Atlantia

Press Release

BOARD APPROVES CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR 2017

Consolidated results for 2017[1]

- Traffic on Group's Italian motorway network up 2.2% (up 2.8% after excluding leap-year effect and including mix effect of growth in heavy vehicles)
- Traffic using Group's overseas motorway network up 3.6%
- Passenger traffic at the Group's airports up 1% overall
- Gross operating profit (EBITDA) of €3,664m up 8% (up 6% on like-for-like basis[2])
- Profit attributable to owners of parent totals €1,172m, up 4% (up 6% on like-for-like basis[2])
- Group capital expenditure amounts to €1,050m

[1] In addition to the reported amounts in the consolidated financial statements, this press release also presents and analyses alternative performance indicators ("APIs"), including EBITDA, operating cash flow and capital expenditure. A detailed description of the principal APIs used in the following consolidated financial review, including an explanation of the term "like-for-like basis", used in describing changes in certain consolidated financial indicators, is provided in the "Explanatory notes" below.
[2] The "Explanatory notes" include a table showing the reconciliation of certain consolidated financial indicators on a like-for-like basis for the two comparative periods.

Investor Relations
e-mail: investor.relations@atlantia.it

Media Relations
e-mail: media.relations@atlantia.it

www.atlantia.it

- Operating cash flow of €2,540m up 6% (up 8% on like-for-like basis[3])
- Net debt of €9,496m as at 31 December 2017 down €2,181m compared with 31 December 2016, of which €1,814m following sales of non-controlling interests in Autostrade per l'Italia and Aéroports de la Côte d'Azur[4]
- Group's average workforce totalled 15,979 in 2017, up 982 compared with 2016, essentially due to the effect of Aéroports de la Côte d'Azur and its subsidiaries (up 706), an increase in volume of work at Pavimental and continuation of insourcing initiatives at the Group's airports

Annual General Meeting

- Annual General Meeting to approve financial statements to be held on 20 April 2018
- Board to propose dividend of €1.22 per share for approval by AGM (up 26% compared with €0.970 of 2016), with payment of final dividend of €0.65 per share in May 2018, following interim dividend of €0.57 paid in 2017

Rome, 2 March 2018 – Today's meeting of the Board of Directors of Atlantia SpA, chaired by Fabio Cerchiai, has examined and approved Atlantia's separate and consolidated financial statements for the year ended 31 December 2017, which will be published within the deadline established by the relevant statutory requirements, together with the results of the audit currently in progress. The separate and consolidated financial statements for the year ended 31 December 2017 have been prepared in accordance with the IFRS in effect on 31 December 2017. Atlantia SpA's Board of Directors also approved Atlantia's Integrated Report for 2017, containing the consolidated non-financial statement required by Legislative Decree 254/2016. This will be published at the same time as Atlantia's Annual Report.

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(3) The "Explanatory notes" include a table showing the reconciliation of certain consolidated financial indicators on a like-for-like basis for the two comparative periods.

(4) After taking into account reduction in dividends collected.

Key performance indicators by operating segment

	ITALIAN MOTORWAYS		OVERSEAS MOTORWAYS		ITALIAN AIRPORTS		OVERSEAS AIRPORTS		ATLANTIA AND OTHER ACTIVITIES		CONSOLIDATION ADJUSTMENTS		TOTAL ATLANTIA GROUP(1)	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
REPORTED AMOUNTS														
External revenue	3.903	3.794	648	558	900	883	281	-	241	249	-	-	5.973	5.484
Intersegment revenue	42	47	-	1	1	1	-	-	505	403	-548	-452	-	-
Total operating revenue	3.945	3.841	648	559	901	884	281	-	746	652	-548	-452	5.973	5.484
EBITDA	2.453	2.384	483	422	550	532	95	-10	83	50	-	-	3.664	3.378
Operating cash flow	1.638	1.632	391	340	429	387	62	-6	20	47	-	-	2.540	2.400
Capital expenditure	556	718	183	177	207	445	27	-	75	78	2	4	1.050	1.422

(1) Information on the principal consolidated amounts and the related changes is provided in the "Group financial review".

Details of the composition of operating segments are provided in the "Explanatory notes".

Operating review for the principal Group companies

Italian motorways

- **Traffic up 2.2% overall in 2017 compared with 2016 (up 2.8% after excluding leap-year effect and including mix effect of growth in heavy vehicles)**
- **Operating revenue amounts to €3,945m, up €104m (3%)**
- **EBITDA of €2,453m up €69m (3%)**
- **Capital expenditure totals €556m**

Traffic

Traffic on the Group's Italian network in 2017 is up 2.2% compared with the previous year. The number of kilometres travelled by vehicles with 2 axles is up 1.8%, with the figure for those with 3 or more axles up 4.7%. After excluding the leap-year effect, traffic is estimated to have risen 2.4% in 2017 compared with 2016.

OPERATOR	KM TRAVELLED (IN MILLIONS)				ATVD [1]
	VEHICLES WITH 2 AXLES	VEHICLES WITH 3+ AXLES	TOTAL VEHICLES	% CHANGE VERSUS 2016	2017
Autostrade per l'Italia	41.473	6.442	47.915	2,2	45.987
Autostrade Meridionali	1.665	37	1.702	2,8	90.364
Tangenziale di Napoli	882	46	928	-0,5	125.842
Autostrada Tirrenica [2]	282	26	308	4,5	18.596
Raccordo Autostradale Valle d'Aosta	96	21	117	4,6	10.023
Società Italiana per il Traforo del Monte Bianco	8	4	12	5,1	5.562
Total Italian operators	**44.408**	**6.575**	**50.982**	**2,2**	**46.411**

(1) ATVD - Average theoretical vehicles per day, equal to number of kilometres travelled/journey length/number of days.

(2) The 15-km Civitavecchia-Tarquinia section was opened to traffic at the end of March 2016.

Operating results

The Group's Italian motorway operations generated operating revenue of €3,945m in 2017, an increase of €104m (3%) compared with 2016. Net toll revenue of €3,590m is up €107m on 2016. The increase is primarily due to traffic growth (boosting toll revenue by an estimated €82m, taking into account the positive impact of the traffic mix[5]) and application of annual toll increases (up €19m, above all reflecting a 0.64% increase in tolls at Autostrade per l'Italia). EBITDA for the Italian motorways segment in 2017 amounts to €2,453m, up €69m (3%) on 2016.

Capital expenditure

Capital expenditure at the Group's Italian motorway operators in 2017 amounts to €556m.

(€M)	2017	2016
Autostrade per l'Italia -projects in Agreement of 1997	214	305
Autostrade per l'Italia - projects in IV Addendum of 2002	71	169
Autostrade per l'Italia: other capital expenditure (including capitalised costs)	209	161
Other operators (including capitalised costs)	23	42
Total investment in infrastructure operated under concession	**517**	**677**
Investment in other intangible assets	21	17
Investment in property, plant and equipment	18	24
Total capital expenditure	**556**	**718**

With regard to the works envisaged in the Agreement of 1997, work continued in 2017 on widening the A1 between Barberino and Florence North to three lanes, with mechanical boring of the new Santa Lucia Tunnel currently under way. Work is also continuing on completion of the *Variante di Valico*, relating solely to off carriageway works and Lot 1 North on the A1 between Florence South and Incisa, which is being widened to three lanes.

