,567
Unrealised foreign exchange gains/(losses)	-96	137	-233
Realised foreign exchange gains/(losses)	-16	-421	405
Foreign exchange gains/(losses)	-112	-284	172
Total	550,550	502,369	48,181

Net Financial income of €550,550 thousand is up €48,181 thousand on the figure for 2011 (€502,369 thousand). The reduction primarily reflects the reduced impairment loss on the investment in Alitalia - Compagnia Aerea Italiana (higher

of €35,600 thousand than 31 December 2011) and increased dividends received from subsidiaries (up €12,109 thousand in 2012), above all Autostrade per l'Italia. After stripping out these items, net financial income is substantially unchanged. The breakdown of income (€1,058,375 thousand) and costs (€26,655 thousand) generated by related party transactions is provided in note 7.2 "Related party transactions".

5.7 Income tax (expense)/benefit / -€8,485 thousand (-€7,260 thousand)

A comparison of the income tax expense and benefit for 2012 and the previous year is shown in the following table:

(€000)	2012	2011	INCREASE/(DECREASE)
IRES	-7,521	-5,699	-1,822
IRAP	-1,139	-948	-191
Current tax expense	-8,660	-6,647	-2,013
Recovery of previous years' income taxes	184	14	170
Previous years' income taxes	-	-67	67
Differences on current tax expense for previous years	184	-53	237
Provisions	69	118	-49
Releases	-115	-539	424
Deferred tax income	-46	-421	375
Provisions	-4	-43	39
Releases	41	14	27
Change in estimates for previous years	-	-110	110
Deferred tax expense	37	-139	176
Total	-8,485	-7,260	-1,225

Current tax expense was computed with reference to current tax rates, adjusted for taxable and deductible items, primarily consisting of impairment losses on investments, dividends received from subsidiaries and other non-deductible expenses incurred during the year.

Income tax expense of €8,485 thousand is up €1,225 thousand on 2011 (€7,260 thousand), reflecting the increase in taxable income, taking account of the marginal impact on taxation of the increase in dividends received during 2012 and excluding the above non-taxable impairment loss on the investment in Alitalia - Compagnia Aerea Italiana.

The following table shows a reconciliation of the statutory rates of taxation and the effective charge for IRES for the year.

(€000)	2012			2011		
	TAXABLE INCOME	TAXATION	EFFECTIVE TAX RATE	TAXABLE INCOME	TAXATION	EFFECTIVE TAX RATE
	AMOUNTS			AMOUNTS		
Profit/(Loss) from continuing operations before taxes	541,097			491,707		
Statutory income tax expense/(credit)		148,802	27.50%		135,219	27.50%
Temporary differences deductible in future years	239	66	0.01%	275	75	0.02%
Reversal of temporary differences arising in previous years	-273	-75	-0.01%	-1,918	-527	-0.11%
Non-taxable dividends	-538,039	-147,961	-27.34%	-526,535	-144,797	-29.45%
Impairment loss on the non-current investments	23,400	6,435	1.19%	59,000	16,225	3.30%
Other permanent differences	924	254	0.05%	-1,807	-496	-0.10%
Taxable income for purposes of IRES	27,348			20,722		
Current IRES charge for the year		7,521	1.39%		5,699	1.16%
Current IRAP charge for the year		1,139	0.21%		948	0.19%
Current tax expense for the year		8,660	1.60%		6,647	1.35%

5.8 Earnings per share

Profit for the year, which was generated entirely by continuing operations, amounts to €532,612 thousand, up €48,165 thousand on the figure for 2011 (€484,447 thousand). This essentially reflects the reduced impairment loss on the investment in Alitalia - Compagnia Aerea Italiana and the increase in dividends received from subsidiaries.

The following table shows the calculation of basic and diluted earnings per share with comparative amounts.

As required by IAS 33, the weighted average number of shares in issue was recomputed to take account of Atlantia's bonus issue during the year, as described in note 4.9 above. An adjustment was also made to the computation of diluted earnings to take account of share-based incentive plans.

	2012	2011
Number of shares in issue	661,827,592	661,827,592
Weighted average of treasury shares in portfolio	-13,285,616	-13,285,616
Weighted average of shares in circulation for the calculation of basic earnings per share	648,541,976	648,541,976
Weighted average share options held under incentive scheme for the calculation of diluted earnings per share	241,335	93,486
Weighted average of all shares in circulation for the calculation of diluted earnings per share	648,783,311	648,635,462
Profit/(Loss) for the year (€000)	532,612	484,447
Basic earnings per share (€)	0.82	0.75
Diluted earnings per share (€)	0.82	0.75
Profit from continuing operations (€000)	532,612	484,447
Basic earnings per share from continuing operations (€)	0.82	0.75
Diluted earnings per share from continuing operations (€)	0.82	0.75

6. Other financial information

6.1 Notes to the statement of cash flows

Cash and cash equivalents increased by €69,437 thousand in 2012, compared with the increase of €95,477 thousand reported in 2011.

"Cash generated from operating activities" amounts to €565,889 thousand, marking an increase of €22,447 thousand compared with the figure for 2011 (€543,442 thousand). This primarily reflects increased dividends received from the subsidiary, Autostrade per l'Italia, and the differing contributions of working capital in the two comparative periods.

"Cash used in investing activities", totalling €2,202,844 thousand, primarily reflects the disbursement of loans to the subsidiary, Autostrade per l'Italia, with a total face value of €2,833,600 thousand. These loans replicate, at intercompany level, the new bond issues. This impact was partially offset by the cash generated (€655,800 thousand) by partial repayment, by Autostrade per l'Italia, of the loan corresponding to the bond issue maturing in 2014.

Cash generated from loans in 2011, totalling €1,991,391 thousand, was, on the other hand, essentially linked to repayment of the loan to Autostrade per l'Italia with a par value of €2,000,000 thousand, which replicated, at intercompany level, the bond issue maturing on 9 June 2011.

"Cash generated by financing activities" totals €1,706,392 thousand and essentially reflects the cash resulting from the above bond issues with a total par value of €2,833,600 thousand. This was partially offset by the buyback (an outflow of €655,800 thousand) of a portion of the bonds issued on 9 June 2004 and by payment of the final dividend for the previous year (an outflow of €241,505 thousand) and of the interim dividend for 2012 (an outflow of €230,232 thousand).

"Cash used in financing activities" in 2011, on the other hand, totalled €2,439,356 thousand and essentially reflected the redemption of bonds with a par value of €2,000,000 thousand and the payment of dividends during the year (€449,259 thousand).

6.2 Notes to the analysis of net debt

Net debt, as defined according to the European Securities and Markets Authority - ESMA (formerly CESR) Recommendation of 10 February 2005 (which does not permit the deduction of non-current financial assets from debt), amounts to €9,530,389 thousand as at 31 December 2012, compared with net debt of €7,436,201 thousand as at 31 December 2011.

(€000)	31.12.2012	31.12.2011	INCREASE/ (DECREASE)
Non-current financial liabilities	-9,908,725	-7,739,898	-2,168,827
Bond issues	-9,669,757	-7,551,809	-2,117,948
Derivative liabilities	-238,968	-188,034	-50,934
Other non-current financial liabilities	-	-55	55
Current financial liabilities	-266,769	-228,323	-38,446
Bank overdrafts	-3	-	-3
Current portion of medium/long-term borrowings	-266,626	-228,233	-38,393
Other financial liabilities	-140	-90	-50
Total financial liabilities	-10,175,494	-7,968,221	-2,207,273
Cash and cash equivalents	362,503	293,063	69,440
Cash and bank and post office deposits	1,269	805	464
Intercompany current account receivables	361,234	292,258	68,976
<i>of which due from related parties</i>	<i>361,234</i>	<i>292,258</i>	
- Autostrade per l'Italia SpA	361,234	292,258	
Other current financial assets	282,602	238,957	43,645
Current portion of medium/long-term financial assets	277,182	235,483	41,699
<i>of which due from related parties</i>	<i>255,408</i>	<i>214,095</i>	
- Autostrade per l'Italia SpA	255,408	214,095	
Other financial assets	5,420	3,474	1,946
<i>of which due from related parties</i>	<i>5,235</i>	<i>3,421</i>	
- Autostrade per l'Italia SpA	3,491	3,175	
Total current financial assets	645,105	532,020	113,085
Net debt in accordance with ESMA (formerly CESR) Recommendation of 10 February 2005	-9,530,389	-7,436,201	-2,094,188
Non-current financial assets	10,086,939	7,914,817	2,172,122
Derivative assets	245,326	219,273	26,053
<i>of which due from related parties</i>	<i>245,326</i>	<i>191,595</i>	
- Autostrade per l'Italia SpA	245,326	191,595	
Other financial assets	9,841,613	7,695,544	2,146,069
<i>of which due from related parties</i>	<i>9,841,563</i>	<i>7,695,447</i>	
- Autostrade per l'Italia SpA	9,841,563	7,695,447	
Net funds/(Net debt)	556,550	478,616	77,934

6.3 Financial risk management

Financial risk management objectives and policies

In the normal course of business, the Company is exposed to:

- a) market risk, principally linked to the effect of movements in interest and foreign exchange rates on financial assets acquired and financial liabilities assumed;
- b) liquidity risk, with regard to ensuring the availability of sufficient financial resources to fund operating activities and repayment of the liabilities assumed;
- c) credit risk, linked to both ordinary trading relations and the likelihood of defaults by financial counterparties.

The Company's financial risk management strategy is derived from and consistent with the business goals set by the Board of Directors that are contained in the various strategic plans approved by the Board.

Market risk

The adopted strategy for each type of risk aims to mitigate interest rate and currency risks and minimise borrowing costs, as defined in the Financial Policy approved by Atlantia's Board of Directors.

Management of these risks is based on prudence and best market practice.

The main objectives set out in this policy are as follows:

- a) to protect the scenario forming the basis of the strategic plan from the effect of exposure to interest rate and currency risks, identifying the best combination of fixed and floating rates;
- b) to pursue a potential reduction of the Group's borrowing costs within the risk limits determined by the Board of Directors;
- c) to manage derivative financial instruments taking account of their potential impact on the results of operations and financial position in relation to their classification and presentation.

The Company's derivative hedging instruments as at 31 December 2012 are classified as cash flow hedges in accordance with IAS 39.

TYPE (€000)	PURPOSE OF HEDGE	CURRENCY
Cash flow hedges ⁽¹⁾		
Cross Currency Swap	Exchange rate	
Cross Currency Swap		Gbp
Cross Currency Swap		Jpy
Interest Rate Swap	Interest rate	
Interest Rate Swap		Eur
Total cash flow hedges		

(1) The fair value of hedging derivatives excludes accruals at the end of the reporting period.

The fair value of financial derivative instruments is based on expected discounted cash flows, using the market yield curve at the measurement date. Amounts in foreign currencies other than the euro are translated at closing exchange rates communicated by the European Central Bank.

The residual average term to maturity of the Company's debt is around 6 years.