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

In terms of the works contained in the IV Addendum of 2002, work on completing off carriageway works for the previously opened sections between Cattolica and Fano and between Senigallia and Ancona South continued. The A4-A13 link road in the vicinity of the Padua Industrial Park toll station was also opened to traffic in September. Finally, on 7 September 2017, the Grantor approved the Final Design for the upgrade of the road and motorway system serving Genoa (the so-called "*Gronda di Ponente*"), which is due to cost an estimated €4.3bn and take approximately 10 years to complete from the time that work begins. Work on the executive design for the various lots that make up the project is now in progress.

Autostrade per l'Italia's other capital expenditure includes approximately €76m invested in major works, primarily construction of the fourth free-flow lane for the A4 in the Milan area and design work and surveys carried out in preparation for work on the Bologna Interchange.

Overseas motorways

- **Traffic up 4.8% in Chile, 2.3% in Brazil and 5.6% in Poland in 2017**
- **Operating revenue of €648m up 16% (11% at constant exchange rates)**
- **EBITDA of €483m up 14% (11% at constant exchange rates)**
- **Capital expenditure totals €183m**

Traffic

The Group's overseas operators registered the following traffic growth in 2017, compared with 2016: Chile up 4.8%, Brazil up 2.3% and Poland up 5.6%. After excluding the leap-year effect, traffic is up 5.1% in Chile, 2.5% in Brazil and 5.9% in Poland.

OPERATOR	KM TRAVELLED (IN MILLIONS)		
	2017	2016	% CHANGE
Grupo Costanera			
Costanera Norte	1.265	1.199	5,5%
Nororiente	94	89	6,1%
Vespucio Sur	971	939	3,4%
Litoral Central	128	121	6,4%
AMB	27	24	9,6%
Los Lagos	769	734	4,8%
Total Chile	3.255	3.106	4,8%
Triangulo do Sol	1.435	1.404	2,2%
Rodovias das Colinas	2.001	1.972	1,5%
Rodovia MG050	843	809	4,2%
Total Brazil	4.279	4.185	2,3%
Stalexport Autostrada Malopolska	959	908	5,6%
Total Poland	959	908	5,6%
Total consolidated operators	8.493	8.199	3,6%

Operating results

The overseas motorways segment generated operating revenue of €648m in 2017, up €89m (16%) on 2016. At constant exchange rates, operating revenue is up €59m (11%), reflecting toll increases applied by operators and traffic growth. EBITDA of €483m for 2017 is up €61m (14%) on 2016. At constant exchange rates, EBITDA is up €41m (10%).

Financial and operational data is provided below for each country.

Chile

Chilean operators' operating revenue for 2017 amounts to €338m, up €58m (21%) on 2016. At constant exchange rates, operating revenue is up €51m (18%), having benefitted from traffic growth and the toll increases that came into effect from January 2017. EBITDA of €219m is up €30m (16%) compared with 2016. At constant exchange rates, EBITDA is up €25m (13%). This partly reflects an increase in the cost of maintenance and resurfacing work at Los Lagos.

The Chilean operators invested a total of €110m in 2017. In this regard:

- at the end of 2017, approximately 92% of the works to be carried out as part of the *Santiago Centro Oriente* upgrade programme had been completed. The programme involves investment of approximately €256bn pesos (equal to approximately €350m[6]). On 29 October 2017, Costanera Norte opened the Kennedy tunnel, a key part of the project in terms of its construction and operational importance, was opened to traffic approximately 12 months ahead of schedule;

- on 3 November 2017, the operator, Nororiente, opened the Chamisero tunnel to traffic one month ahead of the scheduled 18 months.

On 28 July 2017, Atlantia, through its Chilean subsidiary, Grupo Costanera, was awarded the concession for the Américo Vespucio Oriente Príncipe de Gales - Los Presidentes (AVO II) project. The AVO II project regards the construction and operation of a section of urban motorway in the city of Santiago, consisting of a 5.2-km long tunnel using a free-flow tolling system. The AVO II section is located in the eastern section of Santiago's orbital motorway and is a continuation of the section operated under concession by Vespucio Sur, a wholly owned subsidiary of Grupo Costanera. The project is expected to cost approximately €500 million.

Brazil

Operating revenue for 2017 amounts to €310m, up €42m (16%) on 2016. At constant exchange rates, operating revenue is up €22m (8%), having benefitted from a recovery in traffic with respect to 2016 and the toll increases applied under the various concession arrangements.

EBITDA of €211m is up €30m (17%) compared with 2016. At constant exchange rates, EBITDA is up €16m (9%). Capital expenditure amounted to €63m in 2017.

Poland

The Stalexport Autostrady group's operating revenue for 2017 amounts to €76m, an increase of €8m (12%) compared with 2016. At constant exchange rates, revenue is up €6m (9%), having benefitted from traffic growth and the toll increases for heavy vehicles applied from March 2017. EBITDA of €57m is up €5m (10%) on 2016. At constant exchange rates, EBITDA is up €4m (8%).

(6) The amounts for already completed works are converted using the average exchange rate for the relevant year; amounts for future works are converted using the average exchange rate for 2017.

Italian airports

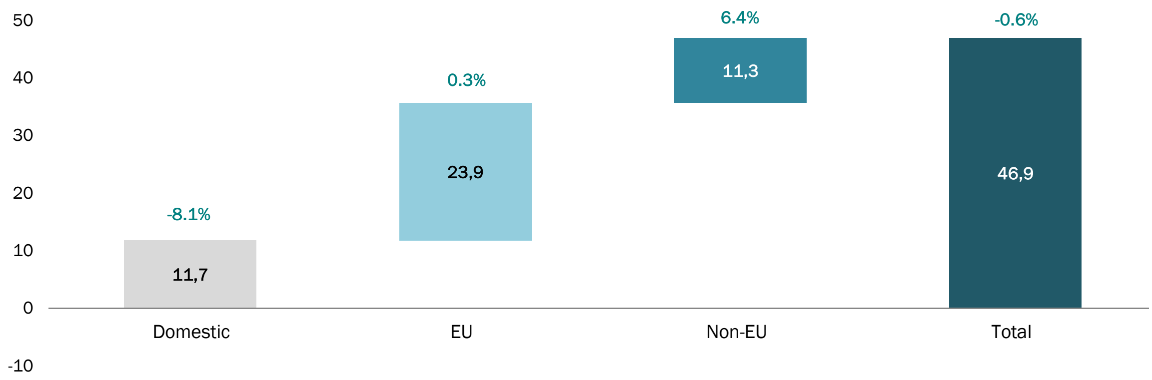
- **Roman airport system handles 47m passengers in 2017, down 0.6% on previous year (broadly in line with 2016 after excluding leap-year effect)**
- **Operating revenue of €901m up €17m (2%)**
- **EBITDA of €550m up €18m (3%)**
- **Capital expenditure totals €207m**

Traffic

The Roman airport system handled 47m passengers in 2017, marking a slight 0.6% decline compared with the previous year. After excluding the leap-year effect, traffic in 2017 is broadly in line with the previous year.

The Non-EU segment is up 6.4%, primarily due to long-haul traffic, whilst the EU segment, representing 51% of total traffic, is up 0.3% on the previous year. The Domestic segment, in contrast, is down 8.1%, partly due to a decline in operations at Alitalia, which is currently in extraordinary administration. The reorganisation of Alitalia's network has, moreover, resulted in a reduction in transit passengers using Fiumicino.

Breakdown of traffic using the Roman airport system in 2017
(millions of pax and change 2017 versus 2016)



Operating results

The Italian airports business generated operating revenue of €901m in 2017, an increase of €17m (2%) compared with the previous year. Aviation revenue of €640m is up €4m (1%) on 2016, primarily reflecting the increase in airport fees applied from 1 March of each year. Other operating income of €261m is up €13m (5%) on 2016, primarily reflecting the positive performance of non-aviation revenue following the opening, at the end of 2016, of the retail plaza in Boarding Area E, as well as the positive performance of the sub-concession of space. EBITDA of €550m is up €18m (3%) on the previous year.

Capital expenditure

Capital expenditure totalled €207m in 2017.

€M	2017	2016	% CHANGE
T3 wing and boarding area E	23	195	-88%
Work on baggage handling sub-systems and airport equipment	12	55	-77%
Work on terminals and piers	44	61	-28%
Work on technical systems and networks	24	33	-26%
Work on runways and aprons	58	21	177%
Other	46	81	-43%
TOTAL	207	445	-54%

Work on the upgrade of Runway 1 at Fiumicino was completed, as was the internal upgrade and refurbishment of Terminals 1 and 3, in readiness for the transfer of high-risk flights, finishing work and complementary works for boarding area E and Phase 1 of the Western aprons project. Following the opening, in 2016, of the retail plaza in Terminal 3 and the new pier for boarding area E on the Western side of the airport, work began on the new boarding area A and a new wing of Terminal 1, as part of plans to upgrade the Eastern area, which is to be used primarily for domestic and Schengen flights. At Ciampino airport, work on the upgrade of the General Aviation Terminal was completed.

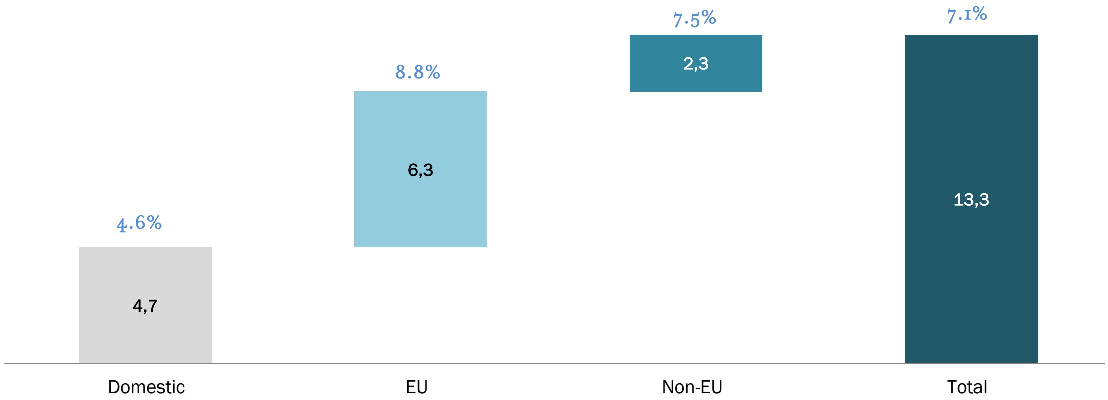
Overseas airports

- **Nice airport handles 13m passengers in 2017, up 7.1% on previous year (7.3% after excluding leap-year effect)**
- **Operating revenue totals €281m**
- **EBITDA totals €95m**
- **Capital expenditure totals €27m**

Traffic

Nice airport handled 13m passengers in 2017, marking an increase of 7.1% compared with the previous year. After excluding the leap-year effect, the increase is approximately 7.3%. In terms of general aviation, movements were up 5.2%[7] in 2017.

Breakdown of traffic using Nice airport in 2017 (millions of pax and change 2017 versus 2016)



Operating results

The Group's overseas airports segment generated operating revenue of €281m in 2017. Aviation revenue of €159m primarily consists of fees earned by the airports of Nice, Cannes and Saint-Tropez, in addition to the contribution from the Sky Valet FBO network. Other operating income amounts to €122m. EBITDA totals €95m.

Capital expenditure

The Aéroports de la Côte d'Azur group's capital expenditure amounts to €27m for 2017. Initiatives designed to expand capacity amount to €20m and include work on increasing the retail offering, expanding the capacity of Terminal 2, work on the tram line to Nice airport and improvements to aircraft aprons. The Aéroports de la Côte d'Azur group invested a further €7m in the upgrade of airport infrastructure, primarily runways and taxiways, to comply with EASA regulations. The group also acquired security equipment and carried out work designed to ensure security in the area of the airport open to the public.

[7] The figures refer to the airports of Nice, Cannes and Saint-Tropez.

Events after 31 December 2017

Award of concession for Conexión Vial Ruta 78-68 project in Chile

On 1 February 2018, Atlantia was awarded the concession for the project that will link Vial Ruta 78 with Hasta Ruta 68 through its subsidiary, Grupo Costanera.

The project will involve construction and operation of a new 9.2-km section of urban, free-flow toll motorway in the city of Santiago. The new road will link Ruta 78 with Ruta 68, the two main roads connecting Santiago with the ports of Valparaiso and San Antonio and already connected with the section operated under concession by Costanera Norte. The estimated cost of the project is approximately €200m.

Extraordinary General Meeting of Atlantia SpA's shareholders

On 21 February 2018, an Extraordinary General Meeting of Atlantia's shareholders voted to extend the deadline for execution of the capital increase to service the tender offer for the entire issued capital of Abertis Infraestucturas SA from 30 April to 30 November 2018, and to reschedule the lock-up period for the Special Shares, to be issued as a result of the capital increase to service the tender offer, making it 90 days from issue of the shares.

Autostrade per l'Italia's traffic figures for early 2018

Between the beginning of the year and 18 February (preliminary data), traffic using Autostrade per l'Italia's network was up 5.1%, with heavy vehicles (3 or more axles) up 6.1% and light vehicles (2 axles) rising 4.9%.

Group operating review

Introduction

The accounting standards applied during preparation of the consolidated accounts for 2017 are consistent with those adopted for the consolidated financial statements for the year ended 31 December 2016, in that the amendments to existing standards that came into effect in 2017 have not had any impact on the accounts.

The Group's scope of consolidation as at 31 December 2017 is unchanged with respect to 31 December 2016. However, amounts for 2017 include the contribution of Aéroports de la Côte d'Azur ("ACA") and its subsidiaries following completion of the French company's acquisition at the end of 2016 through the acquisition vehicle, Azzurra Aeroporti. Whilst not modifying the Group's scope of consolidation, the Group's restructuring, begun in 2016, was completed in 2017. Completion of the process involved Autostrade per l'Italia's distribution of a special dividend in kind to its parent, Atlantia, via the transfer of its entire interests in Autostrade dell'Atlantico and Autostrade Indian Infrastructure Development.

Finally, a detailed explanation of the term "like-for-like basis", used in the description of certain consolidated financial indicators , is provided in the "Explanatory notes" below.

Operating results

Operating revenue

Operating revenue for 2017 amounts to €5,973m, an increase of €489m (9%) on 2016 (€5,484m).