The average cost of medium/long-term borrowings in 2012 was approximately 4.9%.

Monitoring is, moreover, intended to assess, on a continuing basis, counterparty creditworthiness and the degree of risk concentration.

Interest rate risk

Interest rate risk is linked to uncertainty regarding the performance of interest rates, and takes two forms:

- a) cash flow risk: this is linked to financial assets and liabilities with cash flows indexed to a market interest rate. In order to reduce floating rate debt, the Company has entered into interest rate swaps (IRS), classified as cash flow hedges. The hedging instruments and the underlying financial liabilities have matching terms to maturity and notional amounts. Tests have shown that the hedges were fully effective during 2010. Changes in fair value are recognised in other components of comprehensive income, with no recognition of any ineffective portion in the income statement. Interest income or expense deriving from the hedged instruments is recognised simultaneously in the income statement;
- b) fair value risk: this represents the risk of losses deriving from an unexpected change in the value a financial asset or liability following an unfavourable shift in the market interest rate curve.

All debt as at 31 December 2012 is fixed rate.

Currency risk

Currency risk is mainly incurred through the assumption of financial liabilities denominated in a currency other than the Group's currency of account.

9% of the Company's medium/long-term debt is nominally denominated in currencies other than the euro.

Taking account of foreign exchange hedges, the percentage of foreign currency debt exposed to currency risk on translation into euros is zero. Cross currency swaps (CCIRS) with notional amounts and maturities matching those of the underlying financial liabilities were entered into specifically to eliminate the currency risk to which the sterling and yen denominated bonds are exposed. These swaps also qualify as cash flow hedges and tests have shown that they are fully effective.

The following table summarises outstanding derivative financial instruments at 31 December 2012 (compared with 31 December 2011) and shows the corresponding market value:

31.12.2012		31.12.2011		DESCRIPTION	UNDERLYING HEDGED ITEM	
FAIR VALUE GAIN/(LOSS)	NOTIONAL AMOUNT	FAIR VALUE GAIN/(LOSS)	NOTIONAL AMOUNT		FACE VALUE	TERM
-238,968	899,176	-160,356	899,176			
-203,087	750,000	-188,034	750,000	Bond 2004-2022 (Gbp)	750,000	2004-2022
-35,881	149,176	27,678	149,176	Bond 2009-2038 (Jpy)	149,176	2009-2038
245,326	750,000	191,595	750,000			
245,326	750,000	191,595	750,000	Loan to Autostrade per l'Italia	750,000	2004-2022
6,358	1,649,176	31,239	1,649,176			

Sensitivity analysis

Sensitivity analysis describes the impact that the interest rate and foreign exchange movements to which the Company is exposed would have had on the income statement and on equity during the year.

The interest rate sensitivity analysis is based on the exposure of derivative and non-derivative financial instruments at the end of the reporting period, assuming, in terms of the impact on the income statement, a 0.10% (10 bps) shift in the interest rate curve at the beginning of the year, whilst, with regard to the impact of changes in fair value on other comprehensive income, the 10 bps shift in the curve was assumed to have occurred at the measurement date. The following outcomes resulted from the analysis carried out:

- a) in terms of interest rate risk, an unexpected and unfavourable 10 bps shift in market interest rates would have resulted in a negative impact on the income statement, totalling €296 thousand, and on comprehensive income, totalling €14,040 thousand, before the related taxation;
- b) in terms of currency risk, an unexpected and unfavourable 10% shift in the exchange rate would have had no impact on the income statement.

Liquidity risk

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

The following tables show the time distributions of financial liabilities by term to maturity as at 31 December 2012 and comparable figures as at 31 December 2011.

(€000)	31.12.2012					
	CARRYING AMOUNT	TOTAL CONTRACTUAL FLOWS	WITHIN 12 MONTHS	BETWEEN 1 AND 2 YEARS	BETWEEN 3 AND 5 YEARS	AFTER 5 YEARS
Non-derivative financial liabilities						
Bond 2004-2014	-2,087,301	-2,303,620	-104,710	-2,198,910	-	-
Bond 2004-2022 (Gbp)	-612,173	-995,589	-38,292	-38,292	-114,876	-804,129
Bond 2004-2024	-991,530	-1,705,000	-58,750	-58,750	-176,250	-1,411,250
Bond 2009-2016	-1,532,636	-1,837,500	-84,375	-84,375	-1,668,750	-
Bond 2009-2038 (Jpy)	-175,429	-300,995	-4,806	-4,806	-14,418	-276,965
Bond 2010-2017	-993,111	-1,168,750	-33,750	-33,750	-1,101,250	-
Bond 2010-2025	-494,807	-784,375	-21,875	-21,875	-65,625	-675,000
Bond 2010-2019	-986,603	-1,315,000	-44,877	-45,123	-135,000	-1,090,000
Bond 2010-2020	-743,432	-996,229	-16,451	-32,902	-98,438	-848,438
Bond 2010-2032	-35,000	-68,595	-1,675	-1,680	-5,040	-60,200
Bond 2010-2032 (Zcb)	-48,591	-135,000	-	-	-	-135,000
Bond 2010-2018 retail	-969,144	-1,217,599	-36,349	-36,250	-108,750	-1,036,250
Total bond issues	-9,669,757	-12,792,803	-448,458	-2,559,261	-3,496,038	-6,289,046
Derivative liabilities						
CCS ⁽¹⁾	-238,968	-265,244	-10,363	-10,363	-31,619	-212,899
Total derivatives	-238,968	-265,244	-10,363	-10,363	-31,619	-212,899

(1) Future cash flows deriving from cross currency swap (CCS) differentials have been calculated on the basis of the latest established exchange rate at the measurement date.

(€000)	31.12.2011					
	CARRYING AMOUNT	TOTAL CONTRACTUAL FLOWS	WITHIN 12 MONTHS	BETWEEN 1 AND 2 YEARS	BETWEEN 3 AND 5 YEARS	AFTER 5 YEARS
Non-derivative financial liabilities						
Bond 2004-2014	-2,735,984	-3,162,500	-137,500	-137,500	-2,887,500	-
Bond 2004-2022 (Gbp)	-598,050	-1,010,117	-37,412	-37,412	-112,235	-823,058
Bond 2004-2024	-991,022	-1,763,750	-58,750	-58,750	-176,250	-1,470,000
Bond 2009-2016	-1,541,479	-1,921,875	-84,375	-84,375	-1,753,125	-
Bond 2009-2038 (Jpy)	-198,979	-346,726	-5,449	-5,449	-16,347	-319,481
Bond 2010-2017	-991,787	-1,202,500	-33,750	-33,750	-101,250	-1,033,750
Bond 2010-2025	-494,508	-806,250	-21,875	-21,875	-65,625	-696,875
Total bond issues	-7,551,809	-10,213,718	-379,111	-379,111	-5,112,332	-4,343,164
Derivative liabilities						
CCS ⁽¹⁾	-160,356	-260,516	-11,077	-10,600	-32,240	-206,599
Total derivatives	-160,356	-260,516	-11,077	-10,600	-32,240	-206,599

(1) Future cash flows deriving from cross currency swap (CCS) differentials have been calculated on the basis of the latest established exchange rate at the measurement date.

The amounts in the above tables include interest payments and exclude the impact of any offset agreements.

The time distribution of terms to maturity is based on the residual contract term or on the earliest date on which repayment of the liability may be required, unless a better estimate is available.

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

4. Separate financial statements

The following table shows the time distribution of expected cash flows from cash flow hedges, and the periods in which they will be recognised in the income statement.

(€000)	31.12.2012					
	CARRYING AMOUNT	EXPECTED CASH FLOWS ⁽¹⁾	WITHIN 12 MONTHS	BETWEEN 1 AND 2 YEARS	BETWEEN 3 AND 5 YEARS	AFTER 5 YEARS
Interest rate swap						
Assets	245,326	266,908	35,326	35,769	91,833	103,980
Cross currency swap						
Assets	-	-	-	-	-	-
Liabilities	-238,968	-242,999	-10,431	-10,415	-16,480	-27,648
Total cash flow hedges	6,358					
Accrued expenses on cash flow hedges	-25,805	-	-	-	-	-
Accrued income on cash flow hedges	43,356	-	-	-	-	-
Total cash flow hedge derivative assets/liabilities	23,909	23,909	24,895	25,209	59,934	-86,129

(€000)	31.12.2012				
	EXPECTED CASH FLOWS ⁽¹⁾	WITHIN 12 MONTHS	BETWEEN 1 AND 2 YEARS	BETWEEN 3 AND 5 YEARS	AFTER 5 YEARS
Interest rate swap					
Income on cash flow hedges	245,326	34,566	35,301	88,617	86,842
Losses on cash flow hedges	-	-	-	-	-
Cross currency swaps					
Income on cash flow hedges	1,067,295	42,695	42,553	125,029	857,018
Losses on cash flow hedges	-1,306,263	-53,358	-53,197	-156,980	-1,042,728
Total income (losses) on cash flow hedges	6,358	23,903	24,657	56,666	-98,868

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

Credit risk

The Company manages credit risk essentially through recourse to counterparties with high credit ratings and does not report significant credit risk concentrations in accordance with the Financial Policy.

Credit risk deriving from outstanding derivative financial instruments can also be considered marginal in that the counterparties involved are major financial institutions.

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

	CARRYING AMOUNT	EXPECTED CASH FLOWS ⁽¹⁾	31.12.2011			AFTER 5 YEARS
			WITHIN 12 MONTHS	BETWEEN 1 AND 2 YEARS	BETWEEN 3 AND 5 YEARS	
	191,595	212,547	22,694	33,924	68,510	87,419
	27,678	27,562	-2,471	-2,473	-6,675	39,181
	-188,034	-192,615	-8,419	-7,798	-23,025	-153,373
	31,239					
	-26,011	-	-	-	-	-
	42,265	-	-	-	-	-
	47,493	47,494	11,804	23,653	38,810	-26,773

	EXPECTED CASH FLOWS ⁽¹⁾	WITHIN 12 MONTHS	31.12.2011		AFTER 5 YEARS
			BETWEEN 1 AND 2 YEARS	BETWEEN 3 AND 5 YEARS	
	191,595	20,976	32,856	64,642	73,121
	-	-	-	-	-
	1,078,187	41,981	41,871	121,998	872,337
	-1,238,543	-52,599	-52,149	-151,225	-982,570
	31,239	10,358	22,578	35,415	-37,112

7. Other information

7.1 Guarantees

As at 31 December 2012 the Company reports the following outstanding personal and collateral guarantees in issue, which include the following material items:

- a) the following guarantees issued on behalf of Autostrade per l'Italia:
 - 1) in favour of the European Investment Bank as security for loans granted to the subsidiary (€1,943,215 thousand, equal to 120% of the underlying liability);
 - 2) in favour of Mediobanca SpA as security for the Term Loan Facility transferred to the subsidiary at the end of 2008 (€672,000 thousand, equal to 120% of the underlying liability);
 - 3) in favour of the tax authorities relating to participation in the "Group VAT" arrangement, totalling €7,404 thousand;
- b) guarantees of €123,347 thousand, which include both the guarantee issued by Atlantia in favour of Grupo Costanera (formerly Autopista do Pacifico), a subsidiary of Autostrade Sud America, guaranteeing the loan obtained by this company to finance the acquisition of the motorway operator, Costanera Norte, and the guarantee issued in favour of Sociedad Concesionaria de Los Lagos;
- c) guarantees of €98,130 thousand and €120,916 thousand issued respectively in favour of the indirect subsidiary, Electronic Transaction Consultants Co. and Ecomouve D&B, guaranteeing its projects in progress;
- d) the corporate guarantee of €40,000 thousand issued by Atlantia in favour of credit institutions on behalf of Strada dei Parchi as a safeguard against the impact on cash flow hedges of movements in interest rates;
- e) a portion of the Company's holding of shares in Pune Solapur Expressways Private Ltd. pledged to credit institutions.