Toll revenue of €4,195m is up €186m (5%) compared with 2016 (€4,009m). After adjusting for the impact of exchange rate movements, which in 2017 had a positive impact of €26m, toll revenue is up €160m, primarily as a result of the following:

- traffic growth on the Italian network (up 2.3%, boosting revenue by an estimated €82m, after taking into account the positive impact of the different traffic mix) and the application of annual toll increases on the Italian network (up €19m, above all reflecting a 0.64% increase in tolls at Autostrade per l'Italia from 1 January 2017);
- an improved contribution from overseas operators (up €53m), linked both to the application of toll increases on the overseas network and to traffic growth registered by operators in Chile (up 4.8%), Brazil (up 2.3%) and Poland (up 5.6%).

Aviation revenue of €799m is up €163m (26%) compared with 2016 (€636m), primarily reflecting the contribution of the Aéroports de la Côte d'Azur group (€159m). The improvement also reflects the annual increases in airport fees applied with effect from 1 March by Aeroporti di Roma.

Contract revenue and other operating income, totalling €979m, is up €140m compared with 2016 (€839m). This primarily reflects the contribution of the Aéroports de la Côte d'Azur group (€122m), increased non-aviation revenue at Aeroporti di Roma, linked to the opening of the new retail plaza in Terminal 3 at Fiumicino at the end of 2016 and increased revenue at Telepass, partially offset by a reduction in insurance proceeds which, in 2016, were linked to the fire in Terminal 3 at Fiumicino.

Operating costs

Net operating costs of €2,309m are up €203m (10%) on 2016 (€2,106m), primarily as a result of the following:

- an increase of €106m in the cost of materials and external services compared with 2016 (€799m). After adjusting for the impact of exchange rate movements, the increase is €102m, primarily due to a combination of the following:
  - the contribution of the ACA group, totalling €120m, after the acquisition costs incurred in 2016;
  - the costs incurred for the external consultants engaged in relation to the public tender offer, in cash and shares, for the entire issued capital of Abertis Infraestructuras SA and to the sale of non-controlling interests in Autostrade per l'Italia;
  - an increase in maintenance costs at Autostrade per l'Italia, reflecting an increase in work on the network and increased snowfall in 2017;
  - higher margins on construction services provided by the Group's in-house construction companies, above all Pavimental, primarily due to the greater volume of infrastructure works carried out by Autostrade per l'Italia in the Barberino area;
  - the combined effect, on Pavimental's intragroup contracts, of the application of deeper discounts on infrastructure contracts for Autostrade per l'Italia's Barberino-Florence North section of motorway, on the instructions of the Ministry of Infrastructure and Transport, and the impact of a settlement agreed with Autostrade per l'Italia in 2017 in relation to these contracts.
- an €18m (4%) increase in concession fees compared with 2016 (€495m), primarily in relation to the increase in toll revenue at the Italian operators and the contribution from the ACA group;
- a €79m (10%) increase in net staff costs compared with 2016. After adjusting for the impact of exchange rate movements, staff costs are up €77m (9%) due to:
  - an increase of 932 in the average workforce (excluding agency staff), primarily reflecting the contribution from the ACA group, the recruitment of staff engaged in the implementation of investments provided for in the *Santiago Centro Oriente* expansion programme in Chile, an increase in motorway and airport construction work carried out by Pavimental in Italy, the increased volume of infrastructure operated and the Aeroporti di Roma group's continued implementation of insourcing programmes;

- an increase in the average unit cost, primarily due to the cost of contract renewals at the Group's Italian companies;
- an increase in the capitalised portion of costs due to construction services.

Results

Gross operating profit (EBITDA) of €3,664m is up €286m (8%) on 2016 (€3,378m). On a like-for-like basis, gross operating profit is up €206m (6%).
Amortisation and depreciation, impairment losses and reversals of impairment losses, totalling €1,012m, is up €56m compared with 2016 (€956m), primarily reflecting the contribution of the ACA group and increased charges for amortisation and depreciation recognised by the Group's Italian and overseas motorway operators. These increases were partly offset by the partial reversal of impairment losses on intangible assets deriving from concession rights previously recognised by Raccordo Autostradale Valle d'Aosta (€79m).
Operating profit (EBIT) of €2,578m is up €263m (11%) compared with 2016 (€2,315m).
The operating change in provisions and other adjustments shows an expense of €74m, down €33m on the figure for 2016 (an expense of €107m). In particular, the greater amount of net provisions recognised for 2016 reflected a reduction in the interest rates used to discount the provisions to present value, at that time only partly offset by reversals of impairment losses on current assets.

Financial expenses from discounting of provisions for construction services required by contract and other provisions amount to €42m and are down €23m compared with 2016 (€65m), essentially reflecting a decline in the discount rates used in 2017 with respect to those used in 2016.

Net other financial expenses of €538m are broadly in line with 2016 (€539m).

Total income tax expense amounts to €632m, up €99m compared with 2016 (€533m). The increase is proportionately higher than the increase in profit before tax, primarily due to the increased tax expense (amounting to €46m, compared with €16m in 2016) resulting from the Group's restructuring.

Profit from continuing operations amounts to €1,433m, marking an increase of €190m compared with 2016 (€1,243m).

Profit for the year attributable to owners of the parent, amounting to €1,172m, is up €50m on 2016 (€1,122m). On a like-for-like basis, profit for the period attributable to owners of the parent is up €63m (6%).

Operating cash flow for 2017 amounts to €2,540m, including the contribution from the ACA group, totalling 62m. This is up €140m on 2016. On a like-for-like basis, operating cash flow amounts to €2,589m, marking an increase of €201m (8%) compared with 2016, primarily due to an increase in cash from operating activities (EBITDA).

Equity attributable to owners of the parent, totalling €8,772m as at 31 December 2017, is up €1,548m compared with 31 December 2016 (€7,224m). This essentially reflects the following:

- comprehensive income for the period (€1,130m);
- the net increase (totalling €1,407m) resulting from the sales of an 11.94% stake in Autostrade per l'Italia and of a 12.5% interest in Azzurra Aeroporti and the acquisition of 2.65% of Aeroporti di Roma;
- dividends declared, consisting of the final dividend for 2016 (€433m) and the interim dividend for 2017 (€466m);
- the purchase of treasury shares (€84m).

The Group's net debt as at 31 December 2017 amounts to €9,496 (€11,677m as at 31 December 2016). As at 31 December 2017, the Group has cash reserves (cash, term deposits and undrawn committed lines of credit) of €7,927m.

Financial review for Atlantia SpA

Atlantia SpA's profit for 2017 amounts to €2,722m, up €1,803m compared with the €919m of 2016. This reflects:

- an increase in dividends from investees, essentially due to distribution of a special dividend in kind by Autostrade per l'Italia (€755m);
- gains resulting from the sale of investments, mainly generated by the sale of a stake in Autostrade per l'Italia (€1,010m) and of the entire interest in SAVE (€40m).

The Company's equity as at 31 December 2017 amounts to €11,503m, up €1,757m compared with 31 December 2016 (€9,746m). As at 31 December 2017, Atlantia SpA has net funds of €1,854m (net debt of €1,031m as at 31 December 2016).

Outlook and risks or uncertainties

Forecasts for 2018 lead us to expect an improvement in the Group's earnings.
Traffic using the Group's Italian motorway network is expected to grow, as confirmed from the trends seen in the early part of 2018. In the airports segment, which continues to record an increase in traffic, Nice airport expects to record further growth in passengers using both commercial and general aviation, whilst traffic at Aeroporti di Roma is expected to remain broadly stable, except for potential disruption to Alitalia's operations.

Work on upgrading the network operated under concession will continue in 2018. In Italy, work on preparation of the executive design for the Genoa Bypass is proceeding. In Chile, execution of the *Santiago Centro Oriente* programme will continue, whilst design and engineering work for the tunnel to be built by Vespucio Oriente (AVO II) will begin. The modernisation of Fiumicino will also proceed, with work focusing primarily on the eastern area of the airport serving Schengen passengers.

The operating results for 2018 will reflect growth at Telepass and the Group's construction and engineering companies, in addition to the expenses to be incurred by Atlantia for the external consultants working on the voluntary public tender offer, in cash and shares, for Abertis Infraestructuras. Should the offer be successful, the Group's debt will include the committed acquisition financing obtained to fund the transaction and the Abertis Infraestructuras group will be included in the Atlantia Group's scope of consolidation.

Call of the Annual General Meeting

The Board of Directors intends to propose to the Annual General Meeting ("AGM") of Atlantia's shareholders, to be held in single call on 20 April 2018, payment of a final dividend of €0.65 per share with a value date of 23 May 2018. The ex-dividend date (coupon no. 32) is 21 May 2018 and the record date 22 May 2017. The final dividend adds to the interim dividend of €0.57 paid in 2017, resulting in a total dividend for 2016 of €1.22, up 26% on 2016 (€0.970 per share).

The Board will also propose that the AGM, subject to revocation of the resolution passed on 21 April 2017, again authorise the purchase and sale of the Company's own shares,, to be expanded in connection with the reasons for the buybacks in order to take into account the purposes provided for in art. 5 of EU Regulation 596/2014.

The AGM will also be asked to elect Statutory Auditors and the Chairperson of the Board of Statutory Auditors for the financial years 2018-2019-2020.

Finally, the AGM will be asked to vote on the first section of the Remuneration Report, in accordance with art. 123-*ter* of Legislative Decree 58 of 24 February 1998.

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

Explanatory notes

Alternative performance indicators

In application of the CONSOB Ruling of 3 December 2015, governing implementation in Italy of the guidelines for alternative performance indicators ("APIs") issued by the European Securities and Markets Authority (ESMA), the basis used in preparing the APIs published by the Atlantia Group is described below.

The APIs shown in this release are deemed relevant to an assessment of the operating performance based on the overall results of the Group as a whole and the results of its operating segments and of individual consolidated companies. In addition, the APIs provide an improved basis for comparison of the results over time, even if they are not a replacement for or an alternative to the results published in accordance with international financial reporting standards (IFRS).

With regard to the APIs, Atlantia presents the following financial statements as attachments to this release: the reclassified income statement, the reclassified statement of financial position and the statement of cash flows. In addition to amounts from the income statement and statement of financial position prepared under IFRS, these reclassified financial statements thus present a number of indicators and items derived from them, even when they are not required by the above standards and are, therefore, identifiable as APIs. A list of the principal APIs used by the Atlantia Group, together with a brief description and reconciliation with reported amounts, is provided below:

- "Gross operating profit (EBITDA)" is the synthetic indicator of gross profit from operations, calculated by deducting operating costs, with the exception of amortisation, depreciation, impairment losses and reversals of impairment losses, the operating change in provisions and other adjustments, from operating revenue;
- "Operating profit (EBIT)" is the indicator that measures the operating return on invested capital, calculated by deducting amortisation, depreciation, impairment losses and reversals of impairment losses, the operating change in provisions and other adjustments from EBITDA. Like EBITDA, EBIT does not include the capitalised component of financial expenses relating to construction services, which is shown in a specific item under financial income and expenses in the reclassified income statement, whilst being included in revenue in the consolidated income statement prepared on a reported basis;
- "Net invested capital", showing the total value of non-financial assets, after deducting non-financial liabilities;
- "Net debt", being the indicator of the portion of net invested capital funded by net financial liabilities, calculated by deducting "Current and non-current financial assets" from "Current and non-current financial liabilities";
- "Capital expenditure", being the indicator of the total amount invested in development of the Group's businesses, calculated as the sum of cash used in investment in property, plant and equipment, in assets held under concession and in other intangible assets, excluding investments in investees;
- "Operating cash flow", being the indicator of cash generated by or used in operating activities. Operating cash flow is calculated as profit for the period + amortisation/depreciation +/- impairments/reversals of impairments of assets +/- provisions/releases of provisions + other adjustments + financial expenses from discounting of provisions +/- share of profit/(loss) of investees accounted for using equity method +/- (losses)/gains on sale of assets +/- other non-cash items +/- portion of net deferred tax assets/liabilities recognised in profit or loss.

A number of APIs, calculated as above, are also presented after applying certain adjustments in order to provide a consistent basis for comparison over time, or in application of a different financial statement presentation deemed to be more effective in describing the financial performance of specific activities of the Group.

These adjustments to APIs are linked to the "like-for-like changes" used in the analysis of changes in gross operating profit (EBITDA), profit for the year, profit for the year attributable to owners of the parent and operating cash flow, and calculated by excluding, where present, the impact of: (i) changes in the scope of consolidation; (ii) changes in exchange rates on the value of assets and liabilities denominated in functional currencies other than the euro; and (iii) events and/or transactions not strictly connected with operating activities that have an appreciable influence on amounts for at least one of the two comparative periods.

In particular, like-for-like amounts for the two comparative periods have been determined by eliminating:

- from consolidated amounts for 2017 and 2016, the contribution of ACA and its subsidiaries, consolidated from December 2016, and the cost of the relevant acquisition by Azzurra Aeroporti, after the related taxation;

- for 2017 alone, the difference between foreign currency amounts for 2017 for companies with functional currencies other than the euro, converted at average exchange rates for the year, and the matching amounts converted using average exchange rates for 2016;
- for 2017 alone, the charges incurred in relation to the voluntary public tender offer, in cash and shares, for the entire issued capital of Abertis Infraestructuras, announced by Atlantia on 15 May 2017, and the unlocking of value from the Italian motorway assets through the sale of an 11.94% stake in Autostrade per l'Italia, after the related taxation;
- from consolidated amounts for 2017, the partial reversal of impairment losses on intangible assets deriving from concession rights, recognised in the past by Raccordo Autostradale Valle d'Aosta (RAV), after the related taxation;
- from consolidated amounts for 2017 and 2016, the after-tax impact of the difference in the discount rates applied to the provisions accounted for among the Group's liabilities;
- from consolidated amounts for 2017, the after-tax impact of the financial income and expenses resulting from the issue and accompanying partial repurchase of certain bonds by Autostrade per l'Italia; from consolidated amounts for 2016, the financial expenses, after the related taxation, linked to the partial buyback of certain bonds issued by Atlantia and the taxation resulting from the issuer substitution involving the transfer of bonds from Atlantia to Autostrade per l'Italia;
- for 2017, the gain resulting from the sale of the investment in SAVE; for 2016, the reversal of the impairment loss on the investment in Lusoponte and the impairment loss on the carrying amount of the investment in Compagnia Aerea Italiana;
- from consolidated amounts for 2017, the current tax expense connected with Autostrade per l'Italia's distribution, to its parent, Atlantia, of available equity reserves and of a special dividend in kind via the transfer of its entire interests in Autostrade dell'Atlantico and Autostrade Indian Infrastructure Development; from consolidated amounts for 2016, current taxation linked to the intragroup transfer of a number of consolidated investments (Telepass and Stalexport Autostrady);
- for 2016 alone, the increase in the Italian companies' tax expense following the reduction in the IRES tax rate from 27.5% to 24% with effect from 1 January 2017 (the 2016 Stability Law) and the net change in deferred taxation linked to certain Chilean companies, following the merger, in 2016, of two Chilean companies already included in the scope of consolidation, in addition to the impact of full implementation of the Chilean tax reforms that came into effect in 2016;
- for 2016 alone, the estimated impact on profit for the year attributable to owners of the parent had the changes in the interests in consolidated companies, concluded in 2017, occurred in 2016, relating to:
  - the sale of a 11.94% interest in Autostrade per l'Italia;
  - the sale of 12.50% of Azzurra Aeroporti;
  - the acquisition of further 2.65% interest in Aeroporti di Roma.