7.2 Related party transactions

Atlantia SpA's relations with its subsidiaries

The Company primarily engages in transactions with the subsidiary, Autostrade per l'Italia, over which it exercises management and coordination.

As at 31 December 2012 the Company has granted medium/long-term loans with a total face value of €9,826,976 thousand to Autostrade per l'Italia on the same terms as those applied to Atlantia's borrowings, increased by a spread that takes account of the cost of managing the loans. The increase compared with the figure for 31 December 2011 (up €2,177,800 thousand) is due to the following medium/long-term loans, which replicate, at intercompany level, the bonds issued by the Company in 2012:

- a) the loan with a face value of €1,000,000 thousand, granted on 9 February 2012 (interest rate 4.9% and maturing in 2019);
- b) the loan with a face value of €48,600 thousand, granted on 2 April 2012 (interest rate 5.242% and maturing in 2032);
- c) the loan with a face value of €35,000 thousand, granted on 11 June 2012 (interest rate 4.95% and maturing in 2032);
- d) the loan with a face value of €750,000 thousand, granted on 14 September 2012 (interest rate 4.668% and maturing in 2020);
- e) the loan with a face value of €1,000,000 thousand, granted on 30 November 2012 (interest rate 3.932% and maturing in 2018).

The new loans were partially offset by partial repayment, totalling €655,800 thousand, of the medium/long-term loan which replicated, at intercompany level, the bonds maturing in 2014, accompanied by the buyback ahead of maturity of the bonds.

A portion of these loans is hedged against interest rate risk through the use of specific derivative financial instruments that have also been entered into with Autostrade per l'Italia. Fair value gains on these hedges total €266,908 thousand as at 31 December 2012.

The Company also has an intercompany current account with Autostrade per l'Italia, which provides centralised treasury services for the Group. The account has a credit balance of €361,234 thousand as at 31 December 2012.

Finally, as a result of the tax consolidation arrangement headed by Atlantia, the statement of financial position as at 31 December 2012 includes current tax assets due from Group companies of €6,217 thousand, and current tax liabilities payable to Group companies of €90,210 thousand.

The following table summarises the impact of related party transactions on the results of operations for 2012 and the financial position as at 31 December 2012.

Trading and other non-financial transactions with related parties

NAME (€000)	31.12.2012		2012		31.12.2011		2011	
	ASSETS	LIABILITIES	INCOME ⁽¹⁾	EXPENSES	ASSETS	LIABILITIES	INCOME ⁽¹⁾	EXPENSES
Subsidiaries								
AD Moving								
- trading	-	40	-	-	-	-	-	-
- tax	-	55	-	-	-	473	-	-
Autostrade dell'Atlantico								
- trading	23	-	-	-	-	-	-	-
- tax	-	38	-	-	-	-	-	-
Autostrade Holding do Sur								
- trading	199	-	-	-	199	-	-	-
Autostrade Indian Infrastructure								
- trading	23	-	-	-	22	-	-	-
Autostrade Meridionali								
- tax	-	2,107	-	-	-	224	-	-
Autostrade per l'Italia								
- trading	558	345	1,729	1,579	576	446	3,443	1,607
- tax	-	75,742	-	-	105,587	-	-	-
Autostrade Tech								
- tax	2,995	-	-	-	-	556	-	-
EsseDiEsse Società di Servizi								
- trading	-	46	-	450	-	-	-	438
- tax	-	852	-	-	-	599	-	-
Giove Clear								
- tax	149	-	-	-	-	-	-	-
Stalexport Autostrady group								
- trading	17	-	-	-	15	-	-	-
Infoblu								
- tax	-	25	-	-	-	88	-	-
Los Lagos								
- trading	163	-	-	-	102	-	-	-
Newpass								
- tax	10	-	-	-	-	995	-	-
Pavimental								
- trading	648	-	544	10	-	271	527	-
- tax	-	5,477	-	-	900	-	-	-

4. Separate financial statements

NAME (€000)	31.12.2012		2012		31.12.2011		2011	
	ASSETS	LIABILITIES	INCOME ⁽¹⁾	EXPENSES	ASSETS	LIABILITIES	INCOME ⁽¹⁾	EXPENSES
Racc. Autostradale Valle d'Aosta								
- trading	1	-	-	-	1	-	-	-
Spea Ingegneria Europea								
- tax	-	4,544	-	-	-	300	-	-
Tangenziale di Napoli								
- tax	-	1,302	-	-	43	-	-	-
Tech Solutions Integrators								
- trading	2	-	-	-	-	-	-	-
Telepass								
- trading	-	7	-	7	-	-	-	-
- tax	3,063	-	-	-	1,205	-	-	-
TowerCo								
- tax	-	4	-	-	22	-	-	-
Total subsidiaries	7,851	90,584	2,273	2,046	108,672	3,952	3,970	2,045
Parents								
Edizione								
- trading	-	2	-	6	-	1	-	59
Sintonia								
- trading	-	-	-	46	-	1	-	84
Total parents	-	2	-	52	-	2	-	143
Associates								
Società Autostrada Tirrenica								
- trading	-	-	-	-	15	-	-	-
- tax	-	64	-	-	-	-	-	-
Total associates	-	64	-	-	15	-	-	-
Affiliates								
United Colors Communication								
- trading	-	3,088	-	-	-	-	-	-
Total affiliates	-	3,088	-	-	-	-	-	-
Pension funds (CAPIDI and ASTRI)	-	53	-	106	-	51	-	102
Total pension funds	-	53	-	106	-	51	-	102
Atlantia key management personnel ⁽²⁾	-	1,371	-	1,767	-	1,277	-	1,705
Total key management personnel	-	1,371	-	1,767	-	1,277	-	1,705
Total	7,851	95,162	2,273	3,971	108,687	5,282	3,970	3,995

(1) Includes reimbursements, accounted for as a reduction of operating costs in the income statement.

(2) Atlantia's key management personnel means the Directors, Statutory Auditors and other senior management.

Expenses for each year include emoluments, salaries, non-monetary benefits, bonuses and other incentives (including the fair value of share-based incentive plans).

The financial statements additionally include contributions of €266,069 thousand paid on behalf of Directors, Statutory Auditors and key management personnel and a liability of €148,356 thousand, substantially consistent with the figures for 2011.

Financial transactions with related parties

NAME (€000)	31.12.2012		2012		31.12.2011		2011	
	ASSETS	LIABILITIES	FINANCIAL INCOME ⁽¹⁾	FINANCIAL EXPENSES	ASSETS	LIABILITIES	FINANCIAL INCOME ⁽¹⁾	FINANCIAL EXPENSES
Subsidiaries								
Autostrade International US Holdings	-	-	-	-	246	-	695	-
Autostrade per l'Italia	10,707,022	53	1,052,098	26,655	8,396,570	55	1,016,320	29,732
Autostrade Tech	-	-	18	-	-	-	14	-
Ecomouv	505	-	505	-	-	-	-	-
Electronic Transaction Consultants	1,239	-	1,008	-	-	-	-	-
Emittente Titoli	-	-	33	-	-	-	54	-
Los Lagos	-	-	61	-	-	-	102	-
Racc. Autostradale Valle d'Aosta	-	-	6	-	-	-	5	-
Telepass	-	-	12	-	-	-	-	-
TowerCo	-	-	4,634	-	-	-	4,944	-
Total subsidiaries	10,708,766	53	1,058,375	26,655	8,396,816	55	1,022,134	29,732
Total	10,708,766	53	1,058,375	26,655	8,396,816	55	1,022,134	29,732

(1) Financial income includes dividends received from subsidiaries.

7.3 Events after 31 December 2012

Merger of Gemina and Atlantia

On 8 March 2013 the Boards of Directors of Atlantia and Gemina SpA ("Gemina") approved the plan to merge Gemina with and into Atlantia (the "Merger"), based on the companies' financial statements for the year ended 31 December 2012.

The Boards of Directors of the companies participating in the Merger, with the support of leading financial advisors, have applied generally accepted valuation methods for transactions between companies with similar characteristics to Atlantia and Gemina.

Having examined and endorsed the opinions of their respective advisors, and having noted the favourable opinions of the respective Committees of Independent Directors, the Boards of Directors of Atlantia and Gemina thus approved the exchange ratio, after taking account of Atlantia's expected payment, in May 2013, and in any event prior to the effective date of the Merger, of a dividend of €0.391 per share (a dividend that will therefore not be paid to the shareholders of Gemina who will become shareholders of Atlantia as a result of the Merger), without any cash payment, as follows:

- in respect of Gemina's ordinary shares, 1 ordinary share in Atlantia with a par value of €1 each, ranking equally in all respects with Atlantia's existing ordinary shares at the effective date of the Merger, for every 9 ordinary shares in Gemina;
- in respect of Gemina's savings shares, 1 ordinary share in Atlantia with a par value of €1 each, ranking equally in all respects with Atlantia's existing ordinary shares at the effective date of the Merger, for every 9 of Gemina's savings shares.

The Merger Plan also envisages that Atlantia will effect a capital increase with a maximum par value of €164,025,376 via the issue of up to 164,025,376 new ordinary shares with a par value of €1 each, in application of the Exchange Ratio.

In addition to approval by the Extraordinary General Meetings of the shareholders of Gemina and Atlantia and by the Special General Meeting of the holders of Gemina's savings shares (the holders of savings shares who have not taken part in deliberation of the Merger Plan will have the right of withdrawal pursuant to and for the purposes of art. 2437, paragraph 1, letter g) of the Italian Civil Code), completion of the Merger is subject to fulfilment of a number of conditions relating to the Antitrust Authority, Italy's Civil Aviation Authority ("ENAC"), the Italian Court of Auditors with regard to registration of Aeroporti di Roma's Concession Arrangement, and the creditor banks of Atlantia, Gemina and Aeroporti di Roma.

The Merger is expected to be completed at the latest by the end of the current year.