The following table shows the reconciliation of like-for-like consolidated amounts for gross operating profit (EBITDA), profit for the year, profit for the year attributable to owners of the parent and operating cash flow for the comparative periods and the corresponding amounts presented in the reclassified consolidated income statement.

€M	Note	Amounts for 2017				Amounts for 2017			
		GROSS OPERATING PROFIT (EBITDA)	PROFIT FOR THE PERIOD	PROFIT FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT	OPERATING CASH FLOW	GROSS OPERATING PROFIT (EBITDA)	PROFIT FOR THE PERIOD	PROFIT FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT	OPERATING CASH FLOW
Reported amounts (A)		3.664	1.432	1.172	2.540	3.378	1.238	1.122	2.400
Adjustment for non like-for-like items									
Change in scope of consolidation	*(1)*	95	61	22	62	-10	-6	-5	-6
Exchange rate movements	*(2)*	20	7	4	13	-	-	-	-
Charges pertaining to corporate transactions	*(3)*	-45	-73	-73	-59	-	-	-	-
Reversal of impairment losses on intangible assets	*(4)*	-	57	12	-	-	-	-	-
Change in discount rate applied to provisions	*(5)*	-	24	20	-2	-	-62	-59	-
Partial buybacks and issuer substitution of bonds	*(6)*	-	-16	-14	-16	-	-7	-7	71
Change in unconsolidated investments	*(7)*	-	44	44	-1	-	15	15	-
Tax on transactions involved in Group restructuring	*(8)*	-	-46	-46	-46	-	-16	-16	-16
Change in tax rates (Italy, Chile)	*(9)*	-	-	-	-	-	5	11	-37
Change in non-controlling interests	*(10)*	-	-	-	-	-	-	43	-
Sub-total (B)		70	58	-31	-49	-10	-71	-18	12
Like-for-like amounts (C) = (A)-(B)		3.594	1.374	1.203	2.589	3.388	1.309	1.140	2.388

Composition of the Group's operating segments

The Atlantia Group's operating segments are identified based on the information provided to and analysed by Atlantia's Board of Directors, which represents the Group's chief operating decision maker, when taking decisions regarding the allocation of resources and assessing performance. In particular, the Board of Directors assesses the performance of the business in terms of business segment and geographical area. Following the consolidation of Aéroports de la Côte d'Azur (ACA) at the end of December 2016, a new operating segment to which the Group's overseas airport operations have been allocated is now presented. In addition to the companies controlled by ACA (the company that directly and indirectly operates the airports of Nice, Cannes-Mandelieu and Saint-Tropez and the international network of ground handlers, Sky Valet), this segment also includes the acquisition vehicle used in order to acquire ACA (Azzurra Aeroporti). As a result, the Group's new structure presents information for five main operating segments (Italian motorways, overseas motorways, Italian airports, overseas airports and a fifth operating segment including the Parent Company, Atlantia, and the other remaining activities). The composition of the Atlantia Group's operating segments as at 31 December 2017 is as follows:

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

** * **

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

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

The Group's net debt, measured in accordance with the European Securities and Market Authority – ESMA Recommendation of 20 March 2013 (which does not entail the deduction of non-current financial assets from debt), amounts to €11,812m as at 31 December 2017, compared with €13,914m as at 31 December 2016.

The reclassified income statements, statements of financial position, statements of comprehensive income and statements of cash flows of the Atlantia Group and Atlantia SpA as at and for the year ended 31 December 2017 are attached hereinafter.

It should be noted that, to date, the audit of Atlantia's separate and consolidated financial statements for the year ended 31 December 2017 has yet to be completed.

Reclassified consolidated income statement

€M	2017	2016	INCREASE/ (DECREASE) ABSOLUTE	%
Toll revenue	4.195	4.009	186	5
Aviation revenue	799	636	163	26
Contract revenue	32	54	-22	-41
Other operating income	947	785	162	21
Total operating revenue	**5.973**	**5.484**	**489**	**9**
Cost of materials and external services (1)	-905	-799	-106	13
Concession fees	-513	-495	-18	4
Net staff costs	-891	-812	-79	10
Total net operating costs	**-2.309**	**-2.106**	**-203**	**10**
Gross operating profit (EBITDA)	**3.664**	**3.378**	**286**	**8**
Amortisation, depreciation, impairment losses and reversals of impairment losses	-1.012	-956	-56	6
Operating change in provisions and other adjustments	-74	-107	33	-31
Operating profit (EBIT)	**2.578**	**2.315**	**263**	**11**
Financial income accounted for as an increase in financial assets deriving from concession rights and government grants	73	67	6	9
Financial expenses from discounting of provisions for construction services required by contract and other provisions	-42	-65	23	-35
Other financial income/(expenses)	-538	-539	1	-
Capitalised financial expenses on intangible assets deriving from comcession rights	4	5	-1	-20
Share of profit/(loss) of investees accounted for using the equity method	-10	-7	-3	43
Profit/(Loss) before tax from continuing operations	**2.065**	**1.776**	**289**	**16**
Income tax expense	-632	-533	-99	19
Profit/(Loss) from continuing operations	**1.433**	**1.243**	**190**	**15**
Profit/(Loss) from discontinued operations	-1	-5	4	-80
Profit for the year	**1.432**	**1.238**	**194**	**16**
(Profit)/Loss attributable to non-controlling interests	260	116	144	n.s.
(Profit)/Loss attributable to owners of the parent	**1.172**	**1.122**	**50**	**4**

	2017	2016	INCREASE/ (DECREASE)
Basic earnings per share attributable to the owners of the parent (€)	**1,43**	**1,36**	**0,07**
of which:			
- from continuing operations	1,43	1,37	0,06
- from discontinued operations	-	-0,01	0,01
Diluted earnings per share attributable to the owners of the parent (€)	**1,43**	**1,36**	**0,07**
of which:			
- from continuing operations	1,43	1,37	0,06
- from discontinued operations	-	-0,01	0,01

(1) Net of the margin recognised on construction services performed by the Group's in-house construction companies.