Annex I

Disclosures pursuant to art.149-*duodecies* of the CONSOB Regulations for Issuers II971/1999

Atlantia SpA

TYPE OF SERVICE (€000)	SERVICE PROVIDER	NOTE	FEES
Audit	Parent Company's auditor		50
Certification ⁽¹⁾	Parent Company's auditor		23
Other services ⁽²⁾	Parent Company's auditor		352
Total Atlantia			425

(1) Opinion on payment of the interim dividend.

(2) Comfort letters on offering circulars for EMTN programme, signature of Consolidated Tax Return and Form 770, verification of documentation required by public tenders in India in which the Group participated during the year, agreed upon procedures regarding accounting data and information.



Reports

5

Attestations of the consolidated and separate financial statements

Attestation of the consolidated financial statements pursuant to art. 81-ter of CONSOB Regulation 11971 of 14 May 1999, as subsequently amended

1. We, the undersigned, Giovanni Castellucci and Giancarlo Guenzi, as Chief Executive Officer and as the manager responsible for Atlantia SpA's financial reporting, having taken account of the provisions of art. 154-bis, paragraphs 3 and 4 of Legislative Decree 58 of 24 February 1998, attest to:
 - the adequacy with regard to the nature of the Company and
 - the effective application
 of the administrative and accounting procedures adopted in preparation of the consolidated financial statements during 2012.
2. The administrative and accounting procedures adopted in preparation of the consolidated financial statements as at and for the year ended 31 December 2012 were drawn up, and their adequacy assessed, on the basis of the regulations and methods drawn up by Atlantia SpA in accordance with the Internal Control-Integrated Framework model issued by the Committee of Sponsoring Organizations of the Treadway Commission. This Commission has established a body of general principles providing a standard for internal control systems that is generally accepted at international level.
3. We also attest that
 - 3.1 the consolidated financial statements:
 - a) have been prepared in compliance with international accounting standards approved for application in the European Community by EC Regulation 1606/2002, passed by the European Parliament and by the Council on 19 July 2002;
 - b) are consistent with the underlying accounting books and records;
 - c) present a true and fair view of the financial position and results of operations of the issuer and the consolidated companies;
 - 3.2 the report on operations contains a reliable analysis of operating trends and results, in addition to the state of affairs of the issuer and the consolidated companies, together with a description of the principal risks and uncertainties to which they are exposed.

8 March 2013

Giovanni Castellucci
Chief Executive Officer

Giancarlo Guenzi
Manager responsible
for financial reporting

Attestation of the separate financial statements pursuant to art. 81-ter of CONSOB Regulation 11971 of 14 May 1999, as subsequently amended

1. We, the undersigned, Giovanni Castellucci and Giancarlo Guenzi, as Chief Executive Officer and as the manager responsible for Atlantia SpA's financial reporting, having taken account of the provisions of art. 154-bis, paragraphs 3 and 4 of Legislative Decree 58 of 24 February 1998, attest to:
 - the adequacy with regard to the nature of the Company and
 - the effective application
 of the administrative and accounting procedures adopted in preparation of the separate financial statements during 2012.
2. The administrative and accounting procedures adopted in preparation of the separate financial statements as at and for the year ended 31 December 2012 were drawn up, and their adequacy assessed, on the basis of the regulations and methods drawn up by Atlantia SpA in accordance with the Internal Control-Integrated Framework model issued by the Committee of Sponsoring Organizations of the Treadway Commission. This Commission has established a body of general principles providing a standard for internal control systems that is generally accepted at international level.
3. We also attest that
 - 3.1 the separate financial statements:
 - a) have been prepared in compliance with international accounting standards approved for application in the European Community by EC Regulation 1606/2002, passed by the European Parliament and by the Council on 19 July 2002;
 - b) are consistent with the underlying accounting books and records;
 - c) present a true and fair view of the financial position and results of operations of the issuer;
 - 3.2 the report on operations contains a reliable analysis of operating trends and results, in addition to the state of affairs of the issuer, together with a description of the principal risks and uncertainties to which it is exposed.

8 March 2013

Giovanni Castellucci
Chief Executive Officer

Giancarlo Guenzi
Manager responsible
for financial reporting

Report of the Board of Statutory Auditors to the Annual General Meeting

(pursuant to art. 153 of Legislative Decree 58/1998 and art. 2429 paragraph 3 of the Italian Civil Code)

Dear Shareholders,

The Board of Statutory Auditors of Atlantia SpA ("Atlantia" or the "Company"), pursuant to art. 153 of Legislative Decree 58/1998 (the "Consolidated Finance Act" or "CFA") and art. 2429, paragraph 2 of the Italian Civil Code, is required to report to the Annual General Meeting, called to approve the financial statements, on the audit activities conducted during the financial year in accordance with our duties, on any omissions and irregularities observed and on the results for the Company's financial year. The Board of Statutory Auditors is also required to make proposals regarding the financial statements and its approval, with particular reference to the exercise of the exemptions permitted by art. 2423, paragraph 4 of the Italian Civil Code.

During the financial year ended 31 December 2012, we performed the audit procedures required by law, adopting the Standards recommended by the Italian accounting profession and in compliance with CONSOB requirements regarding corporate controls, and the provisions of art. 19 of Legislative Decree 39 of 27 January 2010.

* * *

To begin with it is necessary to specify that comparative amounts in the income statements, statements of financial position and statements of cash flows for 2011 and 2012 reflect the impact of changes in the basis of consolidation as described in the Report on operations.

Regarding the events after 31 December 2012 it noted that: (i) on 8 March 2013 the Boards of Directors of Atlantia and Gemina SpA (the "Gemina") approved the plan to merge Gemina with and into Atlantia (the "Merger") and the related preparatory documentation. The above resolutions were passed with the favourable opinion of the respective Committees of Independent Directors — established by the companies in accordance with their respective Procedures for Related Party Transactions — regarding the interests of the companies participating in the Merger, the conduct of the merger and the substantial propriety and fairness of the related conditions; (ii) the Plan for the merger of Gemina with and into Atlantia SpA (and the related annexes) and the Information Circular regarding related party transactions of greater significance (and the related annexes), prepared pursuant to art. 5 of the CONSOB Regulation adopted with Resolution 17221 of 12 March 2010, as amended, were filed and made available for inspection at the Company's registered office on 15 March 2013; (iii) the Board of Statutory Auditors attended the meetings of the Committee of Independent Directors held in order to assess the Company's interest in completing the Merger and the substantial propriety and fairness of the related conditions; (iv) with regard to the Merger, the Board of Statutory Auditors, as required by law, has conducted its checks with regard to both the procedural propriety of the transaction and the content of the documentation produced and the related disclosure requirements.

* * *

Atlantia's financial statements have been prepared pursuant to law and include all the documents required by Italian Civil Code and the CFA.

Election of the Board of Statutory Auditors

The Board of Statutory Auditors in office at the date of this report was elected by the Annual General Meeting of 24 April 2012 and its members are Corrado Gatti (Chairman), Tommaso Di Tanno (standing Auditor), Raffaello Lupi (standing Auditor), Milena Motta (standing Auditor) and Alessandro Trotter (standing Auditor). The alternate Auditors are Giuseppe Maria Cipolla and Fabrizio Riccardo Di Giusto.

Material transactions

Material transactions are described in the report on operations. Above all, we note that:

- on 8 March 2012 Autostrade per l'Italia SpA (the "Autostrade per l'Italia" or "Aspi") completed the sale of its 33.3% investment in IGLI SpA to Autostrada Torino-Milano SpA for a price of €87.6 million, recognising a consolidated gain of €61.0 million;
- the Extraordinary General Meeting of the Company's shareholders on 24 April 2012 approved a bonus issue with a value of €31,515,600 by releasing the matching amount from the extraordinary reserve;
- on 15 November 2012 Autostrade per l'Italia transferred its entire investment in Autostrada Torino-Savona SpA (equal to a 99.98% interest) to Autostrada dei Fiori SpA (a subsidiary of SIAS SpA) for a total price of €223.0 million;
- in 2012 Atlantia issued new bonds with a value of €2,750 million. In particular, in November 2012 Atlantia offered retail investors to subscribe a bond offering, restricted to the Italian market, with an initial minimum par value of €750 million. In response to strong demand, the bond issue was increased to €1 billion and closure of the offer period was brought forward to 23 November 2012 (instead of 7 December 2012, as initially planned);
- the single concession arrangement signed by Autostrade Meridionali SpA (the "Autostrade Meridionali") and ANAS on 28 July 2009, and approved with Law 191/2009, expired on 31 December 2012. ANAS published the call for tenders DG 09/12 in the Official Gazette of 10 August 2012 in order to award the concession for maintenance and operation of the Naples-Pompeii-Salerno motorway. The tender process envisages that the winning bidder must pay Autostrade Meridionali the value of the "takeover right", which the call for tenders has set at up to €410 million. Autostrade Meridionali submitted its request for prequalification. In compliance with the concession arrangement, the Grantor asked Autostrade Meridionali to continue operating the motorway after 1 January 2013 and to implement a programme of safety measures on it. According to the terms of the concession arrangement, the transfer of the concession to the incoming operator will take place at the same time as payment for the "takeover right" is made to Autostrade Meridionali.

Information on material transactions after 31 December 2012 is provided above in relation to the Merger.

Atypical or unusual transactions

We have verified the absence of atypical and/or unusual transactions, including intra-group or intra-group and other related party transactions.

We have also assessed the adequacy of the information provided in the management report on operations, regarding the absence of atypical and/or unusual transactions, including intra-group or intra-group and other related party transactions.

Intercompany or related party transactions

We have verified ordinary or recurring related party and/or intercompany transactions, with regard to which we report the following:

- intercompany transactions, whether of a trading or financial nature, between the Parent Company and its subsidiaries were all conducted on an arm's length basis, according to the terms and conditions of contractual agreements. Such transactions are adequately described in the Annual Report. In particular, note 10.4 to the consolidated financial

statements, provides details of the impact on the income statement and financial position of trading and financial transactions between the Group and Atlantia and their related parties, including Atlantia's Directors, Statutory Auditors and key management personnel. Related party transactions did not include atypical and/or unusual transactions and during 2010 neither the Group nor Atlantia SpA engaged in material transactions with Atlantia's direct or indirect parents;

- with reference to the Atlantia Group's transactions with other related parties, note 10.4 to the consolidated financial statements states that, for the purposes of the CONSOB Regulations adopted in Resolution 17221 of 12 March 2012, as amended, which applies the identification criteria contained in IAS 24, the Autogrill group, which is under the common control of Edizione Srl, is classified as a related party; with reference to Atlantia's related party transactions, note 7.2 to the separate financial statements, "Related party transactions", states that the Company primarily engages in transactions with its subsidiary, Autostrade per l'Italia, over which it exercises management and coordination;
- finally, as a result of the tax consolidation arrangement headed by Atlantia, the statement of financial position as at 31 December 2012 includes current tax assets and liabilities due from and to Group companies of €6,207 thousand and €90,172 thousand, respectively;
- details of the impact of related party transactions on the results of operations and the financial position as at and for the year ended 31 December 2012 are provided in note 7.2 to the separate financial statements;
- the "Remuneration Report 2012", published on the Company's website and prepared pursuant to art. 123-ter of the CFA, provides details of the remuneration paid to Directors, Statutory Auditors and key management personnel for 2012.