Consolidated statement of comprehensive

€M		2017	2016
Profit for the year	(A)	1.432	1.238
Fair value gains/(losses) on cash flow hedges		80	-46
Tax effect of fair value gains/(losses) on cash flow hedges		-19	17
Gains/(losses) from translation of assets and liabilities of consolidated companies denominated in functional currencies other than the euro		-207	347
Gains/(Losses) from translation of investments accounted for using the equity method denominated in functional currencies other than the euro		-2	4
Other comprehensive income/(loss) for the year reclassifiable to profit or loss	(B)	-148	322
Gains/(losses) from actuarial valuations of provisions for employee benefits		-2	-3
Tax effect of gains/(losses) from actuarial valuations of provisions for employee benefits		-	1
Other comprehensive income/(loss) for the year not reclassifiable to profit or loss	(C)	-2	-2
Reclassifications of other components of comprehensive income to profit or loss for the year	(D)	21	-3
Tax effect of eclassifications of other components of comprehensive income to profit or loss for the year	(E)	-5	-
Total other comprehensive income/(loss) for the year	(F=B+C+D+E)	-134	317
Comprehensive income for the year	(A+F)	1.298	1.555
Of which attributable to owners of the parent		*1.130*	*1.260*
Of which attributable to non-controlling interests		*168*	*295*

Reclassified consolidated statement of financial position

€M	31 December 2017	31 December 2016	INCREASE/ (DECREASE)
Non-current non-financial assets			
Property, plant and equipment	303	291	12
Intangible assets	27.424	28.203	-779
Investments	267	291	-24
Deferred tax assets	1.258	1.403	-145
Other non-current assets	8	30	-22
Total non-current non-financial assets (A)	**29.260**	**30.218**	**-958**
Working capital			
Trading assets	1.798	1.672	126
Current tax assets	79	106	-27
Other current assets	187	197	-10
Non-financial assets held for sale or related to discontinued operations	5	4	1
Current portion of provisions for construction services required by contract	-427	-531	104
Current provisions	-380	-446	66
Trading liabilities	-1.583	-1.651	68
Current tax liabilities	-151	-63	-88
Other current liabilities	-634	-611	-23
Non-financial liabilities related to discontinued operations	-6	-6	-
Total working capital (B)	**-1.112**	**-1.329**	**217**
Gross invested capital (C=A+B)	**28.148**	**28.889**	**-741**
Non-current non-financial liabilities			
Non-current portion of provisions for construction services required by contract	-2.961	-3.270	309
Non-current provisions	-1.566	-1.576	10
Deferred tax liabilities	-2.254	-2.345	91
Other non-current liabilities	-108	-98	-10
Total non-current non-financial liabilities (D)	**-6.889**	**-7.289**	**400**
NET INVESTED CAPITAL (E=C+D)	**21.259**	**21.600**	**-341**

Reclassified consolidated statement of financial position

€M	31 December 2017	31 December 2016	INCREASE/ (DECREASE)
Equity attributable to owners of the parent	8.772	7.224	1.548
Equity attributable to non-controlling interests	2.991	2.699	292
Total equity (F)	11.763	9.923	1.840
Net debt			
Non-current net debt			
Non-current financial liabilities	15.970	14.832	1.138
Bond issues	11.362	10.176	1.186
Medium/long-term borrowings	4.012	4.002	10
Non-current derivative liabilities	566	631	-65
Other non-current financial liabilities	30	23	7
Non-current financial assets	-2.316	-2.237	-79
Non-current financial assets deriving from concession rights	-964	-931	-33
Non-current financial assets deriving from government grants	-250	-265	15
Non-current term deposits	-315	-322	7
Non-current derivative assets	-107	-83	-24
Other non-current financial assets	-680	-636	-44
Total non-current net debt (G)	13.654	12.595	1.059
Current net debt			
Current financial liabilities	2.254	3.249	-995
Bank overdrafts repayable on demand	18	5	13
Short-term borrowings	430	1.859	-1.429
Current derivative liabilities	14	26	-12
Current portion of medium/long-term borrowings	1.718	1.346	372
Other current financial liabilities	74	13	61
Cash and cash equivalents	-5.631	-3.391	-2.240
Cash in hand	-4.840	-2.788	-2.052
Cash equivalents	-784	-595	-189
Cash and cash equivalents related to discontinued operations	-7	-8	1
Current financial assets	-781	-776	-5
Current financial assets deriving from concession rights	-447	-441	-6
Current financial assets deriving from government grants	-70	-68	-2
Current term deposits	-179	-194	15
Current derivative assets	-1	-	-1
Current portion of other medium/long-term financial assets	-71	-66	-5
Other current financial assets	-13	-7	-6
Total current net debt (H)	-4.158	-918	-3.240
Total net debt (I=G+H) (1)	9.496	11.677	-2.181
NET DEBT AND EQUITY (L=F+I)	21.259	21.600	-341

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

Consolidated statement of cash flows

€M	2017	2016
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Profit for the year	1.432	1.238
Adjusted by:		
Amortisation and depreciation	1.088	955
Operating change in provisions, after use of provisions for refurbishment of airport infrastructure	70	137
Financial expenses from discounting of provisions for construction services required by contract and other provisions	42	65
Impairment losses/(Reversal of impairment losses) on financial assets and investments accounted for at cost or fair value	4	-11
Share of (profit)/loss of investees accounted for using the equity method	10	7
Impairment losses/(Reversal of impairment losses) and adjustments of current and non-current assets	-69	-24
(Gains)/Losses on sale of non-current assets	-47	-1
Net change in deferred tax (assets)/liabilities through profit or loss	79	111
Other non-cash costs (income)	-69	-77
Change in working capital and other changes	-150	-38
Net cash generated from/(used in) operating activities [a]	2.390	2.362
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Investment in assets held under concession	-900	-1.263
Purchases of property, plant and equipment	-84	-113
Purchases of other intangible assets	-66	-46
Government grants related to assets held under concession	1	6
Increase in financial assets deriving from concession rights (related to capital expenditure)	75	76
Purchases of investments	-169	-190
Acquisitions of additional interests and/or investment in consolidated companies, net of cash acquired	-104	-1.294
Proceeds from sales of property, plant and equipment, intangible assets and unconsolidated investments	224	5
Proceeds from sales of consolidated investments, net of cash and cash equivalents transferred	1.870	-
Net change in other non-current assets	21	-13
Net change in current and non-current financial assets	-148	-66
Net cash generated from/(used in) investing activities [b]	720	-2.898
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Purchase of treasury shares	-84	-77
Dividends paid	-994	-775
Contributions from non-controlling shareholders	-	130
Return of capital to non-controlling shareholders	-93	-6
Proceeds from exercise of rights under share-based incentive plans	17	4
Issuance of bonds	2.352	654
Increase in short-term borrowings	-	1.600
Increase in medium/long term borrowings (excluding finance lease liabilities)	271	739
Redemption of bonds	-775	-971
Buyback of bonds	-	-220
Repayments of medium/long term borrowings (excluding finance lease liabilities)	-297	-253
Payment of finance lease liabilities	-3	-3
Net change in other current and non-current financial liabilities	-1.259	107
Net cash generated from/(used in) financing activities [c]	-865	929
Net effect of foreign exchange rate movements on net cash and cash equivalents [d]	-18	33
Increase in cash and cash equivalents [a+b+c+d]	2.227	426
NET CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	3.386	2.960
NET CASH AND CASH EQUIVALENTS AT END OF YEAR	5.613	3.386

Additional information on the statement of cash flows

€M	2017	2016
Income taxes paid	434	455
Interest and other financial income collected	63	110
Interest and other financial expenses paid	709	809
Dividends received	18	8
Foreign exchange gains collected	-	1
Foreign exchange losses incurred	-	1