On this subject, as stated in the Annual Report on Corporate Governance and the Ownership Structure, on 11 December 2012 the Committee examined Atlantia's Procedure for Related Party Transactions (approved by the Board of Directors on 11 November 2010, with the prior agreement of the Committee on 8 November 2010, and in force from 1 January 2011) in order to assess the need for any changes to the Procedure. The examination was conducted in compliance with the Procedure itself, which requires the Board of Directors, with the prior agreement of the Related Party Transactions Committee, to assess the need for any changes to the Procedure at least once a year. At the end of this examination, the Committee deemed that it was not necessary to make any changes or additions to Atlantia's existing Procedure for Related Party Transactions. This opinion was then notified to Atlantia's Board of Directors at the meeting of 14 December 2012.

Impairment testing

As required by the joint instructions issued by the Bank of Italy/CONSOB/ISVAP on 3 March 2010, the Board of Directors' meeting of 15 February 2013, which preceded the meeting held to approve the financial statements, approved the compliance of the impairment testing procedures with the requirements of IAS 36.

The notes to the financial statements provide information on the conduct and outcomes of the tests carried out.

Oversight pursuant to the Consolidated Act on Statutory Audits

The Consolidated Act on External Audits (Legislative Decree 39/2010) requires the Board of Statutory Auditors (identified in the Consolidated Act as the "Internal and Statutory Audit Committee") to oversee:

- (i) the financial reporting process;
- (ii) the effectiveness of internal control, internal audit and risk management systems;
- (iii) the statutory audit of the annual and consolidated accounts;
- (iv) the independence of the independent auditors, checking any services other than auditing provided.

The Board of Statutory Auditors interacted with the Internal Control and Corporate Governance Committee (now named the Internal Control, Risk and Corporate Governance Committee), a Board committee set up with the aim of coordinating expertise and avoiding any overlap between activities.

With specific reference to the Consolidated Act on Statutory Audits, we report the following.

Oversight of the financial reporting process

The Board of Statutory Auditors verified the existence of regulations and procedures governing the process of preparing and publishing financial information. In this regard, the Annual Report on Corporate Governance and the Ownership Structure defines guidelines for the establishment and management of administrative and accounting procedures.

The Board of Statutory Auditors, with the assistance of the manager responsible for financial reporting, examined the procedures involved in preparing the Company's financial statements and the consolidated financial statements, in addition to periodic financial reports. The Board of Statutory Auditors also received information on the process that enables the manager responsible for financial reporting and the Chief Executive Officer to issue the attestations required by art. 154-*bis* of the CFA.

The Board of Statutory Auditors was informed that the administrative/accounting procedures applied in preparation of the financial statements and of all other financial reports are the responsibility of the manager responsible for financial reporting, who together with the Chief Executive Officer attests to their adequacy and effective application in the preparation of the separate and consolidated financial statements and interim half-year report.

The Board of Statutory Auditors thus believes the financial reporting process to be adequate and deems that there is nothing to report to the General Meeting.

Oversight of the effectiveness of the internal control, internal audit and risk management systems and the statutory audit of the annual and consolidated accounts

We have assessed and verified the adequacy of the internal control system and the effectiveness of internal control and risk management systems. You will recall that, in order to assess the correct functioning of the internal control system, in 2012 the Board of Directors made use of the Internal Control and Corporate Governance Committee and two managers, the heads of the Internal Audit and Risk Management departments, who operate with an adequate level of independence and are suitably equipped to carry out their role. The heads of these departments report on their activities to the Chairman, Chief Executive Officer, the Internal Control and Corporate Governance Committee and the Board of Statutory Auditors.

In particular, during our periodic meetings with the heads of the Internal Audit and Risk Management departments, the Board of Statutory Auditors was kept fully informed regarding internal audit activities (with a view to assessing the adequacy and functionality of the internal control system, and compliance with the law and with internal procedures and regulations), and the activities of the Risk Management department, which is responsible for overseeing the management of risk at Group level via correct implementation and development of the COSO Enterprise Risk Management (ERM), a methodological framework that Atlantia adopted 6 years ago to identify, measure, manage and monitor the risks inherent in the Company's current Business Risk Model (compliance, regulatory and operational risks). With reference to the oversight required by art. 19 of Legislative Decree 39/2010, relating to financial reporting, we verified that the administrative and accounting aspects of the internal control system, as they relate to the attestations to be issued by the Chief Executive Officer and the manager responsible for financial reporting, were revised in 2012. The process entailed Group-level analyses of significant entities and the related significant processes, through the mapping of activities carried out to verify the existence of controls (at entity and process level) designed to oversee compliance risk in respect of the law and accounting regulations and standards relating to periodic financial reporting. Effective application of the administrative and accounting procedures was verified by the manager responsible for financial reporting, with the assistance of the relevant internal departments (including Internal Audit and Risk Management). On 8 March 2013 the Chief Executive Officer and the manager responsible for financial reporting issued the attestations of the consolidated and separate financial statements required by art. 81-*ter* of the CONSOB Regulations of 14 May 1999, as amended.

As stated in the Annual report on Corporate Governance and the Ownership Structure, at its meeting of 8 March 2013 the Board of Directors, having taken note of the preparatory analysis carried out by the Internal Control and Corporate Governance Committee regarding the in-depth report provided by the various people responsible for implementing the internal control system (Internal Control, Risk Management, the Supervisory Board, the Ethics Officer and the manager responsible for financial reporting), deemed the internal control system, taken as a whole, to be adequate, efficacious and to function effectively.

At the same meeting of 8 March 2013, the Board of Directors, in implementation of the provisions of the Company's Corporate Governance Code, updated on 14 December 2012, assessed and discussed the nature and level of risk compatible (risk appetite and risk tolerance) with the issuer's strategic objectives and, on the proposal of the Director responsible for the risk management and internal control system and subject to the consent of the Internal Control, Risk and Corporate Governance Committee and having consulted with the Board of Statutory Auditors, established guidelines for the internal control and risk management system. Finally, compliance of the process used in publishing price sensitive information with the Company's "Procedure for market announcements" was also verified.

We also note that, during 2012, Atlantia's Supervisory Board, continued its review of the organisational, management and control model adopted by Atlantia, pursuant to Legislative Decree 231/2001, in order to ensure that the model had kept pace with changes in legislation and in the Company's organisational structure during the year. The Board of Statutory Auditors examined the Supervisory Board's reports on their activities in the first and second halves of 2012 and do not have anything to mention in this regard in this report.

Finally, we declare that:

- the accounts have been submitted to the required controls by the independent auditors, KPMG SpA until the date of approval of the financial statements for 2011 and Deloitte & Touche SpA (the "Deloitte & Touche") after the appointment of this firm by the Annual General Meeting of 24 April 2012. During their periodic meetings with the acting Board of Statutory Auditors, the independent auditors had nothing to report on this matter;
- with regard to the provisions of art. 19 of Legislative Decree 39/2010, we oversaw the audit of the annual and consolidated accounts, obtaining detailed information, during meetings with the independent auditors, on the audit plan for 2012, significant aspects of the consolidated financial statements for 2012 and the potential impact of the significant risks highlighted in the financial statements;
- as noted above, we held periodic meetings during the year with the manager responsible for financial reporting and the head of Internal Audit;
- the Chairman of the Board of Statutory Auditors, or another Statutory Auditor delegated to attend, participated in the meetings of the Internal Control, Risk and Corporate Governance Committee, the Human Resources and Remuneration Committee, and the Committee of Independent Directors with responsibility for Related Party Transactions.

Independence of the independent auditors, checking any services other than auditing provided

- With regard to the engagement of independent auditors for the financial years 2012-2020, the previous Board of Statutory Auditors, in office until the Annual General Meeting of 24 April 2012, has proposed the appointment of Deloitte & Touche as independent auditors for the financial years 2012-2020 to the Annual General Meeting of 24 April 2012, called to approve the financial statements for the year ended 31 December 2011. The Annual General Meeting approved the Board's proposal;
- we verified, also with reference to the provisions of art. 19 of Legislative Decree 39/2010, the independence of the independent auditors, Deloitte & Touche, checking the nature and entity of any services other than auditing provided to Atlantia and its subsidiaries by the auditors, and by entities belonging to its network. The fees paid by the Atlantia Group to the independent auditors, Deloitte & Touche or companies belonging to the Deloitte & Touche network, are as follows:

(€000)	
Audit	893
Certification (audit-related)	46
Other services	124
Total	1,063

We therefore deem that the independent auditors, Deloitte & Touche, meet the requirements for independence.

Further activities of the Board of Statutory Auditors and disclosures required by the CONSOB

In carrying out our duties, as required by art. 2403 of the Italian Civil Code and art. 149 of the CFA:

- we verified compliance with the law and the articles of association;
- in accordance with our responsibilities, we obtained information on and checked the adequacy of the Company's organisational structure and on observance of the principles of good governance, by means of direct observation, the gathering of information from the heads of the various departments and through meetings with the independent auditors with a view to exchanging the relevant data and information; in this regard we have no particular observations to make;
- we assessed and verified the adequacy of the administrative/accounting system and its ability to correctly represent operating activities, by gathering information from the respective heads of department, examining corporate documents and analysing the results of the work carried out by the independent; in this regard we have no particular observations to make;
- we oversaw the methods for implementing the governance rules laid down in Atlantia's Corporate Governance Code. On this point, we inform you that on 14 December 2012 the Company's Board of Directors updated its Corporate Governance Code, in line with amendments to the corporate governance code for listed companies introduced by the Corporate Governance Committee for listed companies in December 2011. The Board of Directors, on the proposal of the Director responsible for the risk management and internal control system and subject to the consent of the Internal Control, Risk and Corporate Governance Committee and having consulted with the Board of Statutory Auditors, appointed the head of the Internal Audit function. It will instead be the responsibility of the new Board of Directors to be elected by the Annual General Meeting to approve the new Audit Plan (given that the existing plan expires in May 2013). This change was made by the Board of Directors partly because of the possible change in the Group's basis of consolidation as a result of a merger with Gemina SpA;
- we verified the adequacy of the guidelines communicated by the Company to its subsidiaries pursuant to article 114, paragraph 2 of the CFA;
- with regard to the provisions of art. 149, paragraph 1.c-bis of the CFA relating to the Board of Statutory Auditors' supervision "*of the methods of actually implementing the corporate governance rules laid down in the corporate governance codes prepared by stock exchange companies and the related trade associations, with which the Company has publicly declared it will comply*", taking account of the fact that art. 15, paragraph 2 of the Corporate Governance Code, as revised on 14 December 2012, requires that "*Statutory Auditors shall be chosen from people who may be qualified as independent also on the basis of the criteria contained in this Code with reference to Directors*" and that "*the Board of Statutory Auditors shall check compliance with the above criteria after election and every year thereafter, including the outcome of their checks in the corporate governance report*", at the meeting of 15 May 2012 the Board of Statutory Auditors checked that all the Statutory Auditors meet the independence requirements.

With regard to our examination of the financial statements as at and for the year ended 31 December 2012, the consolidated financial statements and the report on operations, we state the following:

- we have checked the overall basis of presentation of the separate and consolidated financial statements and their general compliance with the laws relating to their preparation and structure;
- we have checked the reasonableness of the valuation procedures applied and their compliance with the requirements of IFRS;
- we have verified that the financial statements are consistent with the information in our possession, as a result of carrying out our duties, and have no particular observations to make in this regard;
- to the best of our knowledge, in preparing the financial statements, the Directors did not elect to apply any of the exemptions permitted by art. 2433, paragraph 4 of the Italian Civil Code;
- we verified compliance with the laws governing preparation of the management report on operations and have no particular observations to make in this regard;
- we note that, as described in the Introduction to the section "Consolidated financial review" in the report on operations, the Company has presented the reclassified consolidated income statement, the consolidated statement of comprehensive income, the statement of changes in consolidated equity, the statement of changes in consolidated net debt and the statement of cash flows for the year ended 31 December 2012, and the reclassified consolidated

statement of financial position as at 31 December 2012, which include comparative amounts for the previous year. The accounting standards applied are consistent with those adopted for the consolidated financial statements for the previous year. It is also stated that amounts in the income statements, statements of financial position and statements of cash flows for comparative periods reflect the impact of the following changes in the basis of consolidation. Finally, it is stated that the reclassified financial statements described in the introduction to the "Consolidated financial review" have not been independently audited.

Moreover:

- pursuant to art. 150, paragraphs 1 and 2 of the CFA: (i) we obtained reports from the Directors, on at least a quarterly basis, providing adequate information on the Company's activities and on transactions carried out by the Company and its subsidiaries with a major impact on the Company's results of operations, financial position and cash flow, ensuring that the actions decided on and carried out were in compliance with the law and the articles of association, were not subject to any potential conflict of interest or contrary to the resolutions adopted by the General Meeting, and were not clearly imprudent or risky or such as to compromise the value of the Company; (ii) we held meetings with representatives of the independent auditors and no significant information that should be included in this report has come to light;
- we have received information from the Supervisory Board on its activities, which did not find any problems or significant irregularities. In addition, the Board of Statutory Auditors was informed of the invitations made to the various departments to apply the recommendations provided and implement the organisational, management and control model, which is on the whole effective, in part by paying constant attention to improving the system of procedures and its timely amendment in keeping with organisational and regulatory changes;
- with regard to the provisions of art. 3 of Legislative Decree 37 of 6 February 2004, we have obtained information from the board of statutory auditors of ASPI, a subsidiary managed and coordinated by Atlantia, regarding its activities during the year and the steps taken by the board of statutory auditors of ASPI to monitor the activities of the boards of statutory auditors of the subsidiaries managed and coordinated by ASPI;
- we note that the Annual Report on Corporate Governance and the Ownership Structure, in compliance with the related legal and regulatory obligations, contains information on the ownership structure, application of the codes of conduct and fulfilment of the resulting commitments, highlighting the choices made by the Company in applying corporate governance standards;
- we note that in the section "Other information" of the report on operations it is stated that the Company, in accordance with the Data Protection Act (Legislative Decree 196/2003, annex B, point 26), has updated its Security Planning Document for 2012;
- the previous Board of Statutory Auditors, at its meeting of 17 February 2012, checked the correct application of the assessment criteria and procedures used by the Board of Directors, in a meeting on the same date, in assessing the independence of Directors, Alberto Bombassei, Alberto Clô, Giuliano Mari, Monica Mondardini and Antonino Turicchi, announcing the result of their assessment to the market, via the relevant department.

The Board of Statutory Auditors states that:

- we did not issue opinions during the year;
- no complaints have been lodged under art. 2408 of the Italian Civil Code, and no petitions of any kind have been presented.

With regards to the independent auditors, the Board of Statutory Auditors reports that Deloitte & Touche:

- on 29 March 2013 issued their report containing their opinion on the fact that the separate and consolidated financial statements comply with the applicable laws and accounting standards. The report also contains their opinion on the consistency of the report on operations with the financial statements, without any reservations;
- on 29 March 2013 provided their annual confirmation of independence pursuant to art. 17, paragraph 9.a) of Legislative Decree 39 of 27 January 2010.

The above audit procedures were carried out during 15 meetings of the Board (of which 7 held by the previous Board and 8 by the Board currently in office), by taking part in 11 meetings of the Board of Directors, and through the participation of the Chairman of the Board of Statutory Auditors, or another Statutory Auditor delegated to attend, in meetings of the

Internal Control, Risk and Corporate Governance Committee, the Human Resources and Remuneration Committee and the Committee of Independent Directors with responsibility for Related Party Transactions. In addition, as a result of the audit procedures carried out and on the basis of the information obtained from the independent auditors, we are not aware of any negligence, fraud, irregularities or any other material events, that would require a report to be made to regulatory bodies.

Proposal to the Annual General Meeting

The Board of Statutory Auditors is in favour of approval of the financial statements for the year ended 31 December 2012 and has no objections regarding the Board of Directors' proposal for the appropriation of profit for the year.

* * *

Pursuant to art. 144-*quinquiesdecies* of the Regulations for Issuers, approved by the CONSOB with Resolution 11971/99, as amended, the list of positions held by members of the Board of Statutory Auditors at the companies in Book V, Section V, Chapters V, VI and VII of the Italian Civil Code is published by the CONSOB on its website (www.consob.it).

* * *

29 March 2013

Corrado Gatti (Chairman)
Tommaso Di Tanno (Auditor)
Raffaello Lupi (Auditor)
Milena Motta (Auditor)
Alessandro Trotter (Auditor)

Reports of the Independent Auditors



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AUDITORS' REPORT PURSUANT TO ART. 14 AND 16 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010

To the Shareholders of
Atlantia S.p.A.

1. We have audited the consolidated financial statements of Atlantia S.p.A. and subsidiaries (the "Atlantia Group"), which comprise the consolidated statement of financial position as of December 31, 2012, and the consolidated income statement, consolidated statement of comprehensive income, statement of changes in consolidated equity and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes. These consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n° 38/2005 are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with the Auditing Standards recommended by CONSOB, the Italian Commission for listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The consolidated financial statements present for comparative purposes prior year data. As explained in the notes to the consolidated financial statements, the Directors, in accordance with IFRS 3 Business Combinations and IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations, have revised certain comparative data related to the prior year's consolidated financial statements with respect to the figures previously reported and audited by other auditors, on which they issued their auditors' reports dated April 2, 2012. These revisions to the comparative data and related disclosures included in the notes to the consolidated financial statements have been audited by us for the purpose of expressing our opinion on the consolidated financial statements as of December 31, 2012.

3. In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Atlantia Group as of December 31, 2012, and of the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n° 38/2005.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova
Palermo Parma Roma Torino Treviso Verona

Sede Legale: Via Tortona, 25 - 20144 Milano - Capitale Sociale: Euro 10.328.220,00 i.v.
Codice Fiscale/Registro delle Imprese Milano n. 03049560166 - R.E.A. Milano n. 1720239
Partita IVA: IT 03049560166

Member of Deloitte Touche Tohmatsu Limited

4. The Directors of Atlantia S.p.A. are responsible for the preparation of the report on operations and the annual report on corporate governance, published in the Atlantia S.p.A. website in the Corporate Governance section, in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the report on operations and of the information reported in compliance with art. 123-bis of Italian Legislative Decree n. 58/1998, paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) in the annual report on corporate governance, with the consolidated financial statements, as required by law. For this purpose, we have performed the procedures required under Auditing Standard n. 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion, the report on operations and the information reported in compliance with art. 123-bis of Italian Legislative Decree n. 58/1998 paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) included in the annual report on corporate governance are consistent with the consolidated financial statements of Atlantia Group as of December 31, 2012.

DELOITTE & TOUCHE S.p.A.

Signed by
Fabio Pompei
Partner

Rome, Italy
March 29, 2013

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



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AUDITORS' REPORT
PURSUANT TO ART. 14 AND 16 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010

**To the Shareholders of
Atlantia S.p.A.**

1. We have audited the financial statements of Atlantia S.p.A., which comprise the statement of financial position as of December 31, 2012, and the income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes. These financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n° 38/2005 are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the Auditing Standards recommended by CONSOB, the Italian Commission for listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

For the opinion on the prior year's financial statements, whose data are presented for comparative purposes, reference should be made to the auditors' report issued by other auditors on April 2, 2012.

3. In our opinion, the financial statements give a true and fair view of the financial position of Atlantia S.p.A. as of December 31, 2012, and of the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n° 38/2005.
4. The Directors of Atlantia S.p.A. are responsible for the preparation of the report on operations and the annual report on corporate governance, published in the Atlantia S.p.A. website in the Corporate Governance section, in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the report on operations and of the information reported in compliance with art. 123-bis of Italian Legislative Decree n. 58/1998, paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) in the annual report on corporate governance, with the financial statements, as required by law. For this purpose, we have

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Partita IVA: IT 03049560166

Member of Deloitte Touche Tohmatsu Limited

performed the procedures required under Auditing Standard n. 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion, the report on operations and the information reported in compliance with art. 123-bis of Italian Legislative Decree n. 58/1998 paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) included in the annual report on corporate governance are consistent with the financial statements of Atlantia S.p.A. as of December 31, 2012.