Reconciliation of net cash and cash equivalents

€M	2017	2016
NET CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**3.386**	**2.960**
Cash and cash equivalents	3.383	2.958
Bank overdrafts repayable on demand	-5	-37
Cash and cash equivalents related to discontinued operations	8	39
NET CASH AND CASH EQUIVALENTS AT END OF YEAR	**5.613**	**3.386**
Cash and cash equivalents	5.624	3.383
Bank overdrafts repayable on demand	-18	-5
Cash and cash equivalents related to discontinued operations	7	8

Reclassified income statement of Atlantia SpA

€M	2017	2016	INCREASE/ (DECREASE) ABSOLUTE	%
Operating revenue	3	2	1	50
Total operating revenue	**3**	**2**	**1**	**50**
Cost of materials and external services	-30	-17	-13	76
Staff costs	-25	-21	-4	19
Total net operating costs	**-55**	**-38**	**-17**	**45**
Gross operating loss (EBITDA)	**-52**	**-36**	**-16**	**44**
Amortisation, depreciation, impairment losses and reversals of impairment losses	-1	-1	-	-
Operating loss (EBIT)	**-53**	**-37**	**-16**	**43**
Dividends received from investees	1.800	980	820	84
Gains on sale of investments	1.052	-	1.052	n.s.
Reversals of impairment losses/(Impairment losses) on investments	8	-31	39	n.s.
Other financial income/(expenses)	-35	6	-41	n.s.
Profit before tax from continuing operations	**2.772**	**918**	**1.854**	n.s.
Income tax (expense)/benefit	-50	1	-51	n.s.
Profit from continuing operations	**2.722**	**919**	**1.803**	n.s.
Profit for the year	**2.722**	**919**	**1.803**	n.s.

Statement of comprehensive income of Atlantia SpA

€M		2017	2016
Profit for the year	**(A)**	**2.722**	**919**
Fair value gains/(losses) on cash flow hedges		2	-3
Tax effect of fair value gains/(losses) on cash flow hedges		-	1
Deferred tax effect of issuer substitution on cash flow hedges		-	22
Other comprehensive income/(loss) reclassifiable to profit or loss for the year	**(B)**	**2**	**20**
Reclassification of the cash flow hedge reserve arising from issuer substitution		-	-71
Reclassifications of other components of comprehensive income to profit or loss for the year	**(C)**	**-**	**-71**
Total other comprehensive income/(loss) for the year	**(D=B+C)**	**2**	**-51**
Comprehensive income for the year	**(A+D)**	**2.724**	**868**

Reclassified statement of financial position of Atlantia SpA

€M	31 December 2017	31 December 2016	INCREASE/ (DECREASE)
Non-current non-financial assets			
Property, plant and equipment	7	7	-
Investments	9.699	10.808	-1.109
Other non-current assets	32	-	32
Total non-current non-financial assets (A)	**9.738**	**10.815**	**-1.077**
Working capital			
Trading assets	10	5	5
Current tax assets	120	87	33
Other current assets	1	1	-
Current provisions	-2	-2	-
Trading liabilities	-23	-8	-15
Current tax liabilities	-152	-81	-71
Other current liabilities	-23	-25	2
Total working capital (B)	**-69**	**-23**	**-46**
Gross invested capital (C=A+B)	**9.669**	**10.792**	**-1.123**
Non-current non-financial liabilities			
Non-current provisions	-1	-1	-
Deferred tax liabilities	-14	-12	-2
Other non-current liabilities	-5	-2	-3
Total non-current non-financial liabilities (D)	**-20**	**-15**	**-5**
NET INVESTED CAPITAL (E=C+D)	**9.649**	**10.777**	**-1.128**
Equity			
Issued capital	826	826	-
Reserves and retained earnings	8.590	8.470	120
Treasury shares	-169	-107	-62
Profit for the year after payment of interim dividend	2.256	557	1.699
Total equity (F)	**11.503**	**9.746**	**1.757**
Net debt/(net funds)			
Non-current net debt/(net funds)			
Non-current financial liabilities	**1.732**	**989**	**743**
Bond issues	1.732	989	743
Non-current financial assets	**-617**	**-1.333**	**716**
Non-current derivative assets	-53	-42	-11
Other non-current financial assets	-564	-1.291	727
Total non-current net debt/(net funds) (G)	**1.115**	**-344**	**1.459**
Current net debt/(net funds)			
Current financial liabilities	**1.135**	**1.607**	**-472**
Short-term borrowings	100	1.600	-1.500
Current portion of medium/long-term borrowings	1.020	5	1.015
Current derivative liabilities	14	1	13
Other current financial liabilities	1	1	-
Cash and cash equivalents	**-3.093**	**-219**	**-2.874**
Cash	-2.186	-14	-2.172
Cash equivalents	-900	-	-900
Intercompany current account receivables due from related parties	-7	-205	198
Current financial assets	**-1.011**	**-13**	**-998**
Current portion of other medium/long-term financial assets	-1.001	-4	-997
Current derivative assets	-1	-	-1
Other current financial assets	-9	-9	-
Total current (net funds)/net debt (H)	**-2.969**	**1.375**	**-4.344**
Total (net funds)/net debt (I=G+H)	**-1.854**	**1.031**	**-2.885**
NET DEBT AND EQUITY (L=F+I)	**9.649**	**10.777**	**-1.128**

Statement of cash flows of Atlantia SpA

€M	2017	2016
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Profit for the year	**2.722**	**919**
Adjusted by:		
Amortisation and depreciation	1	1
(Reversals of impairment losses)/Impairment losses on investments	-8	31
(Gains)/Losses on sale of non-current assets	-1.052	-
Other non-cash costs (income)	-750	3
Change in working capital and other changes	46	35
Net cash generated from/(used in) operating activities [a]	**959**	**989**
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Purchases of investments	-265	-1.998
Proceeds from distribution of reserves by subsidiaries	1.101	-
Proceeds from sale of interests in investees	2.091	-
Net change in other non-current assets	-32	-
Net change in current and non-current financial assets	-271	1.318
Net cash generated from/(used in) investing activities [b]	**2.624**	**-680**
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Purchase of treasury shares	-84	-77
Dividends paid	-899	-758
Proceeds from exercise of rights under share-based incentive plans	17	4
Issuance of bonds	1.731	-
Increase in short-term borrowings	100	1.600
Redemption of bonds	-	-1.101
Net change in other current and non-current financial liabilities	-1.574	-175
Net cash generated from/(used in) financing activities [c]	**-709**	**-507**
Increase/(Decrease) in net cash and cash equivalents [a+b+c]	**2.874**	**-198**
NET CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**219**	**417**
NET CASH AND CASH EQUIVALENTS AT END OF YEAR	**3.093**	**219**

Additional information on the statement of cash flows of Atlantia SpA

€M	2017	2016
Income taxes paid/(refunded) to/(by) the tax authorities	226	329
Income taxes refunded/(paid) by/(to) companies participating in tax consolidation	214	328
Interest and other financial income collected	79	668
Interest and other financial expenses paid	82	637
Dividends received	1.045	980
Foreign exchange gains collected	-	1
Foreign exchange losses incurred	-	1

Reconciliation of net cash and cash equivalents

€M	2017	2016
Net cash and cash equivalents at beginning of year	**219**	**417**
Cash and cash equivalents	219	417
Net cash and cash equivalents at end of year	**3.093**	**219**
Cash and cash equivalents	3.093	219