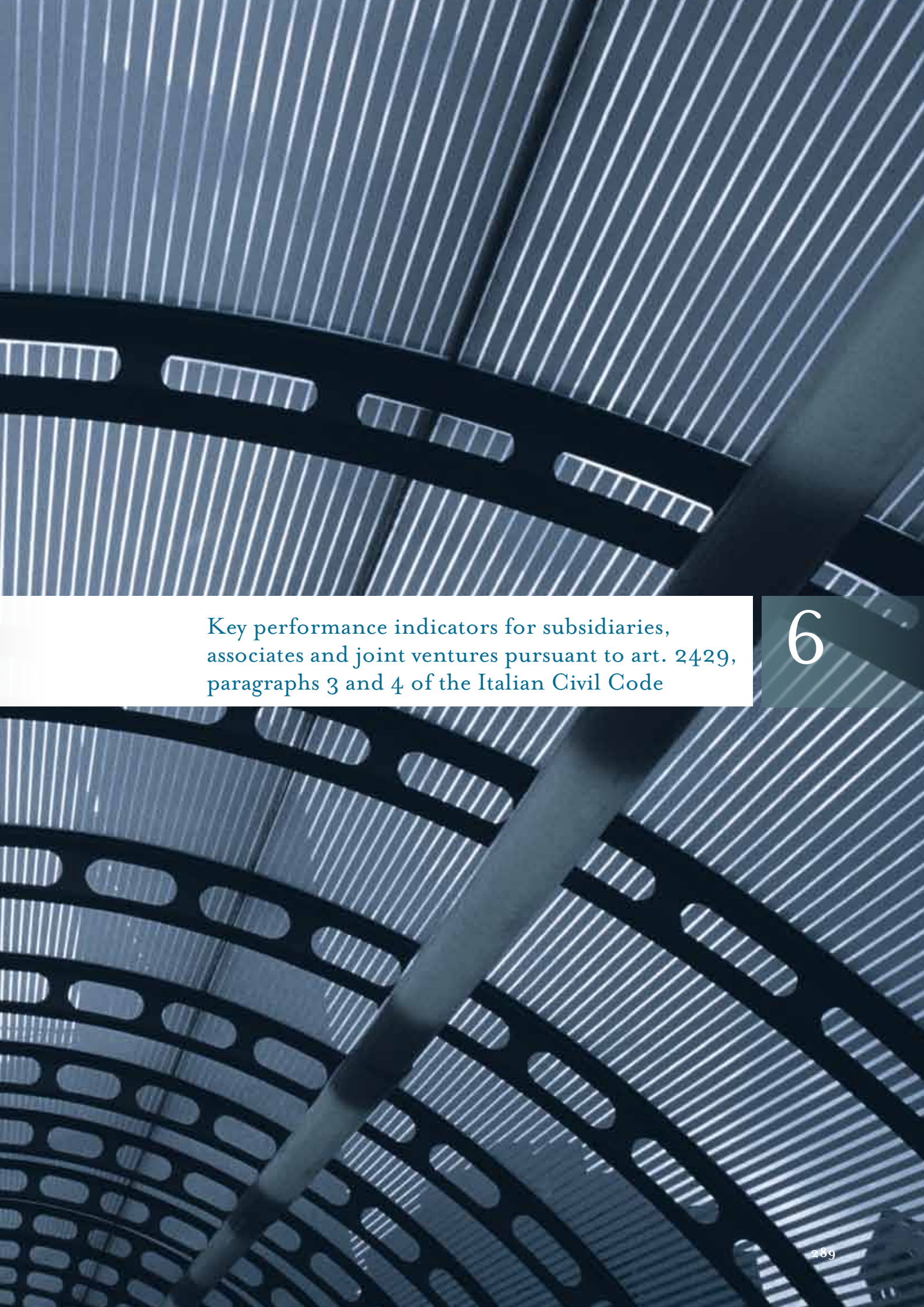
DELOITTE & TOUCHE S.p.A.

Signed by
Fabio Pompei
Partner

Rome, Italy
March 29, 2013

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





Key performance indicators for subsidiaries,
associates and joint ventures pursuant to art. 2429,
paragraphs 3 and 4 of the Italian Civil Code

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Key performance indicators for subsidiaries, associates and joint ventures pursuant to art. 2429, paragraphs 3 and 4 of the Italian Civil Code

The figures presented below have been extracted from the most recent financial statements to be approved by the boards of directors of Atlantia's subsidiaries, associates and joint ventures. The end of the annual reporting period for these companies is 31 December of each year, with the exception of Pune Solapur Expressways Private Ltd., which ends its financial year on 31 March of each year. Autostrade per l'Italia SpA and Autostrade Mazowsze SA prepare their financial statements in accordance with international financial reporting standards, whereas the other companies prepare their financial statements under local GAAP.

Subsidiaries

Autostrade per l'Italia SpA

FINANCIAL POSITION (€000)	31.12.2012	31.12.2011
Non-current assets	20,048,386	18,783,981
Current assets	3,995,344	1,842,920
Total assets	24,043,730	20,626,901
Equity	2,099,015	2,098,475
<i>of which issued capital</i>	622,027	622,027
Liabilities	21,944,715	18,528,426
Total equity and liabilities	24,043,730	20,626,901
RESULTS OF OPERATIONS (€000)	2012	2011
Operating income	3,885,303	4,155,751
Operating costs	-2,496,280	-2,590,826
Operating profit/(loss)	1,389,023	1,564,925
Profit/(Loss) for the year	644,587	726,990

TowerCo SpA

FINANCIAL POSITION (€000)	31.12.2012	31.12.2011
Non-current assets	21,911	23,513
<i>of which non-current investments</i>	-	-
Current assets	12,776	10,688
Other assets	66	83
Total assets	34,753	34,284
Equity	26,998	26,262
<i>of which issued capital</i>	20,100	20,100
Provisions and post-employment benefits	691	670
Borrowings	6,823	7,055
Other liabilities	241	297
Total equity and liabilities	34,753	34,284

RESULTS OF OPERATIONS (€000)	2012	2011
Value of production	19,618	19,045
Cost of production	-11,719	-11,725
Operating profit/(loss)	7,899	7,320
Profit/(Loss) for the year	5,370	4,878

Autostrade Mazowse SA

FINANCIAL POSITION (PLN 000)	31.12.2012	31.12.2011
Non-current assets	-	-
Current assets	33	174
Total assets	33	174
Equity	25	-484
<i>of which issued capital</i>	20,000	20,000
Liabilities	8	658
Total equity and liabilities	33	174

RESULTS OF OPERATIONS (PLN 000)	2012	2011
Operating income	9	9
Operating costs	-71	-92
Operating profit/(loss)	-62	-83
Profit/(Loss) for the year	-71	-119

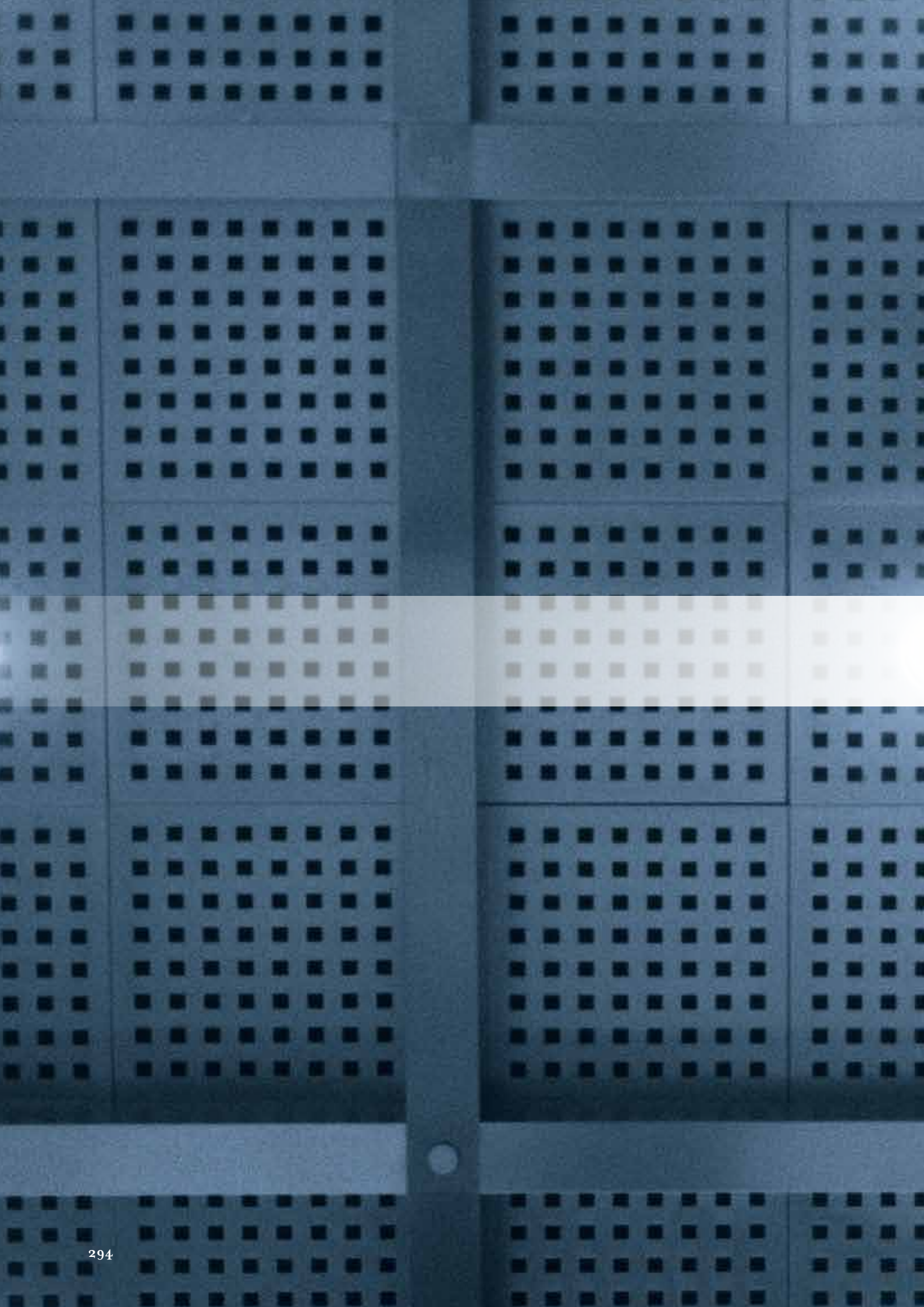
Mizard Srl

FINANCIAL POSITION (€000)	31.12.2012	31.12.2011
Current assets	18	20
Total assets	18	20
Equity	18	20
<i>of which issued capital</i>	10	10
Total equity and liabilities	18	20
RESULTS OF OPERATIONS (€000)	2012	2011
Operating costs	-2	-1
Operating profit/(loss)	-2	-1
Profit/(Loss) for the year	-2	-1

Joint ventures

Pune Solapur Expressways Private Ltd.

FINANCIAL POSITION (THOUSANDS OF RUPEES)	31.03.2012	31.03.2011
Non-current assets	8,900,099	4,466,049
Current assets	320,350	188,380
Total assets	9,220,449	4,654,429
Equity	3,012,328	1,425,310
<i>of which issued capital</i>	47,734	32,905
Liabilities	6,208,121	3,229,120
Total equity and liabilities	9,220,449	4,654,429
RESULTS OF OPERATIONS (THOUSANDS OF RUPEES)	2012	2011
Operating income	-	3,195
Operating costs	-	-868
Operating profit/(loss)	-	2,328
Profit/(Loss) for the year	-	2,328



Shareholders' resolutions

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Shareholders' resolutions

The Annual General Meeting (AGM) of Atlantia SpA's shareholders, held in ordinary and extraordinary session and in first call at the Company's registered office at via Antonio Nibby 20 in Rome, on 30 April 2013, passed resolutions on the following

Agenda

Ordinary session:

1. Financial statements for the year ended 31 December 2012. Reports of the Board of Directors, the Board of Statutory Auditors and the Independent Auditors. Appropriation of profit for the year. Presentation of the consolidated financial statements for the year ended 31 December 2012. Related and resulting resolutions.
2. Authority, pursuant and for the purposes of articles 2357 et seq. of the Italian Civil Code, article 132 of Legislative Decree 58 of 24 February 1998 and article 144-bis of the CONSOB Regulation adopted with Resolution 11971 and subsequent amendments, to purchase and sell treasury shares, subject to prior revocation of all or part of the unused portion of the authority granted by the General Meeting of 24 April 2012. Related and resulting resolutions.
3. Determination of the number of the members of the Board of Directors and election of the Directors to serve for the years 2013 – 2014 – 2015, and election of the Chairman of the Board of Directors. Determination of the remuneration to be paid to Directors, including fees payable for membership of Board Committees.
4. Resolution on the first section of the Remuneration Report pursuant to art. 123-ter of Legislative Decree 58 of 24 February 1998.
5. Changes to the 2011 Share Option Plan, the 2011 Share Grant Plan and the MBO Share Grant Plan approved on 20 April 2011. Related and resulting resolutions.

Extraordinary session:

1. Approval of the proposed merger of Gemina SpA with and into Atlantia SpA; related and resulting resolutions. Authorities and powers.

Ordinary session

With regard to item 1) on the agenda the Shareholders resolved:

- to approve the Board of Directors' management report on operations and the financial statements as at and for the year ended 31 December 2012, which report profit of €532,611,944;
- to appropriate the remaining €302,379,543 in profit for the year, after payment of the interim dividend of €230,232,401 in 2012, to:
 1. pay a final dividend of €0.391 per share for 2012, payable to holders of each of the shares with a par value €1.00 outstanding at the ex dividend date, excluding treasury shares held in portfolio at that date. The total value of

the final dividend, based on the number of shares outstanding (648,541,976) and of treasury shares in portfolio (13,285,616), is estimated at €253,579,913;

2. take the remaining profit for the year, after payment of the final dividend, to the extraordinary reserve. This amount, based on the number of shares outstanding at the ex dividend date, is estimated at €48,799,630;
- to establish the dividend payment date as 23 May 2013 and the ex dividend date as 20 May 2013.

With regard to item 2) on the agenda the shareholders resolved:

- following the revocation of the unexecuted part of the previous shareholder resolution of 24 April 2012, to authorise, pursuant to and for the purposes of articles 2357 et seq. of the Italian Civil Code and art. 132 of Legislative Decree 58 of 24 February 1998, the purchase in the market, within the next 18 months, in one or more tranches and at any time, of up to 66,182,759 ordinary treasury shares, all with a par value of €1.00 each, including 13,285,616 treasury shares held by the Company at today's date in execution of previous shareholder resolutions;
- to authorise, subject to obtaining adequate financial resources for your Company's future plans and investment programmes, at a price not less than 20% below and not more than 20% above the official price of Atlantia's shares recorded by Borsa Italiana SpA on the prior trading day, and in any case in accordance with the procedures, terms and requirements that, though they may vary from the foregoing, are in keeping with accepted market practices, in accordance with rules and regulations issued by the CONSOB from time to time.
Pursuant to art. 2357-ter of the Italian Civil Code, the Company will transfer, as required and depending on the amounts of shares to be repurchased, an aggregate amount of up to €1,250,000,000 from the "Extraordinary reserve" to the undistributable "Reserve for the purchase of treasury shares";
- to authorise, pursuant to and for the purposes of art. 2357-ter of the Italian Civil Code, the sale and/or use of all the treasury share held by the Company, including prior to reaching the maximum amount for purchases authorised by this resolution, in full or in part, and of the treasury shares purchased in accordance with this resolution, including in this authority the sale and/or use of any shares purchased on the basis of previous shareholder resolutions and held by the Company at the date of today's resolution, in one or more tranches and at any time, as well as for exchanges or contributions, or also for extraordinary corporate actions or financing transactions or incentives that imply the allocation or grant of treasury shares (for example, in relation to financial instruments convertible into shares, convertible bonds, bonds or warrants, share option plans, share grants and incentives for employees or external consultants of the Company and the Group), in all cases under terms and conditions to be determined by the Board of Directors, including beyond the term for validity of this authority, and in any case in accordance with procedures, terms and requirements in keeping with accepted market practices and in accordance with rules and regulations issued by the CONSOB from time to time;

- to authorise the Board of Directors to establish on each occasion the criteria for determining the related price and/or the procedures, terms and conditions for using all the treasury shares held by the Company, including any shares held at the date of today's resolution, taking account of the method of implementation actually employed, the price performance of the shares over the period prior to the transaction and the best interests of the Company. Should all or a part of the treasury shares purchased and/or held be disposed of, the existing undistributable "Reserve for share the purchase of treasury shares" will be released in part or in full to the "Extraordinary reserve";
- to grant the Board of Directors, and on its behalf the Chairman and Chief Executive Officer, acting either jointly or severally, all the necessary powers to effect the purchases, sales and uses of all the treasury shares held by the Company and, in any event, to implement the above resolutions, including via the use of powers of attorney, in compliance with any relevant regulatory requirements.

With regard to item 3) on the agenda the shareholders resolved:

- to fix the number of members of the Board of Directors as fifteen;
- to elect the following as members of the Board of Directors: Angela Carla, Benetton Gilberto, Bertazzo Carlo, Bertoldi Bernardo, Castellucci Giovanni, Cerchiai Fabio, Coda Gianni, Clò Alberto, Lapucci Massimo, Marcus Lucy P., Mari Giuliano, Martinelli Valentina, Mondardini Monica, Rebecchini Clemente, Zannoni Paolo;
- to elect Fabio Cerchiai as Chairman of the Board of Directors;
- to fix the annual remuneration payable to Directors at €52,000 for each Director, and to pay an attendance fee €250 for each Board meeting, in addition to the above remuneration;
- to fix the annual remuneration payable to the Control, Risks and Corporate Governance Committee at €40,000 for the Chairman and €30,000 for each of the other members;
- to fix the annual remuneration payable to the Human Resources and Remuneration Committee at €40,000 for the Chairman and €30,000 for each of the other members.

With regard to item 4) on the agenda the shareholders resolved:

- to approve the first section of the Remuneration Report prepared pursuant to art. 123-ter of Legislative Decree 58 of 24 February 1998.

With regard to item 5) on the agenda the shareholders resolved:

- to approve, for the intents and purposes of art. 114-bis of the CFA, the proposed changes to the 2013 award cycle for the 2011 share option plan (the "2011 SOP") for the employees and/or directors of the Company and Subsidiaries holding certain positions as selected by the Board of Directors (with any interested parties abstaining from time to time), on the proposal of the Human Resources and Remuneration Committee, from among key management personnel within the Group with respect to the creation of value in conformity with the guidelines set out in the report by the Board of Directors (and the appended information circular) as attached to these minutes, authorising the Board of Directors to finalise the terms and conditions cited in the text in conformity with said guidelines;

- to approve, for the intents and purposes of art. 114-bis of the CFA, the proposed changes to the 2013 award cycle for the 2011 share grant plan (the "2011 SGP") for the employees and/or directors of the Company and Subsidiaries holding certain positions as selected by the Board of Directors (with any interested parties abstaining from time to time), on the proposal of the Human Resources and Remuneration Committee, from among key management personnel within the Group with respect to the creation of value in conformity with the guidelines set out in the report by the Board of Directors (and the appended information circular) as attached to these minutes, authorising the Board of Directors to finalise the terms and conditions cited in the text in conformity with said guidelines;
- to approve, for the intents and purposes of art. 114-bis of the CFA, the proposed changes to the 2014 award cycle for the MBO share grant plan (the "SGMBO") for the employees and/or directors of the Company and Subsidiaries holding certain positions as selected by the Board of Directors (with any interested parties abstaining from time to time), on the proposal of the Human Resources and Remuneration Committee, from among key management personnel within the Company and Subsidiaries, participating in the Management By Objective scheme ("MBO") as adopted by the Group in conformity with the guidelines set out in the report by the Board of Directors (and the appended information memorandum) as attached to these minutes, authorising the Board of Directors to finalise the terms and conditions cited in the text in conformity with said guidelines;
- to grant the Board of Directors, with the authority to sub-delegate, the broadest powers necessary or appropriate to proceed with full implementation of the above resolutions and of the changes described therein to the 2013 award cycle for the 2011 SOP and the 2011 SGP and the 2014 award cycle for the SGMBO, including, merely for example, disclosure to the market of all the required details, preparation and/or finalization of any document which might be necessary or appropriate in relation to the resolutions and the Plans, pursuant to the applicable legislative and regulatory provisions, and, in general, to carry out these resolutions.

Extraordinary session

With regard to item 1) on the agenda the shareholders resolved:

- to approve the merger plan deposited and registered pursuant to law and attached to these minutes, and to consequently proceed with the merger by the incorporation of Gemina S.p.A. into Atlantia S.p.A. under the terms and conditions contemplated herein. In particular, the share swap of the ordinary and savings shares of the Absorbed Company Gemina S.p.A. will be carried out by the issue of a maximum of 164,025,376 new ordinary shares, the benefits borne by which shall take effect on the same date as that of the Atlantia ordinary shares in circulation at the date on which the merger takes effect, with the nominal value of €1.00 each, in application of the share swap ratio and the procedures for the assignment of the shares contemplated by the merger plan;
- to increase the share capital of the Surviving Company Atlantis S.p.A. to serve the share swap, by a maximum nominal amount of €164,025,376.00, by the issue of a maximum of 164,025,376 new ordinary shares with the nominal value of €1.00 each;
- to adopt, as of the date on which the merger takes effect towards third parties, the articles of association attached to the merger plan as Annex "A";
- to confer on the Board of Directors, and for this latter on its Chairman and on the Managing Director pro tempore in office, separately and also by special proxies appointed for the purpose, the widest faculties for applying all amendments to the non-substantial shareholders' resolutions that may be necessary, at the request of any competent administrative authority or for entry in the Trade Register, in representation of the Company;
- to confer on the Board of Directors, and for this latter on its Chairman and on the Managing Director pro tempore in office, separately and also by special proxies appointed for the purpose, the widest powers excluding none, for the implementation of the merger, according to the modalities and terms contemplated in the merger plan, as well as in this resolution, and therefore, without any limitation whatsoever:
 - (i) to stipulate and undersign the public merger deed (even if the necessary authorisations on the part of the competent Antitrust Authority are not issued, or are issued only partially, conditionally or with reserve, always providing this allows for the execution of the merger and does not substantially prejudice the same within the terms contemplated by the aforesaid merger plan), and any and every deed of recognition, additional deed, instrumental deed and/or deed of amendment that may be necessary or opportune, defining every agreement, condition, clause term and modality in respect of the merger plan;
 - (ii) to make additions to and amend, at the moment of the stipulation of the merger deed, the numeric expressions contained in article 6 of the articles of association of Atlantia S.p.A., in application of the criteria indicated in the aforesaid merger plan;
 - (iii) to provide in general for everything else that may be requested, necessary, useful or even only opportune for the complete implementation of the above resolutions, allowing for conveyances, registrations, annotations, amendments and corrections of entries in public registers and at every other competent seat, as well as the presentation to the competent authorities of every claim, instance, communication or application for authorisation that may be requested or necessary or opportune for the purposes of the operation.

Contacts

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REA no. 1023691

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